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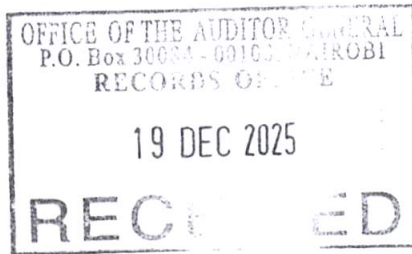
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REPORT
OF
THE AUDITOR-GENERAL
ON
COUNTY EXECUTIVE OF NAIROBI CITY
FOR THE YEAR ENDED
30 JUNE, 2025

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COUNTY EXECUTIVE OF NAIROBI CITY

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

Transitional International Public Sector Accounting Standards Financial Statements

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1. Acronyms, Abbreviations and Definition of Key Terms

A. Acronyms and Abbreviations

<i>ADP</i>	<i>Annual Development Plan</i>
<i>AIE</i>	<i>Authority to Incur Expenditure</i>
<i>CA</i>	<i>County Assembly</i>
<i>CARA</i>	<i>County Allocation of Revenue Act</i>
<i>CBK</i>	<i>Central Bank of Kenya</i>
<i>CECM</i>	<i>County Executive Committee Member</i>
<i>CE</i>	<i>County Executive</i>
<i>CG</i>	<i>County Government</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>COG</i>	<i>Council of Governors</i>
<i>CRA</i>	<i>Commission on Revenue Allocation</i>
<i>CRF</i>	<i>County Revenue Fund</i>
<i>CT</i>	<i>County Treasury</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>MCA</i>	<i>Member of County Assembly</i>
<i>OAG</i>	<i>Office of the Auditor General</i>
<i>OCOB</i>	<i>Office of the Controller of Budget</i>
<i>OSR</i>	<i>Own Source Revenue</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>NT</i>	<i>National Treasury</i>
<i>WB</i>	<i>World Bank</i>
<i>KRB</i>	<i>Kenya Roads Board</i>
<i>Kshs</i>	<i>Kenya Shillings</i>
<i>FY</i>	<i>Financial Year</i>

B. Definition of Key Terms

Example

Fiduciary Management *The key management personnel who had financial responsibility*

(This list is an indication of acronyms, abbreviations, and key terms; the County entity should include all from the annual report and financial statements prepared)

2. Key Entity Information and Management

(County Executive)

a) Background information

The County Executive is constituted as per article 176 of the Constitution of Kenya 2010. It is headed by the Governor, who is responsible for the general policy and strategic direction of the County. The County Executive is comprised of the following departments:

Number	Department	Major Responsibility
1.	Finance and Economic Planning Affairs.	<ol style="list-style-type: none"> 1. Developing and implementing financial and economic policies in the County. 2. Preparing the annual budget for the county and coordinating the preparation of estimates of revenue and expenditure of the county government. 3. Coordinating development planning and implementation 4. Mobilizing resources for funding the budgetary requirements of the county government and putting in place measures to raise revenue and resources.
2.	Innovation and Digital Economy	<ul style="list-style-type: none"> - Formulating and reviewing County ICT Infrastructure strategy and policy and monitor its implementation; - Coordinate Nairobi County Start Up Stakeholder engagement; - Developing and managing strategic systems including shared services and infrastructure, data, information security, data centres and electronic services of the County; Develop and enforce strategic ICT security initiatives

County Executive of Nairobi City
Annual Report and Financial Statements for the year ended June 30, 2025.

Number	Department	Major Responsibility
		within County including oversight of incident response;
3.	Talents, Skills Development and Care	<ul style="list-style-type: none"> - Pre- Primary Education. - Early Childhood Development. - Sports promotion and development - Talents Identification and Development - Social policy development - Promote socioeconomic empowerment and community development programmes.
4.	Mobility and Works	<ul style="list-style-type: none"> - To design and operate traffic management system (TMS) to enhance efficient flow of both vehicles and pedestrians - Liaison with National and other agencies in the planning and designing of transport systems within the county - To develop and maintain public transport infrastructure; - To design, develop and maintain institutional facilities to enhance service delivery; - To coordinate energy and lighting infrastructure in the County
5.	Built Environment and Urban Planning	<ol style="list-style-type: none"> 1. County land and infrastructure surveying 2. County valuation services 3. Land administration and property management 4. Land registration 5. County urban development planning and Urban design 6. County urban development control 7. Housing development.

County Executive of Nairobi City

Annual Report and Financial Statements for the year ended June 30, 2025.

Number	Department	Major Responsibility
		8. Urban Renewal
6.	Boroughs Administration and Personnel	<ol style="list-style-type: none"> 1. The development of policies and plans; 2. Service delivery; 3. Developmental activities to empower the community; 4. Human Resources Management
7.	Business and Hustler Opportunities	<ol style="list-style-type: none"> 1. Promote Micro, Small and Medium Enterprises (MSMEs) 2. Provide business counselling, advisory and consultancy services. 3. Ensure fair trading practices within the County 4. Trade development and Regulation 5. Markets Management 6. Markets Infrastructure Development 7. Promotion of co-operative societies
8.	Green Nairobi (Environment, Water, Food and Agriculture)	<ol style="list-style-type: none"> 1. Solid waste Management 2. Crop, Livestock and fisheries development and management 3. Water and Sanitation Services 4. Water pollution control
9.	Health Wellness and Nutrition	<ol style="list-style-type: none"> 1. County health facilities and infrastructure administration 2. Health policy formulation and regulation 3. Preventive and Promotive Health Services 4. Medical services 5. Provide Nutrition Services in the community and Health facilities 6. School Feeding Program
10.	Inclusivity, Public Participation and Customer Service	<ol style="list-style-type: none"> 1. Public participation and citizen engagement

**County Executive of Nairobi City
Annual Report and Financial Statements for the year ended June 30, 2025.**

Number	Department	Major Responsibility
		2. Cultural activities, public entertainment and public amenities. 3. Development and implementation of county tourism Development plans, programmes and projects 4. Gender mainstreaming 5. Promote and manage programmes for children, women and persons living with disabilities.

b) Key Management team

The *County Executive's* day-to-day management is under the following key organs:

No.	Designation	Name
1	Office of the Governor	H.E Sakaja Johnson
2	Office of the Deputy Governor	H.E. Njoroge Muchiri
3	Finance and Economic Planning Affairs.	Mr. Charles K. Kerich
4	Innovation and Digital Economy	Mr. Michael Gumo
5	Talents, Skills Development and Care	Mr. Brian Mulama
6	Mobility and Works	Mr. Ibrahim Auma Nyangoya
7	Built Environment and Urban Planning	Mr. Patrick Mbogo
8	Boroughs Administration and Personnel	Mr. Stephen Gathuita Mwangi
9	Business and Hustler Opportunities	Dr. Anastasia Mutethya Nyalita
10	Green Nairobi (Environment, Water, Food and Agriculture)	Ms. Maureen Njeri
11	Health Wellness and Nutrition	Ms. Suzanne Silantoi
12	Inclusivity, Public Participation and Customer Service	Ms. Rosemary Kariuki
13	County Attorney	Ms. Christine Ileri

County Executive of Nairobi City

Annual Report and Financial Statements for the year ended June 30, 2025.

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

1	CECM - Finance and Economic Planning Affairs	Mr. Charles K. Kerich
2	Accounting Officer - Environment	Mr. Geoffrey Omatoke Mosiria
3	Accounting Officer - Water and Sewerage	Mr. Oscar Omoke Ocholla
4	Accounting Officer - Mobility	Dr. Michael Waikenda
5	Accounting Officer - Works	Mr. George Kimutai Tirop
6	Accounting Officer - Finance	Ms. Asha Abdi
7	Accounting Officer - Revenue Administration	Mr. Tirus Wainaina Njoroge
8	Accounting Officer - Business and Hustler Opportunities	Mr. Geoffrey Akumali Atiel
9	Accounting Officer - Cooperatives	Mr. Geoffrey Mutiso Musembi
10	Acting Accounting Officer - ICT Infrastructure	Mr. Tirus Wainaina Njoroge
11	Accounting Officer - Digital Economy and Startups	Mr. David Oyolo Sande
12	Accounting Officer - Smart Nairobi	Mr. Wilson Njoroge Gakuya
13	Accounting Officer - Lands	Ms. Cecilia Wangari Koigu
14	Accounting Officer- Urban Development and Planning	Mr. Patrick Analo Akivaga
15	Accounting Officer - Housing and Urban Renewal	Ms. Lydia Mathia
16	Accounting Officer - City Culture, Arts and Tourism	Mr. Clement Rapundo Sijenji
17	Accounting Officer - Gender and Inclusivity	Ms. Maryan Dubow Dahir
18	Accounting Officer - ECD and Vocational Training	Mr. Ahmed Mohammed Abdi
19	Accounting Officer - Youth, Talent and Sports	Mr. Oscar Mufunga Igaida
20	Accounting Officer - Social Services	Mr. Boniface Nyamu
21	Accounting Officer - Public Service	Ms. Janet Omollo Opiata
22	Accounting Officer - Health Facilities	Mr. Hiram Otieno Nyakach
23	Accounting Officer - Public Health	Mr. Tom Michira Nyakaba
24	Accounting Officer - Medical Services	Ms. Irene Njeri Muchoki
25	Accounting Officer - Office of the Governor	Ms. Priscilla Muthoni Mahinda
26	Accounting Officer - Security and Compliance	Mr. Tony Michael Kimani
27	Accounting Officer - Disaster Management and Coordination	Mr. Bramwell Wesangula Simiyu
28	Accounting Officer - Public Engagement, Citizen Engagement and Customer Service	Ms. Zipporah Njeri Mwangi
29	Accounting Officer - Economic Planning	Mr. John Murungi Lintari
30	Accounting Officer - Boroughs and Sub County Administration	Mr. Bernard Muia
31	Accounting Officer - Markets and Trade	Ms. Jane Wangui
32	Accounting Officer - Food Agriculture and Natural Resources	Ms. Gladwell Cheruiyot
33	Accounting Officer - Wellness Nutrition and School Feeding	Ms. Amina Mohammed

**County Executive of Nairobi City
Annual Report and Financial Statements for the year ended June 30, 2025.**

34	Accounting Officer – Internal audit and Risk management	Mr. Francis Njoroge Ndungu
35	Accounting Officer – Legal Affairs	Mr. Wasonga S. Ogolla

d) Fiduciary Oversight Arrangements

The Nairobi City County Assembly Budget and Appropriations Committee and Public Accounts Committee provide oversight on County Financial Management. The Budget and Appropriations committee oversees and monitors budget preparation and implementation while the Public Accounts Committee reviews all reports of the Auditor-general in matters related to the management of finances. The County has an established audit committee which strengthens the independence and the processes around internal auditing.

e) County Executive Headquarters

P.O. Box 30075 00100,
City Hall Building,
City Hall Way,
NAIROBI, KENYA

f) County Executive Contacts

Telephone: (254) 20 224281, (254) 20 2216151
E-mail: info@nairobi.go.ke
Website: www.nairobi.go.ke

g) County Executive Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

County Executive of Nairobi City
Annual Report and Financial Statements for the year ended June 30, 2025.

2. Other Commercial Banks

i. Co-operative Bank

City Hall Branch

P.O Box 44805 - 00100

NAIROBI, KENYA

ii. Kenya Commercial Bank

Moi Avenue Branch

P.O Box 30081 – 00100

NAIROBI, KENYA

(ii) Equity Bank,

Equity Centre Branch,

P.O. Box 75104 – 00200,

NAIROBI, KENYA

h) Independent Auditor

Auditor-General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

i) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
NAIROBI, KENYA

j) County Attorney

P.O. Box 30075 00100,
City Hall Building,
City Hall Way,
NAIROBI, KENYA

3. Governance Statement

Nairobi City County is constituted as per the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County.

The County is made up of a County Assembly, County Executive and three number of County Government Entities. The County Executive is structured in terms of departments, headed by a County Executive Committee Member (CECMs). The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution. The County Secretary heads county public service and is responsible for arranging the business of county executive committee.




The County Executive






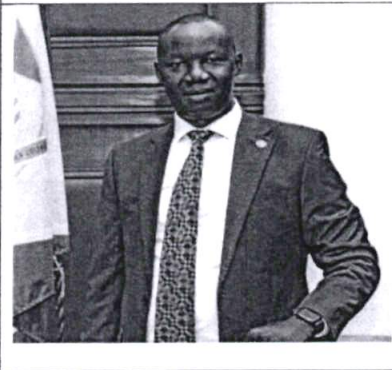


Nairobi City County is constituted as per the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County.

The County is made up of a County Assembly, County Executive and three number of County Government Entities. The County Executive is structured in terms of sectors, headed by a County Executive Committee Member (CECMs). The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution. The County Secretary heads county public service and is responsible for arranging the business of county executive committee.




The Cabinet is comprised of the Governor as the Chairperson deputised by the Deputy Governor, Ten County Executive Committee Members, County Attorney and the County Secretary who acts as the secretary to the Cabinet. Below are photos of the Cabinet Membership;

County Executive of Nairobi City
Annual Report and Financial Statements for the year ended June 30, 2025.

	<p>H.E. Sakaja Arthur Johnson</p> <p>Governor Nairobi City County</p>
	<p>H.E. James Njoroge Muchiri</p> <p>Deputy Governor Nairobi City County</p>
	<p>Mr. Godfrey Akumali Ateel</p> <p>Acting County Secretary</p>

	<p>Charles K. Kerich</p> <p>CECM – Finance and Economic Planning Affairs</p>		<p>Ms. Suzanne Silantoi</p> <p>CECM – Health, Wellness and Nutrition</p>
	<p>Ms. Maureen Njeri</p> <p>CECM – Green Nairobi (Environment, Water, Food and Agriculture)</p>		<p>Dr. Anastasia Mutethya Nyalita</p> <p>CECM – Business and Hustler Opportunities</p>
	<p>Ms. Rosemary Kariuki</p> <p>CECM – Inclusivity, Public Participation and Customer Service</p>		<p>Mr. Ibrahim Auma Nyangoya</p> <p>CECM – Mobility and Works</p>
	<p>Mr. Stephen Gathuita Mwangi</p> <p>CECM – Boroughs Administration and Personnel</p>		<p>Mr. Patrick Mbogo</p> <p>CECM – Built Environment and Urban Planning</p>

County Executive of Nairobi City
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	<p>Mr. Brian Mulama</p> <p>CECM – Talents, Skills and Care</p>		<p>Mr. Michael M. Gumo</p> <p>CECM – Innovation and Digital Economy</p>
	<p>Ms. Christine Ileri</p> <p>Acting County Attorney</p>		

The County while dealing with its stakeholders is guided by the following laws; County Government Act 2012, Nairobi City County Public Participation Act 2015, Nairobi City County Community and Neighbourhood Associations Engagement Act 2016, Public Service Values and Principles Act 2015 and Draft Policy on Public Participation 2018(National Government)

The County Executive Safeguards against unethical conduct and corruption. The County Executive has implemented Chapter 6 of Constitution of Kenya 2010 on Leadership and Integrity code. The County Executive has developed Specific County Leadership and Integrity code which has been signed by the Governor, Deputy Governor and County Executive Committee Members. The County Chief Officers and Directors have signed the NCC Staff Code of conduct and Ethics. Corruption Prevention Committees have been put in place in all County Sectors. The County has appointed and trained County Integrity assurance officers. On the institutional arrangement/structure on corruption eradication Investigation unit deals with investigation while Efficiency, Monitoring and Evaluation unit deals with ethics, accountability and transparency. The County has digitized County Revenue collection to minimize human interference with collection.

County Executive of Nairobi City
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The County Executive engages with sectoral committees which oversights county sectors. The executive also honours invitations by County Public Accounts Committee and Senate's County Public Accounts and Investments Committee where Audit reports on financial Statements are deliberated and the county provides responses to queries in the reports.

The County Internal Audit department undertakes periodic assessments on the effectiveness of internal controls and an audit report prepared at the end of the exercise. The sectors update risks in the specific registers and control measures put in place.

The County has an audit committee which was appointed as per the guidelines of Public Sector Accounting Standards board. The audit committee has a charter which was formulated in 2018

The County Executive in its operations is guided first by the provisions of Constitution of Kenya 2010. Other laws and regulations that are observed in day-to-day operations of the county include Public Finance Management Act, 2012, Public Finance Management regulations (County Governments), 2015, County Governments Act, No.17 of 2012, Intergovernmental Relations Act, No. 2 of 2012, Urban Areas and Cities Act, No. 13 of 2011, Intergovernmental Relations Act, No. 2 of 2012, Public Procurement and Asset Disposal Act, No.33 of 2015, Public Procurement And Asset Disposal Regulations, 2020 among other laws and regulations

4. Foreword by CECM Finance and Economic Planning

The financial statements have been prepared pursuant to sections 163,164 and 165 of the PFMA, 2012, a requirement that the county has consistently obliged to since the onset of devolution. The Reports and Financial Statements for the year have been prepared in accordance with Transition to IPSAS accrual basis as recommended by the Public Sector Accounting Standards Board. These financial statements are for the 12 months' period ended 30th June, 2025. Other than being a conformation to regulatory requirements, these statements provide the county an opportunity for self-assessment in all financial matters, as a process of learning and continuous improvement in management of public resources.

The constitution 2010, through part two of the fourth schedule, allocated fourteen functions and powers to be delivered by the counties, as affirmed by article 186 (1). These functions are:

1. Agriculture, including; Crop and animal husbandry; Livestock sale yards; County abattoirs; Plant and animal disease control; and Fisheries.
2. County health services, including, in particular; County health facilities and pharmacies; Ambulance services; Promotion of primary health care; Licensing and control of undertakings that sell food to the public; Veterinary services (excluding regulation of the profession); Cemeteries, funeral parlours and crematoria; and Refuse removal, refuse dumps and solid waste disposal.
3. Control of air pollution, noise pollution, other public nuisances and outdoor advertising.
4. Cultural activities, public entertainment and public amenities, including; Betting, casinos and other forms of gambling; Racing; Liquor licensing; Cinemas; Video shows and hiring; Libraries; Museums; Sports and cultural activities and facilities; and County parks, beaches and recreation facilities.
5. County transport, including; County roads; Street lighting; Traffic and parking; Public Road transport; and Ferries and harbours, (excluding the regulation of international and national shipping and matters related thereto)
6. Animal control and welfare, including; Licensing of dogs; and Facilities for the accommodation, care and burial of animals.
7. Trade development and regulations, including; Markets; Trade licences (excluding regulation of professions); Fair trading practices; Local tourism; and Cooperative societies.
8. County planning and development, including; Statistics; Land survey and mapping; Boundaries and fencing; Housing; and Electricity and gas reticulation and energy regulation.
9. Pre-primary education, village polytechnics, home craft centres and childcare facilities.
10. Implementation of specific national government policies on natural resources and environmental conservation, including; Soil and water conservation; and Forestry.
10. County public works and services, including; Storm water management systems in built-up areas; and, Water and sanitation services.
11. Ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for

the effective exercise of the functions and powers and participation in governance at the local level.

For delivery of these functions within Nairobi County, various structures exist, with clearly defined roles. Nairobi City County Government is a product of devolution which was introduced by Article 6 and 174 of the constitution, and therefore a government exists as per article 176 (1), with both the County Assembly and the County Executive in existence. For efficient delivery of the functions, the county government has existing functional structures as guided by different legislation.

The county remains committed, and continuously pursues the fulfilment of the fiscal responsibility principles as espoused in section 107 of the PFM Act and its attendant regulations. The county transferred Kshs 31.2 billion from the County Revenue Fund which was used to support the county government's operations.

On the expenditure side, a larger proportion of county funds was incurred in compensation to employees at Kshs 19.8 billion, use of goods and services at 15.7 billion, grants and subsidies 2.2 billion and acquisition of assets at Kshs 6.1 billion.

The statements directly correlate with the government's development agenda, which saw cognizable milestones in improved provision of health and nutritional services, improved access to education, improvement in roads infrastructure, improved environment and reduced pollution, improved access to extension services and improved response to disaster. Notable flagship projects/programmes that gained momentum in the period under review includes; the school feeding programme through construction of kitchens and supplementation of food; expansion of health facilities and improved number and capacity of health personnel; Provision of conducive trading spaces by construction of new markets and rehabilitation of existing ones; Improved management of solid waste by improved capacity of waste collection and transportation; Improved environment through tree planting, river cleaning and improvement enforcement towards reduction of air and noise pollution and improved food safety through inspection and training.

Meeting the county's strategic objectives was hampered by a number of challenges including; High resource requirement for implementation of priorities in the county which far outstrips the county budget; unmet own source revenue targets exacerbated by frequent protests in the city and delayed exchequer release by the National Treasury has led to stalling of a number of projects.

In the medium term, the county will continue its pursuit towards making Nairobi a city of order, dignity, hope and opportunities for all. Continuation and completion of ongoing programmes will be prioritized in the short term, and a long-term vision for sustainable development and prosperity in the county will be developed. Being the capital city of Kenya, and given the high and ever-growing population, the resources required for adequate service provision remain too huge for the county to

County Executive of Nairobi City
Annual Report and Financial Statements for the year ended June 30, 2025.

meet. We therefore continuously pursue strategies to improve our own source revenues, and also leverage on alternative sources of financing to ensure the development targets are achieved and the expectations of the residents are met.



.....
CECM Finance and Economic Planning
Nairobi City County Government

5. Statement of Performance against Predetermined Objectives

Strategic development objectives (*Customize as per specific county*)

The County’s 2023-2027 CIDP has identified 3 key aspiration that will provide a nexus for development in Nairobi County for five years. Broadly, these aspirations have been identified through a participatory process that reviewed the development priorities of the Governor’s Manifesto, the National Government’s Vision 2030, SDGs and the MTP III. The key development aspiration of the County’s CIDP 2023-2027 is to:

Aspiration I: A City of Order

Aspiration II: A city of Dignity

Aspiration III: A City of Hope and Opportunities for all

The attainment of the CIDP 2024-2025 is reflected in table 1. It is the 2nd ADP on the implementation of CIDP 2023-27.

Progress on Attainment of Development Objectives from Annual Development Plan for FY 2024-25

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Table 1: Progress in the attainment of ADP 2024-25

1. Mobility and Works

Programme	Strategic Objective	Outcome	Output Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	Variance	Target	Actual	Variance
Roads & storm water	To develop and maintain roads and storm water drainage to standards	Increased efficient transportation of people, goods and services	No. of KMs of storm water drainage constructed	120	6	114	591	464	127
			No. of KMs of common service ducts developed	4	0	4	20	0	20

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Programme	Strategic Objective	Outcome	Output Indicator	Achievement for FY			Cumulative achievement by end of FY 2024/25		
				Target	Actual	Variance	Target	Actual	Variance
			No. of KMs of roads paved	55	4.5	50	380.2	108.5	271.7
			No. of KMs of road (Kms) gravelled	40	122	82	314	122	192
			% Roads and storm water drains maintained	100	100	0	100	100	0
Mobility	To operate and maintain traffic management systems (TMS) and transport infrastructure	Increased travel mobility and accessibility to safe transportation system	No. of Kms of walkways and footpaths constructed	26,000 M ²	26,000 M ²	0	26,170	26,170	0
			No of Zebra crossings	0	0	0	700	355	345
			No. of bumps erected	0	0	0	600	355	245
			Construction of Public transport facilities	25	18	7	25	18	7
			No of Junctions signalized	0	2	2	110	61	49
			No. of signages installed	0	10	10	3050	1700	1350
			To develop and maintain institutional facilities	Increased safety and hygienic living / working environment	Number of foot bridges constructed	5	2	3	95
	Number of motorable foot bridges constructed	4			2	2	65	35	30
	To develop and maintain street and security lighting infrastructure	Increased public safety and security	Number of lighting fixtures installed	1000	1,105	105	34680	4627	30,053

2. HEALTH, WELLNESS AND NUTRITION

Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
To eliminate communicable conditions.	Reduction of HIV related mortality and new infections	% of mother to child transmission of HIV	<5%	<6.5%	1.5	<4.2	<6.5	2.3
		Number of Persons tested for HIV	871,000	934,435	63,435	3,205,723	2,162,777	1,042,946
		No. of Staff trained on HIV	1,100	1,300	200	5500	2977	2523
	Reduction of TB transmission	No. of TB cases identified and put on treatment	13,460	12,833	627	63700	35387	28,313
		% of TB patients screened for HIV	99%	99%	0	100%	99%	1
		TB success rate (%)	89%	88%	1	100%	87%	13
		No of client put on TB preventive therapy (TPT)	45,000	6,116	38,884	17,000	10,697	6303
		No of Staff trained on TB	100	217	117	2,250	1,839	411
	Malaria and other communicable diseases controlled	% reporting rate of public health facilities on Malaria health commodities	100%	100%	0	-	-	-
		No. of Staff trained on malaria and other communicable diseases	150	169	19	100	85	15
		Number of Malaria program Quarterly Supervisions done	4	4	0	-	-	-
		% of suspected malaria cases screened and investigated promptly as	100%	100%	0	-	-	-

**County Executive of Nairobi City
Annual Report and Financial Statements for the year ended June 30, 2025.**

Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
		per standard guidelines						
Inoculation	Increased coverage of international travel-related vaccinations (inoculation services)	# of people (travellers) vaccinated as per international travel health regulations	20,000	3,693	16307	190,000	30,148	159.852
Epidemiology and Disease Surveillance	Strengthened capacity of health workforce in disease surveillance and response.	# of health staff trained in surveillance and response	400	1200	800	2200	2000	200
	Improved reporting and timeliness of epidemiological surveillance data	% of health facilities giving weekly epidemiological data	80%	84%	4	358	358	0
	Enhanced vaccine forecasting and supply chain management	# of County vaccine Forecasting Forums held	20	20	0	-	-	-
	Expanded access to immunization services through integrated outreach programs	# of Integrated quarterly immunization outreaches conducted	597	743	146	-	-	-
Health Promotion	Improved health communication infrastructure	# Public Address Systems bought and deployed to	2	0	2	18	0	18

County Executive of Nairobi City

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
	ture for community outreach	County and Sub Counties						
	Strengthened human resource capacity for health promotion sub-county levels	# of Health Promotion Officers (HPOs) employed and deployed	2	-	2	85	0	85
	Increased availability and reach of health education and awareness messages	# of Health messages designed distributed and disseminated	58,760	323,264	264,508	135,000	126,342	8658
	Enhanced community knowledge and participation in health and wellness programs	# of public literacy sessions held	210	7542	7332	1200	1200	0
	Strengthened capacity of health workers in Social and Behaviour Change Communication (SBCC)	# of Health Care Providers Trained on SBCC/HCBC	100	5050	4950	500	150	350
	Improved access to and implementation of health promotion policies,	# of disseminated policies, guidelines, and standards	100	119	19	7	5	2

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
	guidelines, and standards							
School Health	Development and dissemination of a comprehensive school health manual to guide implementation of school health programs	#formulation of comprehensive school health manual	1	1	0	-	-	-
	Increased delivery of health education messages to learners across the 8 school health thematic areas	#of health messages given to learners in relation to 8 thematic areas	300	1231	931	502	502	0
	Expanded coverage of school-based deworming interventions for improved child health and learning outcomes	# of school going children dewormed	576609	337994	238,615	375,405	375,405	0
	Increased HPV vaccination coverage among school-going children for cervical	# of learners vaccinated against HPV	70000	94688	246888	-	-	-

County Executive of Nairobi City
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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
	cancer prevention							
	Strengthened collaboration between the Ministry of Health and Ministry of Education in implementation of school health programs	# of multi sectoral meetings done between MOH and MOE	4	6	2	-	-	-
Community Health Services	Scaled up and strengthened Community health services	# of functional community Health Units	782	782	0	782	782	0
		# of persons referred from community health Unit to facility	85120	112103	26,983	424,131	206,000	218,131
		# of households reached by CHVs/CHPs with health promotion messages	782000	782000	0	782,000	782,000	0
		# of community scorecard conducted	157	160	3	928	405	523
		# of community dialogue days held	3040	3767	727	15,200	8,500	6,700
		# of CHVs/CHPs with community Health Kits	7820	7820	0	38,000	7372	30,628
		# of CHVs/CHPs with community-based health	7820	7520	300	38,000	7,507	30,493

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
		information tools/e CHIS mobile phones						
		#of Community health assistants (CHAs) employed.	50	90	40	765	100	665
		Development of Nairobi City County Community health Services regulations	0	-	0	1	0	1
		#of CHVs/CHPs receiving performance-based stipends	7820	7820	0	7820	7820	0
		# of CHS personnel capacity build on preventive and promotive indicators	7820	7820	0	10,000	9,370	630
	Enhance Partners hips in the County	No. of stakeholders' fora held	2	2	0	10	5	5
		Partnership Engagement Framework Document reviewed, disseminated and operationalize d	1	1	0	1	0	1
		no. of MoUs reviewed and signed	30	32	2	260	80	180
		No. of new partners introduced and linked to NCCG - Health sector	35	40	5	500	180	320
	Strengthen intergove rnmental collabora	No. of Intersectoral engagements, activities and projects	4	4	0	120	12	108

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
	tion and liaison activities	No. of Health Sector Intergovernmental Forum attended	2	2	0	120	15	105
Environmental health Services	Strengthened capacity of PHOs climate change interventions	# of PHOs trained on climate change	40	0	40	200	24	176
	Enhanced environmental health and safety through pest and vermin control in commercial premises	# of commercial premises fumigated against pests and vermin's	5700	3591	2109	27,960	3082	24,878
	Improved laboratory capacity for food safety and quality testing.	# of food laboratory reagents bought	2500	2765	265	10,000	5,000	5,000
	Enhanced compliance of food premises with hygiene and sanitation standards.	# of premises inspected and have met minimum requirement on hygiene and sanitation	31000	44848	13,848	189,500	92,103	97,397
	Strengthened multi-sectoral coordination on food fortification initiatives	# of quarterly County Food Fortification Alliance forums held	4	4	0	-	-	-
	Increased community and	# of food fortification	4	4	0	100	18	92

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
	stakeholder awareness on food fortification practices	sensitization forums held						
	Improved monitoring and quality assurance of fortified foods	# of biannual sampling for fortified foods	2	4	2	10	4	6
	Strengthened capacity of Public Health Officers on food fortification surveillance.	% of PHOs trained on food fortification surveillance	80	80	0	300	203	97
	Improved legal and policy framework for food safety and fortification	# of Policy and Bill documents on Food safety and fortification developed and enacted	2	2	0	5	5	0
	Increased surveillance of food and water safety through laboratory analysis	# of food and water samples taken for laboratory analysis	4000	4256	256	20,600	12,366	8234
	Improved health and safety standards among food handlers through regular medical examinations	# of food handlers examined and issued with medical certificates	320000	278338	41,662	1,610,000	589,066	1,020,934

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
	Strengthened multi-sectoral coordination and governance structures for sanitation and hygiene	# of sanitation & hygiene technical working groups established and functional	1	1	0	5	0	5
	Increased household access to safe and adequate sanitation facilities	# of households with access to a sanitary facility	70000	117576	47,576	30,000	29,170	830
	Expanded household access to safe water	# of Households with access to safe water	782000	759121	22879	37,567	37,567	0
	Reduced ODF through adoption of Community-Led Total Sanitation (CLTS)	# of villages with reduced Open defecation (ODF)	51	392	341	265	228	37
	Strengthened regulation and compliance of enterprises on safe faecal sludge management practices	# of enterprises regulated on Faecal; Sludge Management	2	5	3	10	1	9
	Improved compliance of workplaces with occupational	# of workplaces audited and have complied with occupational	250	1202	952	1400	696	704

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
	nal health and safety regulations through regular audits	health and safety regulations						
	Strengthened legal and policy framework for public health through enactment of legislations	# of public health legislations enacted	1	1	0	3	1	2
	Strengthened regulation and licensing of public and private cemeteries, funeral parlours, and crematoria	A county policy to regulate public and private cemeteries, funeral Parlors, crematoria and other burial sites was formulated.	1	0	1	-	-	-
	Increased availability of functional public cemeteries through acquisition and development of new burial sites	Number of functional public cemetery (acquisition of new burial sites)	1	2	1	-	-	-
	Improved mortuary infrastructure and equipment for efficient	Procurement of new plants(coolers/generator)	4(cooler & 1(generator)	4(cooler & 1(generator)	0	-	-	-
		A functional crematorium equipped with	2	1	1	-	-	-

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
	and dignified services	adequate equipment						
	Strengthened capacity of healthcare workers on infection prevention and control practices	# of HCW trained on IPC	160	149	11	-	-	-
	Increased availability and dissemination of IPC information, education and communication materials	# of IPC IEC materials printed and distributed	500	450	50	-	-	-
	Improved access to and implementation of updated IPC guidelines across health facilities	# new 2023 IPC guidelines printed and disseminated	70	150	80	-	-	-
	Enhanced monitoring and accountability for IPC implementation	# IPC performance review meetings held	4	4	0	-	-	-
	Strengthened surveillance and assessment of healthcare	#of health facilities assessed on HAIs	10	8	2	-	-	-
		# HAI surveillance conducted	7	7	0	-	-	-

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
	e-associated infections (HAI) in health facilities							
	Strengthened infrastructure, commodities, and equipment for effective healthcare waste management	# of improved infrastructure, commodities and equipment supply	1	2	1	5	5	0
	Increased compliance of public health facilities with safe healthcare waste disposal standards	# of public health facilities disposing off HCW appropriately	125	125	0	-	-	-
	Enhanced staff capacity and awareness on healthcare waste management practices	No. of staff with increased capacity, training and awareness	6	6	0	2500	380	2120
	Improved evidence generation through operational research on healthcare waste management	No. operational research on HCW	2	2	0	-	-	-

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25			
			Target	Actual	Variance	Target	Actual	Variance	
Health Policy, Planning and Health Financing	Strengthened procurement planning and dissemination for efficient health sector resource utilization	Health sector procurement plan developed and disseminated	1	1	0	5	3	2	
	Improved financial planning and resource allocation	Health sector budget estimates developed and disseminated	1	1	0	5	3	2	
	Enhanced accountability and financial performance monitoring	# of Quarterly financial review workshops	4	4	0	20	8	12	
	Strengthened health sector planning and resource mobilization	MTEF report developed (planning workshops and public participation forums)	1	1	0	5	2	3	
	Improved annual planning and implementation	AWP developed	1	1	0	5	4	1	
	Strengthened legal framework for health	# of health bills documents developed		1	1	0	19	5	14
			Nairobi County Health Policy reviewed	2	0	2	3	1	2
			Nairobi County Health Sector Strategic Plan developed	1	0	1	1	1	0

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
		A County policy on handling, preservation, autopsy service, transportation, disposal, exhumation and repatriation, in accordance with the framework of national policies formulated.	1	0	1	-	-	-
Family Health	Increased access to safe and skilled delivery services	No. deliveries conducted by skilled attendant	141782	135497	6285	708981	302014	406,967
	Expanded access to family planning services among women of reproductive age	No. of women of reproductive age receiving family planning services	590931	508987	81,944	2754926	1050645	1,704,281
	Strengthened capacity of healthcare workers to deliver quality focused antenatal care services	No. of HCWs trained in Focused Antenatal care	100	147	47	-	-	-
	Enhanced knowledge and skills of healthcare providers on Maternal, Newborn,	No. of HCPs trained on MNCH module	-	-	-	-	-	-

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
	and Child Health							
	Improved capacity of healthcare workers to provide emergency obstetric and newborn care services	No. of HCWs trained on EmoNC Skills	100	147	47	-	-	-
	Increased provider capacity to deliver a wider range of family planning methods	No. HCWs trained on new FP methods 1 and 2	100	206	106	-	-	-
	Strengthened maternal and perinatal death surveillance	No. of Quarterly Maternal and Perinatal Death Surveillance and Response (MPDSR) Committee meetings held	4	4	0	-	-	-
	Increased immunization coverage	# of fully immunized children	159830	129928	29,902	2516550	334890	2181660
	Improved survival and care of preterm and low birth weight neonates	# of preterm and low birth weight neonates initiated on kangaroo mother care	5882	5959	77	60,000	10,667	49,333
	Improved access to effective pneumonia treatment for	# of children under 5 years with pneumonia treated with Amoxicillin DT	55575	54803	772	270,000	115,748	154,252

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
	children under 5 years							
	Increased access to effective diarrhoea management for children under 5 years	# of children under 5 years with diarrhoea treated with ORS and Zinc in the facility	84901	86993	2092	1,050,000	193,750	856,250
	To increase access to primary health services	# of functional primary care networks	6	6	0	10	6	4
		# of community health units linked to primary care networks	320	320	0	291	291	0
		# No of outreaches held from facility to community	25	41	24	-	-	-
	Reduced impact of violence and injuries	% new outpatient cases attributed to Road traffic Injuries	3%	-	-	21	2.7	18.3
		% new outpatient cases attributed to other injuries	2%	-	-	46	46	0
		% of population experiencing sexual and gender-based violence	50%	-	-	-	-	-
	To increase demand and access to adolescent and youth responsive services	No. of health facilities providing adolescents and youth responsive services	60	72	12	-	-	-
		No. of health care workers trained on AYFS	120	151	31	11	11	0

County Executive of Nairobi City

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
		No. of specific youth dialogues held	60	82	22	10	10	0
		No. of adolescent TWGs held	4	4	0	14	14	0
		No. of integrated AYPs outreaches held	44	44	0	-	-	-
		No. of AYP support supervision held	4	4	0	-	-	-
	Increased demand and access to quality GBV services	#of functional Tumaini Clinics	48	49	1	8	5	3
		# of survivors accessing SGBV services	6620	8312	1692	28500	16782	11,718
		# of health facilities providing quality SGBV services	48	49	1	120	120	0
		Hold TWGS and biannually stakeholder forums	2	4	2	14	14	0
		#of PSS/Gender Trainings	4	4	0	-	-	-
		# focal persons trained on Gender mainstreaming	2	14	121	11	11	0
		# of GBV programme review forums	2	4	2	10	10	0
		Reduced non communicable conditions	# of ACSM activities on prevention and control of NCDS	12	12	0	6,000,000	120,000
	# of clients treated for other NCDs		14000	15157	1157	186,970	186,790	0
	# of clients treated for high blood pressure		111237	124522	13,285	160,182	147,985	12,197

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25			
			Target	Actual	Variance	Target	Actual	Variance	
		# of clients treated for diabetes	47674	52290	4616	212,649	60,786	151,863	
		%age of required NCD Commodities procured	100%	47%	53	-	-	-	
		Number of staff Capacity Built	400	468	68	4900	530	4370	
		# of women of reproductive age screened for cervical cancer	80000	95776	704,224	653,486	653,486	0	
		# of women screened for breast cancer	50000	58527	8527	424,131	73,654	350,477	
		# of health care workers capacity build on breast and cervical cancer screening	200	-	200	1400	967	433	
		# of men above 40 years screen for prostate cancer using PSA test	5000	5804	804	25000	19549	5451	
		A cancer center established in one of the county referral facilities	1	1	0	1	0	1	
		Increased promotion of wellness, mental well-being and prevention of mental disorder	# Biannual Wellness weeks celebrated	2	2	0	9	5	4
			# of people screened and treated for mental, neurological and substance use disorders	12000	22106	20906	100,000	35,000	65,000
# of patients with mental health conditions accessing psychotropic	15000		53941		24,018	24,018	0		
# of facilities offering	50		30	20	65	50	15		

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
		integrated mental health services						
		# of mental health practitioners employed	10	890		40	7	33
		#of county mental health policy documents developed/County mental Health Bill	1	1	0	1	1	0
		# of level IV facilities offering inpatient psychiatry services for Adults, Children & Adolescents and Perinatal women	1	1	0	7	0	7
		# of healthcare workers capacity build on mental health	50	56	6	1500	1500	0
		# of community mental health awareness sessions held	4	4	0	200	75	125
		# of rehabilitation centers established	1	2	1	12	4	8
		Cancer treatment center established at Mama Lucy Kibaki Hospital	1	-	-	-	-	-
		Multi drug resistant Tuberculosis isolation and treatment Centre established at	-	-	-	1	1	0

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
		Bahati health Centre						
	Increased access to specialized health services	# of thematic medical camps	30	38	8	-	-	-
	Enhanced capacity and competencies of clinical staff for improved service delivery	# of clinical staff trained/capacity build	150	170	20	-	-	-
		# of Clinical mentorships done in the 17 sub counties and level 5 hospitals	10	10	0	-	-	-
	Improved quality of health services through regular quality management review meetings	# of quality management meetings held	4	4	0	-	-	-
		County Dialysis unit established a Pumwani Nyayo ward	1	1	0	1	0	1
		# of public health facilities with specialized diagnostic services	1	8	7	5	3	2
	Improved access to safe water through de-fluoridation capacity building	#Workshops on De fluoridation of water sources	4	4	0	20	10	10
	Strengthened CHVs capacity in oral health promotion and prevention	#CHV training on oral health	25	201	184	230	230	0
	Increased awareness and skills	#Oral healthcare workers	5	38	33	23	23	0

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
	among oral healthcare workers	sensitization workshop						
	Expanded community access to preventive and promotive oral health services	#Oral health community outreach campaigns	4	28	24	35	35	0
	Enhanced knowledge and professional development of dental practitioners	#Dental CPDs/CMEs	10	10	0	60	30	30
	Improved integration of oral health into general healthcare services	#Medical staff sensitization on oral health conditions	4	17	13	350	350	0
	Strengthened oral health awareness and preventive practices among school-going children	#School focused oral health promotion	4	4	0	17	17	0
	Improved Diagnostic Services	# of Quarterly Laboratory data review meetings	4	4	0	-	-	-
		Establishment and equipping a Cancer diagnostic center at Parklands	0	0	0	-	-	-

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
		#RTCQI-Quarterly reviews	4	2	0	-	-	-
		# of Serviced and Calibrated TB Biosafety Cabinet/Hood	32	32	0	-	-	-
		# of Labs whose Auxiliary Equipment are serviced and calibrated	69	69	0	-	-	-
		# of Laboratory personnel trained on KEMR	80	60	20	-	-	-
		# of laboratory services supportive supervision conducted	4	4	0	-	-	-
		# of ISO 15189: 2022 certified laboratories	4	0	4	-	-	-
		# Antibigrams Completed	10	6	4	-	-	-
		# laboratory officers trained on commodity management	80	60				
		# of LCQI projects	14	11	3			
		# laboratory officers trained on quality management systems	30	26	4	-	-	-
		# of Immunoassay analyzers installed	1	1	0	-	-	-
		# of new laboratory initiated	1	1	0	-	-	-
		# of labs activated on Taita care	28	28	0	-	-	-
		# of SCMLCs trained on Taifa care	17	17	0	-	-	-

County Executive of Nairobi City

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
		Develop and implement a county Integrated Sample Referral System (ISRS) operation plan	1	0	1	-	-	-
	Improved early intervention, inclusivity, access and strengthened rehabilitation system	No. of children 12 years and below discharged on successful rehabilitation	240	593	353	-	-	-
		No. of Children 12 months and below with delayed developmental delays newly identified and started on rehabilitative care	4000	12296	8296	-	-	-
		No. of PWDs assessment forms verified and signed	3500	5283	1783	-	-	-
		No. of Health care workers trained on Kenya sign language	15	7	8	-	-	-
		No. of assistive devices fabricated and issued to clients	4000	4744	744	-	-	-
		# of persons with disabilities newly identified and referred for rehabilitation	11000	22824	11824	90248	90248	0
		# of persons with disabilities receiving rehabilitation services	25000	38279	13279	-	-	-
		#people with disabilities	2500	6141	3641	21398	21398	0

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
		assessed for registration with the National Council for PWDS						
		# of facilities offering medical rehabilitation services	15	15	0	20	15	5
		No. of Disability & Rehabilitative services out-reaches/in-reaches held	15	35	20	-	-	-
		# of healthcare workers trained on prevention, early identification and referral of disabilities	300	282	18	1860	1860	0
	Enhanced Nursing Services	# of training Non on pharm management (Essential medical supplies)	2	2	0	-	-	-
		# of nursing services supportive supervision conducted	4	4	0	-	-	-
		# of nursing SOPs developed	2	2				
		# of Nursing services performance review meetings	4	4	0	-	-	-
		# of induction training done	1	1	0	-	-	-
		# of Nursing Documentation tools Reviewed and standardized	3	8	5	-	-	-
		# of Nursing staff	1	1	0	-	-	-

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
		satisfaction Survey done						
	Enhanced Diagnostic Services	Number of MRI machines installed	1	1	0	-	-	-
		No. of CT scan installed	2	2	0	-	-	-
		No. of new facilities with Digital X-ray services	8	15	7	-	-	-
		No. of Established and equipped a cancer diagnostic center at Highbridge parklands	1	1	0	-	-	-
		No. of support supervision to all radiology department in Nairobi County	4	4	0	-	-	-
		# of CME On Radiology and imaging	24	29	5	-	-	-
		No. of sonographers and Radiographer in Nairobi County	30	29	11	-	-	-
		No. of facilities with Ultrasound services	20	25	5	-	-	-
		No. of staffs that are protected from radiation	50	92	42	-	-	-
	Strengthened county emergency preparedness and coordination	# of fully equipped Ambulances in the County	18	14	4	46	10	36
		No. of health workers on emergency & trauma, care services skills	220	294	74	2200	600	1600
		Emergency Operation	1	1	0	-	-	-

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Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
			Target	Actual	Variance	Target	Actual	Variance
		center Established						
	Evidence-based decision making supported through operational research and dissemination of findings	# of research guidelines and standard operating procedures developed and disseminated	1	1	0	120	48	72
		# of research review meetings held	24	24	0	15	15	0
		# of operational research done and findings shared	1	1	0	20	4	16
		# of research scientific conferences organized/attended	4	4	0	4	4	0
		Accreditation of the Research Ethics committee by NACOSTI	0	-	0	1	0	1
		Establishment and equipping the Research Office	0	-	0	100	40	60
		# of staff trained on operational research	40	25	15	-	-	-

3. TALENT, SKILL DEVELOPMENT AND CARE

Programme	Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	variance	Target	Actual	Variance
	To increase access and retention to quality ECDE Vocational Training and Education and	Improved access to quality ECDE Childcare, Pre Primary Education & Vocational	No of New ECDE centers/Classrooms Constructed	18	3	15	50	18	32
No of ECD centers assessed			200	226	26	223	210	13	
No of teachers provided with in-service training			1000	500	600	5350	3500	1850	

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Programme	Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	variance	Target	Actual	Variance
		Education and Training	No of ECDE learners accessing digital learning	22000	22000	0	200000	22617	177383
			No of learners participating in Co-curricular activities	4000	5600	1600	25000	4135	208965
			No of learners receiving capitation grants	30,000	32270	2270	200000	30290	169710
			No of ongoing ECD Centres Completed	18	3	15	-	-	-
			No of parcels of land secured with perimeter wall for school development	1	1	0	125	2	123
To increase access & retention to quality Vocational Training and Education	Improved access to quality Vocational Education and Training	Increased enrolment	1331	1692	361	143877	30290	113587	
		Number of Participants in Co-curricular Activities	128	200	72	1750	770	980	
		No. of Trainers receiving Capacity Strengthening programmes	24	24	0	1500	1500	0	
		No. of new VTC's built	2	0	2	5	0	5	
		No perimeter walls	2	0	2	8	3	5	
		No. of toilet blocks	2	0	2	8	8	0	
To provide Social protection to the vulnerable members	Improved social safeguards to the vulnerable members of our community	No. of Children rescued and rehabilitated	300	350	50	2200	709	1491	
		No. of Children with provided with psychosocial (counselling, therapy & trauma healing)	400	403	3	683	683	0	
		No. of Children reintegrated, re-socialized and reconciled with families.	200	179	21	200	183	17	
		No. of Case conferencing done	16	16	0	-	-	-	
		No. of personnel capacity built	20	20	0	-	-	-	
		No of community outreach & positive	16	18	2	2200	219	1981	

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Programme	Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	variance	Target	Actual	Variance
			parenting awareness forums held						
			No. of Charitable Children Institutions supervised	10	10	0	7	7	0
			% of works in the construction of No of Ultra-modern Children Rehabilitation centres	50%	50%	0	100	65	35
		Increased awareness on child protection and welfare	No of caregivers trained and debriefed	20	20	0	260	191	69
			No. children days commemorated	2	2	0	15	3	12
	To improve the social welfare of vulnerable families and the aged members of the society in Nairobi	Improved welfare of vulnerable families and the aged members of the society in Nairobi	No of Clients provided with Psychosocial support	2500	2637	137	15000	6703	5297
			No of older persons in the County facility provided with Care and protection	75	44	31	3500	2523	977
			No of older persons provided with Care and protection through outreach programs	250	257	7	-	-	-
			No of clients empowered with business skills training and startup kit.	250	148	102	4450	644	3806
			No of Social Work exchange programs held	4No.	1No. held in Sub-County	3	250	3	247
			Number of disadvantaged households assisted	150No	86No.	64	2500	723	1777
			No. personnel trained, de-briefed and supervised	23No.	21no.	2	350	84	266
			No of older persons/institutions	100No	26No.	74	1	1	0

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Programme	Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	Variance	Target	Actual	Variance
			added in database/register						
	To provide opportunities for socioeconomic development to communities in Nairobi	Increased opportunities for socioeconomic development to communities in Nairobi	No. of community exhibitions done	5	7	2	-	-	-
No. of group monitoring visits done			400	489	89	5000	2153	2847	
No. of community exchanges done			6	7	1	-	-	-	
No of community conversations done			12	17	5	-	-	-	
No of policies and guidelines developed			80%	The policy is at 80%	0	10	0	10	
No of leaders trained			100	196	96	-	-	-	
No of staff sensitized on Community Development practices			10	10	0	250	263	13	
No of Community groups participating in development activities			150	489	339	340	285	55	
No. of women groups who have started table banking			50	67	17	-	-	-	
No. of groups linked to resources			50	74	24	2000	187	1813	
	To reduce cases of Drugs and substance abuse as well as Pornography among Nairobi residents	Reduced incidences of Drugs and substance abuse as well as Pornography among Nairobi residents	No. of Education and information campaigns conducted on drugs and substance abuse	3	1	2	16	3	13
No of Education and information campaigns conducted on pomography			3	1	2	16	3	13	
No of community sensitization forums held on dangers of drugs and substance abuse			51	9	42	187	12	175	
No of community sensitization forums			51	9	42	187	12	175	

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Programme	Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	variance	Target	Actual	Variance
			held on dangers of pornography						
			No of Community champions sensitized on drugs and substance abuse and pornography	17	1	16	350	234	116
			No of County Staff sensitized on drugs and substance abuse and pornography	100	21	79	500	45	455
			No of social support groups formed to address drugs and substance abuse	17	-	17	85	4	81
	To Social-economically empower youths, provide information and create a conducive environment for leisure, talent development and recreation activities	Socially empowered youth engaging in productive & creative activities	No. of Youth Trained	300	650	350	8587	1580	7007
		Socially empowered youth engaging in productive creative activities	No. of Youth Trained No. of Training sessions held List of participants, report Certificates	5	20	15	3655	2570	1085
		Socially empowered youth engaging in productive creative activities	List of participants, Final Strategy launched, Implementation Matrix	1	1	0	-	-	-
		Socially empowered youth engaging in productive creative activities	List of participants, Policy Document, Implementation Matrix	1	0	1	-	-	-
		Socially empowered youth engaging in productive creative activities	No. of youth accessing the hub Handing over report No. of beneficiaries ie music production, content generation etc	1	1	0	17	2	15

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Programme	Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	variance	Target	Actual	Variance
		Data collection and mapping of youth groups and YSOs	Data base of youth groups and YSOs	200	0	200	85	11	74
	To promote sport development	Increased Sports talent activities for socio-economic development	No. of Sports Complexes established	4	3	1	19	2	17
			No. of academies established to cater for different sports disciplines	1	2	1	7	3	4
			No of Basket Ball Courts constructed	5	2	3	20	2	18
			No of play grounds rehabilitated	3	2	1	19	0	19
			No. of individuals with sports talent identified and nurtured	100	4474	4374	1000	980	20
			No. of teams equipped with sporting kits	34	61	27	807	807	0
			No. of Governor's tournaments/cups held	1	1	0	3	2	1
			No. of coaches trained/exposure tours	60	141	81	221	221	0
			No. of sports and talents scholarships awarded	40	30	10	200	87	113
			No. of teams subscribed to sports federations	17	0	17	5	0	5
			No of Nairobi marathon competitions held	1	1	0	5	2	3
			No. of Sports Festivals and tournaments held	7	10	3	170	37	133
			No. of KICOSCA, EALASCA, KYISA events participated in	3	3	0	5	4	1
			No. of Sports Policies developed	1	0	1	1	0	1

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Programme	Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25				
				Target	Actual	variance	Target	Actual	Variance		
			Established Sports fund	1	0	1	6	1	5		
			No of recreational facilities constructed. Certificate of completion	5	0	5	18	2	16		
			No of existing facilities rehabilitated Handing over of keys to the section from the contractor	5	0	5	10	2	8		
			No. of facilities equipped with modern equipment Request letter	5	0	5	29	0	29		
			Reports Minutes of organizing committee List of attendance Letters of invitation	6	7	1	-	-	-		
			Invitation letters Reports	4	6	2	-	-	-		
			Invitation letters List of attendance Reports	2	4	2	-	-	-		
			To improve access to quality library services	Increased access to quality library services	No. of libraries established/Improved within the county	1	1	0	13	2	11
					No. of libraries rehabilitated	1	0	1	3	2	1
				Timely information delivery	No. of libraries automated	1	1	0	17	4	13
					No. of outreach programmes conducted	8	12	4	40	22	18
					Number of new library materials acquired	5,000	5,000	0	25000	3200	21,800
					No. of Ablution blocks constructed	1	0	0	1	0	1

4.GREEN NAIROBI

4.1 ENVIRONMENT, WATER & SANITATION

Program me	Objective	Outco me	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	varianc e	Target	Actual	Variance
			No. of Material recovery facilities MRF sheds built; Tons of waste recycled; Tons of waste composted; Tons of waste composted; No. of jobs created	2	2	0	18	0	18
			No. of Litterbins procured and installed	500	500	0	23,500	24	23,476
			Number of Sweeping Contracts in place	65	65	0	-	-	-
			No. of Refuse Compactors	24	24	0	-	-	-
			3,000 tons per day collection	3,200 tons per day collection	1,800 tons per day collection	1400	3500	2450	1050
			Installation of a new weighbridge at Dandora dumpsite	100%	95%	5	-	-	-
			No. of 4Km each of feeder access roads into disposal	5	5	0	-	-	-

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Program me	Objective	Outco me	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	varianc e	Target	Actual	Variance
			cells maintained.						
	Increase efficiency of the dumpsite operations		No. of additional Contracts on heavy equipment at the final disposal site	22	22	0	75	22	53
			No. of weigh bridges ramps	1	1	0	1	1	0
			No. of excavators procured	2	4	2	-	-	-
			% reduction of turnaround time (Improving and maintenance of access roads, and Drainages) through procurement of hard-core, culverts, ballast, steel metal and river sand	5	5	0	5	20	15
			Sensitization forums	No. of sensitization forums	4	3	1	120	84
	To manage County public recreational parks and improve the aesthetic value of the environment	Maintained parks and recreation grounds	No. of parks maintained	5	4	1	4	4	0
			No. of visitors frequenting the parks	52000	64000	12000	-	-	-
		Retrofication	No. Of parks to be retroficated	2	0	2	4	4	0
			No. of cemetery improved	3	3	0	1	1	0

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Program me	Objective	Outco me	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	varianc e	Target	Actual	Variance
			and maintained						
			No. of improved landscape spaces, roundabouts, median and frontages beautified	20	53	33	100	70	30
			100% Revitalization of Jevanjee Gardens	100	45	55	-	-	-
			No. of machinery procured	32	32	0	-	-	-
			No. of tree planted	1,100,000	552,723	547,277	5,500,000	2,833,624	2,666,376
	To Protect Nairobians from Environmental pollution	Increase resilience to climate shocks	No. of resilience programs initiated	5	5	0	5	4	1
No. of sensitization forums			77	106	29	84	84	0	
Increase air quality monitoring & management in the city		No. of Air quality sampling kits procured	37	87	50	-	-	-	
		No of Air Quality Reference Stations	2	2	0	2	2	0	
Climate change awareness		No. of sensitization forums	12	17	5	84	84	0	
Increasing resilience to climate change		No. of innovative projects initiated	2	2	0	5	3	2	
		Mapped green assets for carbon credit	1	1	0	1	0	1	
		Established and maintained	100%	100%	0	90%	80%	10	

County Executive of Nairobi City

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Program me	Objective	Outco me	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	varianc e	Target	Actual	Variance
			of city wide Air quality monitoring & managem ent network						
			Updated greenhouse gas inventory tested and equipped	1	1	0	3	3	0
	To improve access to water and sanitation services	Increase d access to safe drinkin g water	M3/day of water generated	525,600	525,600	0	793,600	618,600	175,000
		Increase d No. of househo lds connect ed to clean water	% of households connected to clean water	82%	79%	3	90%	79%	11
		No. boreholes drilled tested and equipped		4	1	3	262	262	0
		M ³ /day waste water recycled for irrigation at Uhuru Park		60M ³	60M ³	0	-	-	-
		Increase d access to sewerage system	% of sewer coverage in the city	60	50	10	60%	49%	11

4.2 Food, Agriculture and Natural Resources

Program me	Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	Varianc e	Target	Actu al	varianc e
	To increase crop production for food and nutrition	Increased dissemination of agricultural information	No. of farmers reached with agricultural messages.	8,200	9,686	1486	600.000	14143	585.857

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Program me	Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	Variance	Target	Actual	variance
	security, income generation and wealth creation and resilience.		No. of technologies exhibited at NITF	246	246	0	-	-	-
		Reduced crop damage from army worm outbreak	Number of army worm surveillance stations in place	2	2	0	-	-	-
		Enhanced agricultural food safety	No. of food safety sensitizations conducted	500	26	474	-	-	-
To increase fish production for food and nutrition security, income generation and wealth creation and resilience.	Enhanced food safety and safeguard consumer health	No. of fish inspection conducted	700	792	92	4320	1888	2432	
		No. of food safety sensitizations conducted	1100	11138	38	-	-	-	
		% of Fish dealers licensed	100%	100%	0	100%	100%	0	
		Amount of Revenue collected	1,500,000	2,322,400	822,400	-	-	-	
To provide reliable, accessible, quality and affordable one-health	Improved animal and human health	Number of animal health surveillance missions (daily passive and weekly active surveillance)	4420	4420	0	-	-	-	
		Reduction of prevalence of priority diseases (foot and mouth, lumpy skin disease, anthrax, Rift Valley Fever, Newcastle Disease, Epidemic tremor, Peste	60%	30%	30	100%	100%	0	

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Program me	Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	Variance	Target	Actual	Variance
			des Petits Ruminants (PPR), African swine fever, Fowl typhoid, Gumboro Disease, Notifiable Avian Influenza, Infectious Bronchitis)						
			Number of surveillance missions for zoonotic and food-borne hazards	12	12	0	80	80	0
			% reduction of prevalence of priority disease and food-borne hazards (Priority: rabies, taeniasis, brucellosis, non-typhoidal salmonellosis, hydatidosis, campylobacter, VTEC, bovine TB, residues of veterinary medicines, contamination with pesticides, heavy metals and dioxin)	75	45	30	98%	90%	8
			Number of animals vaccinated	1,500	1,411	89	-	-	-
			Number of stakeholders trained on	3000	3038	38	15000	14199	801

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Program me	Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	Variance	Target	Actual	variance
			animal health, food safety and animal welfare.						
			% of inspections done	100%	100%	0	100%	100%	0
			% of dogs licensed	10	8	2	-	-	-
			% reduction in number cases of stray animals	50	15	35	100%	40%	60
			% Completion of Animal Clinic	100	5	95			
			% of animal establishments complying with animal welfare standards	30	8	22	100%	70%	30
			% of livestock movement documents issued	100%	100%	0	-	-	-
	To promote a sustainable urban food system	Improved urban food systems	Number of food system dialogue conducted	1	1	0			
			Number food waste management training conducted	20	2	18	35	4	31
			Number of MoUs with mini grant beneficiary groups developed	12	12	0	-	-	-
			Number of Monitoring and evaluation framework for Nairobi food system strategy developed	1	1	0	-	-	-

County Executive of Nairobi City

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Program me	Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25			
				Target	Actual	Variance	Target	Actual	Variance	
			Number of County Food Liaison Advisory Group (FLAG) meetings held	1	1	0	-	-	-	
			Number of food waste equipment installed in food markets	4	0	4	60	30	30	
			Strengthened partnerships and collaboration for sustainable food systems	Percentage collaborative / partnerships engagements	100%	100%	0	100%	100%	0
			Increased dissemination of food system information	Percentage participation in the NITF	100%	100%	0	100%	100%	0
To Mitigate Climate Change and Conservation of environment	Improved tree cover and land productivity	Number of trees planted	500,000	52,723	447,277	-	-	-		

5. BUSINESS AND HUSTLER OPPORTUNITIES

Program me	Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	Variance	Target	Actual	Variance
	To promote Market Infrastructure Development &	Increased conducive trading spaces with Nairobi City County	No. of Markets constructed	10	6	4	20	6	14
			No. of Markets rehabilitated and maintained	5	0	0	15	11	4
			No. of sub-counties with	10	0	10	1500	700	800

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Program me	Objecti ve	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	Variance	Target	Actual	Varian ce
	Manage ment of Existing & new market		modern kiosks constructed						
			No. of back lanes rehabilitated	10	0	10	14000	6500	7500
			No. of Sites with market sheds and Ablution block	1	0	1	-	-	-
			No. of Markets branded	5	0	5	30	8	22
			No. of cold rooms installed	1	1	0	5	1	4
			No. of baby care units constructed	1	0	1	5	2	3
	To improve effectiveness in issuance , control and regulate businesses	Increased regulated business	No. of businesses registered	250,000	330,562	80,562	82173	82173	0
			No. of Business Premises Inspected	10,000	13,048	3,048	36000	6253	29747
			No. Of defaulters arrested	5000	4958	2	-	-	-
			Total Amount collected from SBP/ UBP	3.2B	2.7B	0.5	100%	100%	0
			No. of advertisement placed on media	3	2	1	50	24	26
	Improved accurate measurement equipment in use for trade		No. of equipment verified and stamped	30,000	18,226	11,774	120000	64596	55404
			No. of inspections carried out	350	395	45	1500	1039	461
			No. of assessments done	50	80	30	-	-	-
			No. of awareness programs done	4	3	1	-	-	-
			No. of educations programs done	8	12	4	20	20	0
			No. of standards and testing equipment acquired	1	0	1	-	-	-
	To provide	Increased job creation and	No. of NCC Trade Policy Reviewed	1	1	0	3	0	3

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Program me	Objecti ve	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25			
				Target	Actual	Variance	Target	Actual	Varian ce	
	an enabling environment for local and foreign trade and investment	penetration into new markets for goods and services	No. of stakeholder engagement meetings Carried out	2	4	2	-	-	-	
			No. of stakeholder engagement meetings Carried out	2	2	0	-	-	-	
		Constructed common User facilities (CUF) for wood/furniture, Leather, Metal, textile	No of Constructed common user facilities	4	0	4	5	2	3	
			No. of equipped common user facility	1	0	0	5	2	3	
		Training & Capacity Building carried out	No. of technological trainings & capacity building carried out	4	2	2	500	200	300	
		Constructed incubation centres	No. of Incubation centres constructed	1	0	1	1	0	1	
		Planned & held Exhibitions & Trade Fairs	No. of Trade fairs & exhibition carried out	2	4	2	25	10	15	
				Achieved the						
				• Nairobi International Trade Fair, The Kenya Association of Manufacturers – Changamka festival						
		To promote growth and development of cooperat	A vibrant co-operative movement with financially strong and well	No. of new Cooperatives registered	140	79	61	600	338	262
No. of Inspections Carried out	85			83	2	400	183	217		
No. of education forums held in co-operatives	1100			615	485	3500	1214	2286		

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Program me	Objecti ve	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	Variance	Target	Actual	Varian ce
	ive societies	managed cooperatives	No. of General meetings presided over	1,600	1,470	130	7000	3385	3615
			No. of Dormant Cooperatives revived	60	71	11	200	128	72
			No. of complaints registers developed	8	8	0	40	16	24
			No. of consultative meetings held	8	8	0	5	1	4
		Ushirika days held	No. of Ushirika days held	1	1	0	5	2	3
		Co-operative exhibition days held	No. of co-operative exhibition days held	1	1	0	5	1	4
		Statutory audits	Audit reports	700	632	68	4500	1744	2756
		Carry out interim audit	Interim audit report	70	32	48	4500	293	4207
		Presentation of audited accounts in AGMS	Adoption of audited accounts	650	611	39	-	-	-
To provide an enabling environment for Gaming and Lotteries Services		No. of casinos supervised	20	22	2	100	88	12	
		No. of licensed Betting & Gaming operators	55	22	33	275	88	187	
		No. of licensed pool tables	800	415	385	4000	1088	2912	
		No. of established County Lotteries	1	0	1	1	0	1	
To provide an enabling environment for Micro and Small Enterprise Development	Increased business growth opportunities for informal and formal MSE	No. of MSME database profile developed	1	1	0	-	-	-	
		Amount appropriated	80	-	80	-	-	-	
		Amount disbursed	850	-	850	-	-	-	
		No. of MSMEs beneficiaries	3400	-	3400	-	-	-	
		No. exhibitions/trade fair held	4	3	1	500	450	50	
		No. of MSMEs trained on business	1000	39	961	500	460	40	

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Program me	Objecti ve	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25			
				Target	Actual	Variance	Target	Actual	Varian ce	
			& entrepreneur skills							
			No. of stakeholders Meeting held	2	2	0	-	-	-	
			No. of public awareness campaign undertaken	2	2	0	14	14	0	
			No. of Common Interest groups registered	100	4	96	1100	14	1086	
		Increase exposure to markets	No. of monitoring and evaluation reports	85	-	85				
	To lead and co-ordinate the fight against alcoholism and drug abuse	Reduced in Alcoholism and drug abuse	No. of awareness campaigns/serializations	42	42	0	621	176	445	
				Research report	1	-	1	1	1	0
				No. of rehabilitation Centres established	1	-	1	3	1	2
				No. of licensing system and related network developed	1	1	0	-	-	-
				No. of containerized offices	2	-	2	9	5	4
				No. of Trainings conducted	6	6	0	40	16	24
				No. of Legislation/Policies	1	1	0	1	1	0
				No. of vehicles purchased	-	-	-	5	2	3
				No. of Liquor licenses issued.	7,000	4,437	2563	35000	12,350	22,650
				No. of inter-agency meetings conducted	24	24	0	93	18	75

6. BUILT ENVIRONMENT AND URBAN PLANNING

Programme	Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	Variance	Target	Actual	Variance
HOUSING AND URBAN RENEWAL									
	To provide quality affordable housing to residents of Nairobi County	Increased access to quality affordable housing to residents of Nairobi	No. of renovated estates	3	4		-	-	
			No. of renovated estate offices	2	2		-	-	
			No. of redeveloped estates	6	4		43392	3482	
			No. of settlements improved/Upgrade	13	9		14	4	
			% of projects managed	100	100		-	-	
			Improved and conducive work environment	1	2		-	-	
LANDS SUB-SECTOR									
	To provide effective and efficient land services	Enhanced Title surveys of properties developed within Nairobi	No. of parcels surveyed	6000	1515	4485	22000	12027	
			No. of Registry Index Maps (RIMs) and lists of beneficiaries forwarded to the relevant authority	1901	1755	146	48000	13950	
		Increased number of land registration document complied and forwarded to the relevant authorities for Lease preparation in the following areas Dandora, Mathare North, Umoja, Kayole, Kahawa West, Block							

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Programme	Objective	Outcome	Indicator	Achievement for FY 2024/25			Cumulative achievement by end of FY 2024/25		
				Target	Actual	Variance	Target	Actual	Variance
		Y Umoja,							
		Increased infrastructural surveys done	No. of infrastructural Utilities surveyed	100%	100%	0	-	-	
			No. of parcels digitized	5000	5600	+600	-	-	
			No. of sectors Integrated	3	0	3	-	-	
		Land Rates charged based on the 2019 DVR	Valuation roll implemented to be charged rate	100%	100%	0	-	-	
			Maintenance of Valuation roll for rating	100%	100%	0	-	-	
			No. of staff trained on new application	10	0		343	9	
			No. of staff recruited	0	0		62	54	
		Increased number of ratable properties	No. of properties added into Valuation Roll for Rating Purpose	5000	5000		-	-	
		Well maintained building	Refurbished Building and execution of service and tenant leases	40%	20%		-	-	
		Service Agreement management	Execution of lift maintenance agreement	100%	100%		-	-	
		Tenant Lease Management	Execution of tenant leases	100%	100%		-	-	
		Extended subleases	No. of subleases extended	100%	100%		-	-	

7. INNOVATION AND DIGITAL ECONOMY

Programme	Objectives	Outcome	Indicator	Performance					
				Target	Actual	Variance	Target	Actual	Variance
	Roll out state-of-the-art data driven systems at an accelerated pace to deliver high-level services for Nairobi County.	Enhanced County automation processes	Bulk SMS	6	5	-	-	-	
	To Drive socio economic development through startups and digital economy	Enabled conducive environment for Startups	No. of startup baseline report done	1	1	0	4	2	2
		Improved Communication within startup ecosystem	No. of website updated and maintained	1	1	0	1	0	1
		Enhanced nurturing of startups	No. of incubators established)	17	1	16	85	1	84
		Increased exposure of startups through Global	No. of tours conducted	2	2	0	90	7	83

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Programme	Objectives	Outcome	Indicator	Performance					
				Target	Actual	Variance	Target	Actual	Variance
		Investment Tours							
		Improved Startup skills through capacity building	No. of youth trained	1200	1500	300	5000	3000	2000
		Provision of conducive Patent Filing Environment	No of Patent applications supported	-	-	-	40	0	40
		Fostered startups networking Environment	No. of tech week conducted	1	1	0	5	2	3
		Enhanced Startup Finance Support	No. of startups supported	-	-	-	2200	50	2150
		Digital Economy Research and Innovation	No. of startups trained	1200	1200	0	-	-	-
	To develop a Robust and secure ICT Infrastructure	Increase d use of Internet Service	Amount of bandwidth provided to county offices	300Mbps	300Mbps	0	600	350	250
		Reduce d Data Centre (DC) downtime	No. of periodic ICT infrastructure	4	4	0	-	-	-

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Programme	Objectives	Outcome	Indicator	Performance					
				Target	Actual	Variance	Target	Actual	Variance
			maintenance						
		Improved communication for service delivery	No. of IP Telephone handsets activated	200	228 No. IP phones connected	28	-	-	-
		Increased coverage of County network connectivity to Satellite offices	No. of Satellite offices (Boroughs) connected to functional LAN/WAN	10 No. satellite offices	13 No. satellite offices	3	55	33	22
		Improved communication for service delivery	No. of E1/SIP (Session Initiation Protocol) line installed and billed	2	2	0	5	5	0
		Provision of governance of the systems application in the county	No. of ICT Policy formulated	2	2	0	4	3	1
		Sustained productivity of	No. of OEM devices supported	18 No. Devices connected DC	18 No. Devices connected DC	0	90	90	0

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Programme	Objectives	Outcome	Indicator	Performance					
				Target	Actual	Variance	Target	Actual	Variance
		the Data Center		infrastructure	infrastructure				
		Increased security surveillance in satellite offices	No. of CCTV and access control setup	5no sites	2 no Site Data Center, and Customer Service Center City Hall Annex Mezzanine floor	(3)	25	3	22

8. FINANCE AND ECONOMIC AFFAIRS

Objective	Outcome	Indicator	Performance
To mobilize resources	Increased revenue collection in OSR	Amount of Revenue collected	13.75 B
	Improved debt management	No. of debt strategy paper developed.	1
		No. of quarterly report produced	4
Budget formulation and coordination	Timely preparation of budget documents	Submission of CBROP	1
		Submission of quarterly Reports	4
		Submission of budget Estimates	1
		Training of Sector Working Groups	1
		Number of Budget Review Forums conducted	3
Economic and fiscal policy formulation	Approved CFSP	No of CFSP developed	1
	Approved ADP	No of ADP	1

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Objective	Outcome	Indicator	Performance
		produced	
	Trained statistician stewards	No of trained statistician steward	33

9. INCLUSIVITY, PUBLIC PARTICIPATION AND CUSTOMER SERVICE

Objective	Outcome	Indicator	Performance
To Strengthen public participation and civic education	Enhanced involvement of citizens in decision making and governance	No. of Civic education and sensitization campaigns	58
		No. of officers trained and sensitized on public participation (county heads of departments, sector heads and champions)	100%
		No. of civic education messages disseminated through social, print and electronic media	About 500 messages disseminated
	Customer Service Inawork Magazine	No of Electronic Magazine produced	12
	Installed of Bulk SMS System	Robust messages sent to Customers	1
	Governor Executive Feedback Forums	Governor Executive Feedback Forums	1
To Enhance Public Communication, County visibility and brand popularity	Enhanced Publicity	No of publications	950
		No. of Advertisement	90
		No of Publicity campaign	11
		No of facilities branded	72
		No. of Digital Media Archives Established	1
		No. of Media engagements	50
		No. Event Management Equipment and Accessories purchased	200'PCS
No. of Roadshows conducted	11		
To Empower, promote and safeguard City Culture and Arts	Empower, promote and safeguard City Culture & Arts	No. of Community Cultural celebrations held	2

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Objective	Outcome	Indicator	Performance
		No. of buildup events for the Nairobi Annual festivals	3
		Stakeholder meeting	2
		Capacity Building	2
		Cultural Database	0
		Review of the Culture Act 2017	0
		Mobile Recording Studio	1
To promote Tourism Development in the county	Increased number of tourists visiting the county tourism facilities	No of Tourism promotional activities Organized and participated	3
		No. tourism product developed	2
		No of Stakeholders meetings held	3
		No. of tourism database developed	1
		No of policy developed	1
		No. of tourism documentary developed	2
		No. of capacity building forums	2
		No. of Tour guides trained	0
		No. of Publicity IEC materials	2
		No of World tourism week cerebrations	1
To promote gender and disability inclusivity	Dissemination of sub sector Strategic plan	10 year plan	1
	Development of policies	No of policies being developed	3
	Staff capacity building	No of members of staff trained	120
	No of community sensitization and advocacy meetings	No of meetings held	12
	Rescue and provision of shelter for survivors of gender based violence	No of survivors rescued	32

Objective	Outcome	Indicator	Performance
	Provision of sanitary towels to vulnerable girls	No of girls supported	2000
	Review of NCC PWD Act, 2015	No of acts reviewed	1
	Provision of assistive devices	No of beneficiaries	1390
	Capacity building in disability mainstreaming	No of staff trained	122

10. BOROUGHES, ADMINISTRATION AND PERSONEL

10.1 BOROUGHES AND SUBCOUNTY ADMINISTRATION

Objective	outcome	Indicator	Performance
Upscaling decentralization of the services to the lowest subscribed level	Public engagement on establishment of boroughs	Number of public fora held	20
	Provision of habitable offices	Number of offices constructed	2
	Boroughs establishment document	Number of Boroughs establishment documents produced	1
	Boroughs office	Number of boroughs offices completed	2(Southern and Northern borough

10.2 PUBLIC SERVICE MANAGEMENT

Objective	Outcome	Indicators	Performance
To enhance employee satisfaction and improvement of work environment	Improve work environment	No. of offices refurbished and customized	50%
	Enhance employee satisfaction	% of computers, furniture acquired/repaired/disposed	100%
	Compliance with values and principles article 10 & 232 of the constitution	No of sub-counties sensitized	5
	staff digital cards	No of staff cards issued No of biometric card readers installed	9000 0

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Objective	Outcome	Indicators	Performance
	Review & implement customers service charter	No of service charters reviewed and implemented	1
To create a highly skilled workforce To provide quality services and respond to emerging issues.	Implementation of uniform policy	No. of Sectors complied	10 No. Sectors complied
	Sorted and disposed Non Active files	No. of files sorted	4414 No. of files sorted
	Employee car loan and mortgage scheme	No. of Scheme regulations developed	1No. Scheme regulations sent to the county assembly for adoption & gazette
	Prompt processing of payroll	Payroll processed	Salary payment vouchers Monthly payroll report and summary Bank lists, statutory deductions and other third party deductions
	Onboarding and placement of staff .	No. of staff on boarded and placed	3,308 No. newly Appointed
	Right placement	No. of staff right placed	193 No. of staff re-designated and right placed
	Staff transfer/redeployment resignations/retirement	No. of staff internally transferred/redeployed/resignations/retirement.	Transferred/redeployed 75 No. (internally)
			Inter-county into Nairobi 15 No.
			Out of Nairobi 3No.
			Mandatory retirement 433No
Early retirement 17 No			
		Resigned 35 No.	
		1No. secondment from national govt	
Provision of comprehensive staff medical cover	No. of employees on medical cover	13,174 No. of employees covered	

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Objective	Outcome	Indicators	Performance
	Provision of WIBA and GPA and employers liability	No. of employees covered WIBA, GPA and employers liability	13,174 No of employees covered on WIBA and GPA and employers liability
	Provision of counselling services and rehabilitation	No. of employees counselled and referred for rehabilitation	372 No. of employees counseled
		No. of sessions held	3942 No, sensitized
		No of sensitized employees	265 I.E.C materials issued
		No IEC materials issued	3No. rehabilitated (ADA)
		No IEC materials issued	3720 No. of sessions held
	Provision of Retiree Benefits	No. of retiree terminal dues processed	468 No. of retiree dues processed(2m)
	Performance Management committee	No of Performance management committee established	1No. committee operationalized
		No. of performance Contract prepared, negotiated/vetted	3No. performance contracts vetted
	County Human Resource Advisory Committee Meetings(CHRAMC)	No. of show cause letters	72No show cause
		No. of interdiction	4No. interdicted
		No. of staff reinstated	43No. of staff reinstated
		No. of staff dismissed	31No. staff dismissed
	Collective Bargaining Agreements and Meetings	No. of meetings held	2No. of meetings held and 1No. CBA to be Implemented
		No. CBA to be Implemented	
	Employee welfare	No. of Committee established	Nomination of Employee Wellness Centre Committee Members
		No. of wellness Centre established	
		No. of Equipment procured for the wellness center	
	Compliance with Statutory Obligations	Compliance with Statutory Obligations by remitting 100% of deductions	Preparation of financial reports for forwarding to the finance dept

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Objective	Outcome	Indicators	Performance
			done by 15 th monthly
	Resolution of employee relations	% of cases resolved	100% of resolving of cases done
	Implementation of HR manual disciplinary procedures	% of disciplinary cases resolved	Review Of The Manual done
	Review HR manual	% of HR Policy & procedure handbook reviewed	Implementation of the HR disciplinary procedures ongoing
	Develop & implement digitization Programme	No of files digitized	Digitalization ongoing
To develop a positive organizational Culture To nurture and develop career development	Update skills inventory	No. of staff skills captured	756No. Staff skills captured
	Implement TNA Report	Implementing the recommendations	1 report in place implementation of TNA report
	To increase the no. of Youth internship/Industrial Attachments/Apprenticeship	No. of Youth internship Students Attached to Sectors/departments	1475 No. of students attached 4 No. Interns placed in GDU
	Construction of County Training School	% of Training School Constructed	Budget for 30M was allocated in FY2023/24.Approval done. A committee was appointed by the County Secretary, comprising of members from all Sectors/departments to spearhead the process Bills of quantities for the perimeter wall and west wing prepared. Procurement process completed (perimeter wall and

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Objective	Outcome	Indicators	Performance
			west wing). However, Kshs.20m was removed during the supplementary budget and the sector remained with Kshs.10m. Contracts for the perimeter wall and west wing awarded Commencement of work ongoing
	Capacity building, Training Programmes and Sensitization	No. Trained on Technical Area No. Trained on Professional Area No. Trained on Strategic Area No. of staff Sensitized No. of newly recruited employees Inducted	1413 No. Trained on Technical Area 32 No. Trained on Professional Area 208 No. Trained on Strategic Area 5273 No. Sensitized on various Areas (Mental Health, Performance contract etc.) 2409 No. inducted
	Preparation of County Performance appraisal report	No. of appraisal reports	1No. Reports

10.3 OFFICE OF THE GOVERNOR

Objectives	Outcome	Indicators							
			Target	Actual	Variance	Target	Actual	Variance	
To provide strong governance and effective administration for sustainable development and quality service delivery	Compliance to statutory requirements on County Governance.	% level of compliance	100%	100%	0	100	100	0	
	Effective policy advisory	Level of relevant advisory on policy issues to the Office of the Governor	100	100	0	100	100	0	
	Effective Executive protocol and Hospitality services	Quality of protocol services at executive events and functions	100	100	0	100	100	0	
	Enhanced Delivery of County Services	Percentage implementation of County strategic programs/projects	30%	75%	45	-	-	-	
	Real time flagship M&E tracking system	Operational System Real time M&E System.	2	1	1	-	-	-	
	System Engagement System	No. of capacity building forums held on culture change for internal and external stakeholders	2	1	1	-	-	-	
	Culture change TORs	Percentage compliance to Statutory requirements relating to County Government operations and service delivery		100%	100%	0	-	-	-
		Percentage improvement on Governor's technology		100%	-	100	-	-	-

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Objectives	Outcome	Indicators						
			Target	Actual	Variance	Target	Actual	Variance
		interface with all County systems						
		Percentage improvement on Governor's document management system	100%	70%	30	-	-	-
		No. of Policy issues processed by the County Executive Committee.	100%	100%	0	20	20	0
External resource planning & strategic management	Established policy and legal framework for mobilization and co-ordination of external resources	Nairobi County Policy on External Resource Mobilization developed	1	1	0	100%	100%	0
		Capacity development on Nairobi County Policy on External Resource Mobilization	100	100	0	10	10	0
		% Level of compliance to the Nairobi County Policy on External	-	-	-	100%	100%	0
	Market instruments for capital raising floated (Green Bonds, Infrastructure Bond, Joint ventures, PPP)	No. of consultancy service on external resource mobilization	50%	50%	0	-	-	-
		Proportion of Development Budget funded through market instruments	1	1	0	100%	100%	0
Programmes &	Increased partners support for	Inter-City Partnerships, Exchange programs	1	1	0	-	-	-

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Objectives	Outcome	Indicators						
			Target	Actual	Variance	Target	Actual	Variance
partnership coordination	development programmes	Cross-City learning and Experience sharing	1	1	0	-	-	-
		No. of Own Source Revenue (OSR) strategy assessment carried out	1	-	1	-	-	-
		Develop Integrated County Financing framework	1	1	0	1	1	0
		No. of investment profile	1	1	0	1	1	0
		Proportion of proposals developed from submitted potential projects for alternative financing	100%	100%	0	100%	100%	0
		Proportion of County capital budget funded through grants and other non-market instruments	5%	10%	5	50%	35%	15
Partnership appraisal monitoring & reporting	Developed framework and system for measurement and reporting of results	No. of site visits to the Externally funded projects	4	4	0	20	10	10
		No. of reports produced on all externally (non-	4	4	0	20	8	12

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Objectives	Outcome	Indicators						
			Target	Actual	Variance	Target	Actual	Variance
	market) funded programmes							

10.4 SECURITY AND COMPLIANCE

Objectives	Outcome	Indicator	Performance
To enforce County laws	Improved traffic flow	% of parking zones enforced	85%
		% of pedestrian and traffic signals points manned	
		% of terminus manned	
	Improved compliance and order	% of offenders arraigned in court	85%
		% of illegal structures removed	
	Increased Safety for county properties and institutions	No. of Institutions & properties	90%
To deter crime and enhance compliance	Reduced Crime	No of cases investigated	100%
		No of investigative operations carried out.	4
		No of awareness carried out	0
	Reduced crime	% of actionable information disseminated	80%
To enhance The Public Influence and Engagement	Policy/Regulations Enacted	No. of Meetings held	3
	Increase of public engagement	No. of sensitization forums	0
		Culture change and image building to both internal and external stakeholders	0
		No. of community groups, associations/volunteers	0
To Enhance service Delivery	Improve building capacity	% construction on works done	0
	Efficient working environment	No. of vehicles to be procured	5
			No. of uniforms to be procured

Objectives	Outcome	Indicator	Performance
		No. of projectors to be procured	0
		No. of communication gadgets to be procured(upgrading and Acquisition of GPS system)	0
		No. of enforcement offers to be recruited	1000

10.5 DISASTER MANAGEMENT AND COORDINATION

Objective	Outcome	Indicator	Performance
To enhance the capacity of the public to manage disaster and respond to emergencies	Pre-hospital care	Average response time from Tom Mboya fire station	20 minutes
	Evacuation	Incidents responded	60% of all calls
	Preparedness	Number of training and drills	50
	Event support	Events covered	All 100%
	Fire calls responded to	No. of fire calls responded to	667
	Community disaster risk awareness	Number of community disaster management awareness outreach program	100
	School based fire and safety awareness	Number of schools fire safety awareness conducted	53
To improve the efficiency and capacity of the	Well-equipped motivated and efficient department	No of training workshops	13

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disaster management and coordination sector	Establish a centre of excellence in disaster training	Upscaling of Kangundo rd Fire station to a centre of excellence	1
	Constructed fire stations	No. of fire stations constructed	1(gikomba market)
	Fueled and serviced fleet	Fully fueled and serviced fleet	60%
	Adequate resources mobilized for emergency relief services	Amount of resources mobilized and No. of emergency relief offered	399M

10.6 INTERNAL AUDIT AND RISK MANAGEMENT

Objective	Outcome	Indicator	Performance
Carry out audit review in the county Sectors	Audit reports	No. of Audit Reports	12
Compliance with PFM regulation	Internal Audit	Audit Committee Formed	1
Review of audit reports	Audit Committee	Audit committee recommendation/report/minutes	4

10.7 OFFICE OF THE COUNTY ATTORNEY

Objective	Outcome	Indicator	Performance
To offer legal services to all County Government Sectors and its agencies.	County policies developed	Proportion of Policies developed	100%
	Legislations developed	Proportion of legislation prepared and presented to the assembly	100%
	Publication of policies and legislations passed	Proportion of policies and legislations published	100%
	Advise Proffered	Proportion of advisory	100%

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Objective	Outcome	Indicator	Performance
		proffered from submitted requests	
		Proportion of advisories on Revision of County laws	100%
		Proportion of advisories on rectification of laws proffered liaising with Attorney General	100%
		Proportion of advisories on Governor's manifesto	100%
	County legal instruments prepared	Proportion of contracts prepared, vetted, verified and presented to sectors for execution and actualizing of the projects and programmes	100%
	Negotiation, Review and Signing of MoUs	Proportion of MoUs negotiated with external stakeholders	100%
	Verification, witnessing and Attestation of leases prepared	Proportion of leases prepared, verified witnessed and attested before being transmitted to ministry of lands for registration.	100%
	Advise Proffered	Proportion of advisory proffered from submitted requests by county sectors	100%
	Preparation, review of Joint Venture Contracts	Proportion of joint venture contracts prepared towards construction of county affordable housing projects	100%
	Preparation of	Proportion of consents	100%

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Objective	Outcome	Indicator	Performance
	consents	prepared towards transfer of county land	
	Preparation of Bonds	Proportion of Bonds requested by county staff to attend further studies abroad or within	100%
	Stakeholder's sensitized Increased compliance	No. of persons sensitized	200
	County represented in court	Proportion of cases defended	100
	Reduced cost of legal services	Proportion of fee notes re-assessed	100
		Proportion of fee notes assessed	100
	Advise Proffered	Proportion of instructions sought from sectors	100
Administration/Accountant	Streamline operations of the Sub sector	Capacity and team Building Coordinate procurement for the subsector	100%

10.8 OFFICE OF COUNTY SECRETARY AND HEAD OF PUBLIC SERVICE

Objective	Outcome	Indicator	Performance
To offer General Administration & Support Services	Implementation of County Policies	No. of policies implemented	100%
	Supervision of County Chief Officers	No of Chief Officers Supervised	32
	Purchase of Computers, Printers and other IT Equipment	No. of Computers & other IT Equipment Procured	Procured 2no. Desktops, 5No. laptops
	Purchase of furniture and Fitting services	offices Supplied with Furniture & Fittings	Procured for 3no.offices

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Objective	Outcome	Indicator	Performance
To offer General Administration & Support Services	Implementation of County Policies	No. of policies implemented	100%
	Supervision of County Chief Officers	No of Chief Officers Supervised	32
	Purchase of Computers, Printers and other IT Equipment	No. of Computers & other IT Equipment Procured	Procured 2no. Desktops, 5No. laptops
	Staff Uniform	NO. OF employees provided with uniform	200 Provided with uniforms
	Provision of printing services in the county	Works Requisition raised No. of documents printed	Printed 25NO. Minutes Books Printed Accountable & other Official documents
	Provision of Hospitality services	No. of Requests made	27 Requests Serviced
	Staff performance appraisal	No. of staff appraised	200no.
	Coordination of CEC and County Management Meetings	Schedules of meetings done Agenda for the meetings prepared Notices for the meetings done Minutes recorded Action plan done.	Managed 27no. CEC meetings, 7no. CCO's Meetings and 1NO all County executive meeting. All minutes, reports and action plans done, and resolutions circulated
	Coordination of CEC Retreats	Schedules of meetings done Agenda for the retreats prepared Notices done, Minutes recorded Action plan done.	Organized 2 cabinet retreats and all minutes, reports and action plans done, and resolutions circulated and follow ups done
	Training on E-Cabinet	No. of trainings conducted	2No.
	Classification scheme	No. of Sectors Classified	10 Sectoral
	Procurement of Bulk filers	No of bulk filers procured	1 Unit

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Objective	Outcome	Indicator	Performance
To offer General Administration & Support Services	Implementation of County Policies	No. of policies implemented	100%
	Supervision of County Chief Officers	No of Chief Officers Supervised	32
	Purchase of Computers, Printers and other IT Equipment	No. of Computers & other IT Equipment Procured	Procured 2no. Desktops, 5No. laptops
	Appraisal of Records	No. of files Appraised	1,000 Non-Current Files from former Town Clerks Department Appraised
	Development of a County Mgt. Policy	No. of policies	The policy is in draft form
	Procurement of branded folders	No. of branded folders procured	2000 No.
	Creation of Policy repository for Nairobi City County	No. of Policies received	1
	Capacity Building & training	No. of staff trained on Policy	28 No. staff from different sectors
To coordinate Performance Contracting Management	Put staff on performance contract	No. of staff put on Performance contract	182
	Put staff on performance appraisal	No. of staff place on performance appraisal	15,000
	Prepare performance framework	No of performance framework prepared	1
	Prepare & submit monitoring reports	No. of monitoring reports prepared and submitted	90
	Establish & induct performance management steering committee	No. of performance management committee established & inducted	2
	Conducting Integrity tests	Number of tests conducted	9No.

County Executive of Nairobi City

Annual Report and Financial Statements for the year ended June 30, 2025.

Objective	Outcome	Indicator	Performance
To offer General Administration & Support Services	Implementation of County Policies	No. of policies implemented	100%
	Supervision of County Chief Officers	No of Chief Officers Supervised	32
	Purchase of Computers, Printers and other IT Equipment	No. of Computers & other IT Equipment Procured	Procured 2no. Desktops, 5No. laptops
To offer governance Monitoring & Evaluation	Development & implementation of staff code of conduct	Percentage developed & implemented	100%
	Monitored and evaluated the outcome of special projects	No. of special projects monitored	3
	Sensitization of staff on Rapid Results Initiative	No. of staff sensitized	3050
	Implementation of the Leadership & Integrity Act	Percentage of the Act implemented	100%

11. WARD DEVELOPMENT PROGRAMME

Objectives	Outcome	Indicator	Performance
Enhance security Increase of business time and reduction of crime	Street and public lighting Installed	No. of public and street lighting and high masts installed	39
Ease transportation of people and goods.	Roads constructed/rehabilitated	Kilometres of roads constructed/rehabilitated	21km

6. Environmental and Sustainability Reporting

a) Sustainability strategy and profile

Key development objectives of the Nairobi City County

- i. Provide quality physical infrastructure in the city
- ii. Provide economic growth opportunities to diverse groups including youth, women and persons living with disabilities (PWDs)
- iii. Provide reliable, accessible, quality and affordable healthcare
- iv. Provide accessible, affordable and quality ECD and vocational opportunities for all
- v. Promote food and nutritional security for all
- vi. Promote good governance, public participation and rule of law
- vii. Increase access to affordable and quality housing
- viii. Provide clean energy, safe drinking water, waste management and sanitary services in a secure sustainable environment

b) Environmental performance

The County has a draft Environment Policy.

Successes include:

- a) Formulation of a Sustainable Waste Management Action Plan. This is a strategy for a paradigm shift from linear to the circular economy model.
- b) Implementation of the Waste Management Action Plan.
- c) Clearing of 33 illegal dumpsites
- d) Formulation of a draft Air Quality Policy
- e) Formulation of a draft Air Quality Action Plan.

Shortcomings include:

- a) Inadequate legal framework
- b) Inadequate resources including workforce, tools, equipment and infrastructure
- c) Inadequate funding
- d) Lack of a data and information management system
- e) Inadequate awareness amongst the populace
- f) Inadequate compliance and enforcement system

C. Employee welfare

The County Government of Nairobi City engages its stakeholders during recruitments especially the Salaries and Remuneration Commission in determination of salaries and allowances of public service officers. The county also engages the Public Service Commission to manage human resources. The following are efforts made in improving skills and managing careers, appraisal and reward systems

i) Improving skills and managing careers

The Public Service Sub Sector - HRM Department within the County engaged a consultant to conduct a training needs assessment survey report in February 2023 that is to be implemented in a period of three (3) years as per policy. The Sector also holds regular Sectoral Training and Development Committee Meetings to guide on courses undertaken by staff members and forwards recommendations to the County Human Resource Management Advisory Committee for approval to improve on career progression and development. The Sector also conducts in-house training for short courses to staff members to enhance their work performance. The County also sponsors Continuous Professional Development courses for County Professionals (e.g. Accountants, Certified Secretaries, Lawyers, Surveyors, Planners, Health workers, and Human Resource Professionals etc) and offers Coaching and Mentorship programmes to retain talent in the County.

ii) Appraisal and reward system

The Public Service Management Sector also conducts mid-term and end-term performance appraisal system every financial year to identify training gaps with a view of bridging the gaps through various interventions and working on a draft policy for rewards and sanctions.

iii) Safety

The Public Service Management Sector Ensures implementation of OSHA Act 2007 by;

- a. Provision and maintenance of safe plants and system at the work place
- b. Absence/elimination of all risks at the workplace
- c. Provision of information/sensitizations to employee on Safety and Health at workplace
- d. Registration of workplace with the Directorate of Safety Health Services (Registration Number 0033760 and implementation of WIBA
- e. Send notice of accident occurrence, cases of occupational diseases to Directorate of Safety Health Services and opened an official email for reporting of injury claims
- f. Establish a Health and Safety Committee
- g. Advise Sectors/Departments through the Assistant Director Administration/Chief Administrative Officers to open a safety and Health register.

D. Market place practices-

a) Responsible Supply Chain and Supplier relations

Nairobi City County maintains good business practices by ensuring that the environment is favourable for business, stake holder's participation and proper communication either through print media and

broadcast. The county government treats its own suppliers responsibly by honouring contracts and respecting payment practices which is exhibited through settlement of pending bills.

b) Responsible ethical practices-

On anti-corruption, we ensure transparency in all decisions made within our area of jurisdiction e.g., open tendering, and involvement of all stakeholders. On responsible political involvement, we ensure impartiality in every area of where we are involved in by being fair at all times. On Fair Competition and Respect for competitors in our operations, we ensure that bidding is open to whoever is willing to participate and ensure the ultimate winner is awarded.

c) Stewardship of goods and services

The County Government Safeguards Consumer rights and interests by involving them in decisions affecting them e.g., revision of the Valuation Roll used to levy land rates

E. Community Engagements

The County Government engaged the community through disaster management and coordination. Distribution of food and non-food items was made to people affected by disasters. Community disaster awareness campaigns were held across all the 17 Sub counties. Fire and safety awareness programs were conducted in schools.

The County Government provided medical cover to all Employees and their dependants.

7. Management Discussion and Analysis

The constitution 2010, through part two of the fourth schedule, allocated fourteen functions and powers to be delivered by the counties, as affirmed by article 186 (1). These functions are;

1. Agriculture, including; Crop and animal husbandry; Livestock sale yards; County abattoirs; Plant and animal disease control; and Fisheries.
2. County health services, including, in particular; County health facilities and pharmacies; Ambulance services; Promotion of primary health care; Licensing and control of undertakings that sell food to the public; Veterinary services (excluding regulation of the profession); Cemeteries, funeral parlours and crematoria; and Refuse removal, refuse dumps and solid waste disposal.
3. Control of air pollution, noise pollution, other public nuisances and outdoor advertising.
4. Cultural activities, public entertainment and public amenities, including; Betting, casinos and other forms of gambling; Racing; Liquor licensing; Cinemas; Video shows and hiring; Libraries; Museums; Sports and cultural activities and facilities; and County parks, beaches and recreation facilities.
5. County transport, including; County roads; Street lighting; Traffic and parking; Public Road transport; and Ferries and harbours, (excluding the regulation of international and national shipping and matters related thereto)
6. Animal control and welfare, including; Licensing of dogs; and Facilities for the accommodation, care and burial of animals.
7. Trade development and regulations, including; Markets; Trade licences (excluding regulation of professions); Fair trading practices; Local tourism; and Cooperative societies.
8. County planning and development, including; Statistics; Land survey and mapping; Boundaries and fencing; Housing; and Electricity and gas reticulation and energy regulation.
9. Pre-primary education, village polytechnics, home craft centres and childcare facilities.
10. Implementation of specific national government policies on natural resources and environmental conservation, including; Soil and water conservation; and Forestry.
10. County public works and services, including; Storm water management systems in built-up areas; and, Water and sanitation services.
11. Ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in governance at the local level.

For delivery of these functions within Nairobi County, various structures exist, with clearly defined roles. Nairobi City County Government is a product of devolution which was introduced by Article 6 and 174 of the

County Executive of Nairobi City
Annual Report and Financial Statements for the year ended June 30, 2025.

constitution, and therefore a government exists as per article 176 (1), with both the County Assembly and the County Executive in existence. For efficient delivery of the functions, the county government has existing functional structures as guided by different legislation.

The County's 2023-2027 CIDP has identified 3 key aspiration that will provide a nexus for development in Nairobi County for five years. Broadly, these aspirations have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's Vision 2030, SDGs and the MTP III. The key development aspiration of the County's CIDP 2023-2027 are to:

Aspiration I: A City of Order

Aspiration II: A city of Dignity

Aspiration III: A City of Hope and Opportunities for all

CIDP 2023-27 is guiding the development program in the County.

8. Statement of Management Responsibilities

Section 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of a County Government Entity to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for Finance and Economic planning of the County Government of Nairobi City is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county Executive/assembly; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the county Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Executive's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the County Executive's financial statements give a true and fair view of the state of the County Executive's transactions during the financial year ended June 30, 2025, and of its financial position as at that date.

The CEC member for finance further confirms the completeness of the accounting records maintained for the County Executive which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

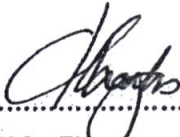
The CEC member for finance confirms that the County Executive has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Executive's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

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Further the CEC member for finance confirms that the County Executive's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County financial statements were approved and signed by the CEC member for finance on 18th December, 2025.



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CECM – Finance and Economic Planning

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REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF NAIROBI CITY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of County Executive of Nairobi set out on pages 1 to 111, which comprise of the statement of

financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of Nairobi City County Executive as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the County Governments Act, 2012, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unsupported Adjustments

The statement of changes in net assets reflects adjustments to recognize assets and liabilities totalling Kshs.118,794,238,631 and additions during the year totalling Kshs.43,726,412,394 which were neither explained nor supported.

In the circumstances, the accuracy of the adjustments and additions of Kshs.118,794,238,631 and Kshs.43,726,412,394 respectively could not be confirmed.

2. Employee Costs

The statement of financial performance reflects employee costs amount of Kshs.19,845,158,094 as disclosed in Note 8 to the financial statements. However, review of records provided revealed the following;

2.1 Unsupported Employee Costs

2.1.1 Other Personnel Costs

Employee costs included an amount of Kshs.840,426,436 under other personnel costs. However, the beneficiary lists, claim forms, invoices, approvals or any documentation to substantiate the payments were not provided for audit. As a result, it was not possible to confirm the nature, purpose and regularity of the other personnel costs.

2.1.2 Personal Allowances Provided in Kind

Employee costs included an amount of Kshs.90,582,862 under personal allowances provided in kind. However, list of beneficiaries, payment rates applied, computation details or the specific justification for the expenditure. It was therefore not possible to

determine the criteria used to identify beneficiaries, the basis of payment or whether the expenditure related to active County staff or external personnel were not provided for audit. Further, no evidence of approvals or correspondence from the County Public Service Board was provided to confirm that the payments were authorized and consistent with existing human resource and payroll policies.

2.1.3 Migration to Human Resource Information System (HRIS-KE)

Included in the employee costs is amount is Kshs.31,654,304 which was paid to seventy-six (76) officers who were introduced into the payroll upon migrating from the Integrated Payroll and Personnel Database (IPPD) to HRIS-KE in December, 2024. However, 2024/2025 records for those who joined or exited, transfer approvals, contract extensions, appointment letters and approvals were not provided for audit review.

2.2 Payment of Wages Outside HRIS-Ke System

The employee costs include an amount of Kshs.666,968,319 for basic wages of temporary employees. Review of records provided revealed that these were payments to casual workers, community health volunteers (CHVs) and other health staff. However, payroll records, contracts, or attendance register were not provided to substantiate the payments. Further, the amounts were not processed through the HRIS-Ke system as required but were instead processed using a manual payroll.

2.3 Irregular and Unsupported Withdrawals from the Salary Account

Audit review revealed seven (7) withdrawals totalling Kshs.1,923,574,338 from salary account held at a local bank during the year. However, the withdrawals were not supported with payroll summaries, registers, payment vouchers, or approvals and were not processed through the approved payroll system.

2.4 Irregular Payment of Per Diem from Salary Account

Examination of the salary account held in a local bank revealed that a total of Kshs.263,959,402 was paid out as per diem. However, these payments were processed directly from the salary account instead of the designated operations or travel imprest accounts. The payment of per diem from a non-designated account represents irregular financial practice and undermines expenditure control mechanisms.

2.5 Irregular Recruitment and Payment of Casual Employees

Review of sampled payment vouchers revealed that Kshs.11,642,923 related to casual workers engaged at Langata Cemetery, Nairobi Funeral Home and the Department of Works for the months of October and November, 2024 and February to May, 2025. However, the review identified significant control weaknesses including; absence of documented recruitment criteria and approvals, lack of staff rationalization reports, incomplete and inconsistent payroll records and muster rolls and attendance registers, unexplained variances in the number of casual workers paid, unsupported daily wage rates and lack of evidence of work performed. In several instances, funds were

transferred to County bank accounts without adequate evidence that payments were subsequently made to the intended beneficiaries.

Although, the Chief Officer, Public Health, through a memorandum, requested the County Secretary for authority to recruit 150 casual workers with effect from September, 2024, the County Secretary advised that further engagement of additional staff would worsen the existing County personnel budget and instead proposed that the sector liaise with the Chief Officer, Environment, with a view to redeploying the recently recruited additional Green Army support staff to the Health, Wellness and Nutrition Sector to perform the stated functions. The response however, did not provide evidence of approval for recruitment of the casual workers paid, nor was it supported by deployment records, payroll documentation, proof of payment to individual beneficiaries, or evidence of remittance of statutory deductions.

2.6 Undisclosed Third-Party Deductions and Net Salaries

Audit review of payroll and payment records revealed that an amount of Kshs.4,637,328,259 relating to third-party deductions and net salaries was paid during the year. Although payment vouchers and supporting schedules were provided for audit verification, this amount was neither disclosed in the payroll analysis schedule nor in the financial statements under employee-related costs.

2.7 Unsupported Accrued Employee Costs

Audit review revealed that an amount of Kshs.1,564,156,384 was reported as accrued employee costs in the general ledger. The accrued amount comprised of basic salaries for permanent employees of Kshs.700,039,514, personal allowances paid as part of salary of Kshs.692,361,934, employer contributions to compulsory National Social Security Schemes of Kshs.156,973,603 and personal allowances paid in kind of Kshs.14,781,333. However, Management did not provide reconciliations between payroll records, the Human Resource Information System (HRIS) and the general ledger to support the accrued balances. Further, the accrual schedules detailing the basis of computation, period covered, beneficiaries or evidence of subsequent settlement of the accrued amounts after year end were also not provided. Further, documentation to support accruals relating to unpaid allowances, terminal benefits or pension liabilities was also not provided.

In addition, analytical review or variance analysis was not provided to explain movements between the current and prior year employee costs

In the circumstances, the accuracy, completeness and occurrence of the employee costs of Kshs.19,845,158,094 could not be confirmed.

3.Unsupported Transfers to Free Early Childhood Development and Education Programme

The statement of financial performance and Note 10 to the financial statements reflects transfers to other Government entities amount of Kshs.100,000,000. Review of records revealed that the amount was transferred on 5 February, 2025 to Free Early Childhood Development and Education Program bank account. However, the transfer and the

related expenditure were not supported by payment vouchers or other relevant accounting records including returns and a departmental cashbook. Further examination of the bank statements revealed payments amounting to Kshs.54,044,611 made during the period from July, 2024 to June, 2025, for which payment vouchers, supporting documents and departmental cashbooks were not provided for audit review and the expenditure was not disclosed in the financial statements.

In addition, analysis of bank statements revealed total debits of Kshs.104,212,439 and credits of Kshs.104,731,388, whose sources and application could not be established, with some debit entries described as "iKONNECT bulk upload."

Further, the account was not disclosed in the schedule of County bank accounts and documentation relating to authority to open and operate the account, bank confirmation, cashbook and authority to debit the account was not provided. The bank reconciliation statements submitted reflected nil balances in both the bank statement and cashbook for the period July, 2024 to January, 2025, however, the February, 2025 reconciliation disclosed receipts amounting to Kshs.100,000,000 and payments amounting to Kshs.57,049,280 recorded in the bank statement but not captured in the cashbook, indicating that transactions were processed outside the accounting records.

Another bank account, correspondence from UNICEF to the County Chief Officer for Education indicated that Kshs.7,867,000 had been disbursed on a quarterly basis for the implementation of Early Childhood Education and Pre-primary School Programmes in Ruaraka and Mathare informal settlements and was required to be liquidated. However, no documentation was provided for audit to confirm receipt of the funds, the terms and conditions of the donation, its utilization or liquidation and the donation was not disclosed in the financial statements.

In the circumstances, the accuracy, completeness and regularity of transfers to Free Early Childhood Development and Education Programme amounting to Kshs.100,000,000 could not be confirmed.

4. Unsupported Scholarships and Other Educational Benefits

The statement of financial performance reflect other grants and subsidies amount of Kshs.2,275,084,269 which include Kshs.270,434,062 relating to scholarships and other educational benefits as disclosed in Note 12 of the financial statements. However, the scholarship amount was not supported with respective ledgers and there was no detailed breakdown or description of the beneficiaries. As a result, it was not possible to confirm whether the grants and subsidies were properly authorized, disbursed, or accounted for and if they were received by the intended beneficiaries.

In the circumstances, the accuracy, completeness and regularity of other grants and subsidies expenditure of Kshs.270,434,062 could not be confirmed.

5. Trade and Other Payables

The statement of financial position and as disclosed in Note 16 of the financial statements reflects trade and other payables balance of Kshs.87,240,740,803. However, the following anomalies were noted;

5.1 Unsupported and Long Outstanding Trade and Other Payables

Payables totalling Kshs.75,067,826,239 have remained outstanding for more than one (1) year. Further, the trade and other payables balance was not supported with the ledgers and schedules to justify what the amounts relate to. In addition, the reported trade and other payables as at 1 July, 2024 totaled Kshs.118,794,238,631 and reduced to Kshs.75,067,826,239 as at 30 June, 2025 which indicates pending bills totalling Kshs.43,726,412,392 having been paid during the year. However, the expenditure of Kshs.43,726,412,392 was not explained or supported. Further, records provided revealed that Management paid an amount of Kshs.3,422,835,912 pending bills during the year. The basis for payment of the remaining balance totalling Kshs.40,303,576,480 could not be confirmed.

5.2 Irregular Payment for Renovation Works at Pumwani Maternity Hospital

Included in the trade and other payables balance is a payment of Kshs.9,006,286 to a local contractor for repainting of Pumwani Maternity Hospital. Audit revealed that the payment did not appear in the pending bills register for 2023/2024. The supporting documents provided were photocopies and the original payment voucher was reported missing. An indemnity for the lost voucher was raised in February, 2020 and no invoice was attached to the payment records.

In the circumstances, the accuracy, completeness, existence and regularity of trade and other payables balance of Kshs.87,240,740,803 could not be confirmed and the County was exposed to loss of funds through fines, penalties and litigation.

6. Unconfirmed Receivables from Non-Exchange Transactions

The statement of financial position and Note 14 to the financial statement's reflects receivables from non-exchange transactions balance of Kshs.216,448,631. Included in this balance is Kshs.200,411,931 due from the County Revenue Fund (CRF). However, the remaining balance of Kshs.16,036,700 was not supported with ledgers, invoices or contract agreements, and it was therefore not possible to confirm the nature, validity and recoverability of the amount reported. Further, Management did not make provision for bad and doubtful debts, contrary to the requirements of the applicable financial reporting framework, increasing the risk of overstating receivables and total assets in the financial statements.

In the circumstances, the accuracy and recoverability of the receivables balance of Kshs.16,036,700 could not be confirmed.

7. Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.5,813,752,973 as disclosed in Note 15 to the financial statements. Review of records provided revealed the following;

7.1 Undisclosed Expenditure of Buildings Costs

Included in the property, plant and equipment balance is an amount of Kshs.1,097,150,026 relating buildings additions. Review of the sampled documents provided for audit revealed that two (2) payments totalling Kshs.10,096,705 and pending payments totalling Kshs.38,825,527 were not disclosed in the ledgers. Further, it was noted that the contract documents for the two (2) contractors were cleared for signing on 1 August, 2024. However, the actual signing of the contracts was done on 2 July, 2024 which is a month earlier. The inconsistencies were not explained or supported.

7.2 Supply and Delivery of Hard Core for Dandora Dump Site

Included in the property, plant and equipment balance is Kshs.3,127,506,554 relating to additions to infrastructure which includes a payment of Kshs.257,624,729 made for the supply and delivery of hardcore. However, supporting documents including the approved procurement plan indicating the activity, request for quotation or tender documents, tender opening and evaluation minutes, award letter and contract agreement with the supplier, delivery notes duly acknowledged by the receiving officer, inspection and acceptance committee report, payment voucher with relevant approvals, supplier invoices, stores ledger cards or stock records showing receipt of the items, goods received note, and local purchase or service order were not provided for audit review.

7.3 Unsupported Expenditure in Acquisition of Assets

The property, plant and equipment balance included an amount of Kshs.19,623,154 for purchase of motor vehicles which was not supported with procurement records including advertisements, tender minutes, evaluation reports and acceptance letters, or regret letters for unsuccessful bidders. Further, supporting documents for expenditures totalling Kshs.2,783,064 under refurbishment of buildings were not provided for audit review.

In the circumstances, the accuracy, completeness and existence of property, plant and equipment balance of Kshs.5,813,752,973 could not be confirmed.

8. Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.594,053,131 as disclosed in Note 13 to the financial statements. Review of records provided revealed the following;

8.1 Unexplained and Unsupported Variances in Cash and Cash Equivalents

The cash and cash equivalents balance included a balance of Kshs.25,938,092 under a Trust Fund. However, the cash book revealed a balance of Kshs.18,530,837 resulting to a variance of Kshs.7,407,255 which was not explained or supported.

8.2 Unauthorized Opening and Operation of a Bank Account

Review of records revealed that Management opened a bank account titled "NCC Imprest Operations Account" at a local bank in November, 2024. The account received inward

transfers from a supplier amounting to Kshs.98,118,250 on 25 November, 2024 and Kshs.53,584,630 on 22 January, 2025 respectively. Subject to bank charges of Kshs.2,940, the account reflected a closing balance of Kshs.151,699,940 as at 30 June, 2025. However, the authority to open the account was not provided, and there was no justification provided for establishing an imprest operations account.

Further, the signatories to the account were not disclosed, and no explanation was provided for operating an expenditure account that only received revenue. Further, the nature of the receipts could not be confirmed as no supporting invoices from the remitting entity or corresponding statements were provided. In addition, the account was not supported by a cash book or bank reconciliation statements for the year under review.

8.3 Unsupported Donor Funds

The statement of financial performance reflects total revenue of Kshs.31,829,450,413 as disclosed in Note 6 and Note 7 to the financial statements. However, review of the bank statement of a local bank account revealed that the County received funds totalling Kshs.357,684,030 from the Center for International Health, Education and Biosecurity (CIHEB) between July, 2024 and June, 2025. The receipts from CIHEB Kenya were not supported by ledgers, donor agreements, or other documentation to confirm the source of the funds and their utilization. In addition, it was noted that the County operated a Centre for Disease Control (CDC) USD account which had an equivalent amount of Kshs.31,868,241. The source of the funds transferred to the account was not provided.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalents balance of Kshs.594,053,131 and Donor Funds totalling Kshs.357,684,030 could not be confirmed.

9. Unsupported Refundable Deposits and Prepayments

The statement of financial position and Note 17 to the financial statements reflects refundable deposits and prepayments, balance of Kshs.44,468,929. The balance relates to deposits and retentions account balance of Kshs.18,530,837 and an account in a local bank with a balance of Kshs.25,938,092. However, the underlying obligations and the parties to whom the deposits relate were not provided.

Further, the County withheld 5-10% as retention money to safe guide the quality of works done. From the sampled contracts payments, the County Executive withheld an amount of Kshs.123,518,008, however, the funds were not transferred to the retention account and could not be traced in the bank statements.

In the circumstances, the accuracy, occurrences and completeness of the deposits and prepayments balance of Kshs.44,468,929 could not be confirmed.

10. Irregularities in Use of Goods and Services

The statement financial performance and Note 9 to the financial statements reflects use of goods and services amount of Kshs.15,768,509,567. Review of records provided revealed the following;

10.1 Expensing of Capital Expenditure

Included in the use of goods and services expenditure is an amount of Kshs.347,470,614 for routine maintenance - other assets. The expenditure on routine maintenance includes a payment to a supplier of Kshs.13,790,911 incurred on LAN materials and Installation services for City Hall Annex. However, this amount was expensed under use of goods and services instead of being capitalized as assets.

10.2 Un-Supported Payments to Kenya Power and Lighting Company

The use of goods and services expenditure included an amount of Kshs.144,416,184 on utilities, supplies and services, out of this, an amount of Kshs.139,437,145 was paid to Kenya Power and Lighting Company (KPLC) without supporting schedules and reconciliations as per the agreed settlement formula. Further, there were reported cases of missing link between verified meters and billed accounts, lack of consumption data and billing details and incomplete meter verification records.

10.3 Unaccounted for Domestic Travel and Subsistence Allowance

Included in the use of goods and services amount is training expenses totalling Kshs.179,905,782 which further included Kshs.2,989,000 relating to retreat for public participation, citizen engagement and customer service sub-sector staff held in Mombasa from 17 to 21 March, 2025. Examination of payment vouchers and their supporting documents revealed that payments to forty-nine (49) staff were not supported with evidence of travel documents such as vehicle work tickets, bus, train or airline tickets. Similarly, the County documents revealed that eighty-three (83) County officials participated in the Revenue Mobilization Workshop which was scheduled take place from 2 to 7 September, 2024 at Pride Inn Hotel in Mombasa, vide a memo dated 23 August, 2024 and an amount of Kshs.4,657,600 was paid. Both payment vouchers were not supported with participant list, transport requisitions or imprest warrants.

The statement of financial performance and as disclosed in Note 9 to the financial statements reflect domestic travel and subsistence allowance of Kshs.1,430,239,192. Included in this balance were multiple imprests totalling Kshs.612,765,818 issued without supporting registers, imprest warrants, or surrenders to substantiate the purpose of payments. Further, these imprests were issued through regular payment vouchers rather than formal imprest procedures and no imprest register was maintained.

In addition, standing imprest totalling Kshs.9,225,000 and Kshs.3,825,000 under the Office of the Governor and the Department of Inclusivity, Public Participation and Customers Services respectively, were issued with no official appointment of imprest holders, no authorized float limits and no detailed memorandum cash books to track reimbursements.

10.4 Unsupported Expenditure on Fuel Supplies

Included in the use of goods and services expenditure is fuel, oil and lubricants amount of Kshs.544,987,677. This includes a payment of Kshs.20,000,000 to a supplier for fuel

supplies to support flood mitigation program. Review of records revealed that the County Executive Committee in its sitting held on 6 November, 2023 resolved that in order to aid disaster preparedness, Kshs.20,000,000 be invoiced from Disaster Management Fund Account to procure fuel for emergency occurrence. However, the Authority to Incur Expenditure dated 29 November, 2023 requisitioned the money for fuel supplies to support El Nino Emergency Response Program. No response report from the program was presented for audit review. In absence of the report, it was not possible to determine the adversity of the El Nino in terms of how many people and which areas were affected. Hence, authenticity of the Kshs.20,000,000 fuel expenditure could not be confirmed.

Further, the attached fuel statement revealed fuel drawn from the various sub sectors of the County Executive totalling Kshs.20,749,969. However, there was no evidence of fuel expenditure in the statement drawn from Disaster Management and Coordination. Therefore, it was not possible to confirm that the requisition was utilized for El Nino Emergency Response as requisitioned. In addition, the Authority to Incur Expenditure was for Kshs.20,000,000, however, the subsector spent Kshs.20,749,969 resulting to an over expenditure of Kshs.749,969. The fuel statement was not supported with work tickets and the listing of County vehicles designated to the subsector with the subsequent fuel cards assigned to them was not provided for audit review.

10.5 Unsupported Foreign Travel and Training

Review of foreign travel and subsistence expenditure of Kshs.798,845,285 revealed that expenditure relating to international conferences, trainings and study tours totalling Kshs.16,487,324 were not supported with adequate documentation such as travel approvals, boarding passes, passports and visa stamps, attendance registers, programs, back-to-office reports or proof of work undertaken. In some cases, per diem was paid for periods exceeding approved event dates, accommodation was paid despite sponsor commitments and inconsistent and unauthorized rates were applied.

Further, payments of Kshs.3,506,220 and Kshs.3,756,265 for training expenditure on sustainability in Public Sector Finance of training that was scheduled take place from 1 to 7 February, 2025 in Singapore were not supported with air tickets, visas, travel insurance and facilitation fees and procurement records, while others were misclassified or charged to unrelated votes. Additional instances were noted where expenditure exceeded approved limits, payments were made before travel took place, procurement documentation appeared to have been prepared after the events, statutory supplier documents were missing, and post-event impact assessments were not undertaken. There were also cases of duplicate or unjustified procurement of services already contracted by the County, lack of imprest management, and unsupported lump-sum travel claims.

10.6 Unsupported Expenditure on Construction Materials

Review of records under use of goods and services revealed that, during the year, the Mobility Sector incurred an expenditure of Kshs.302,111,213 on procurement of construction materials and an amount of Kshs.19,284,799 to fuel asphalt concrete plant at Kagundo road, which produces asphalt concrete for construction of roads. However,

the expenditure was not supported with the status report of the roads that had been repaired or renovated. Therefore, the occurrence for the expenditure of Kshs.321,396,012 confirm not be confirmed.

10.7 Unsupported Expenditure on Garbage Collection

The use of goods and services amount included fuel, oil and lubricants expenditure of Kshs.544,987,677. Although the County Executive procured various private contractors and assigned them to specific zones for solid waste collection, the County also operated fifty six (56) solid waste collection trucks for which it incurred fuel expenditure amounting to Kshs.124,520,438. However, no evidence was provided to show that these trucks were assigned to any operational zones or activity logs, trip sheets, fuel consumption records, or supervisory reports were provided to demonstrate that the trucks participated in garbage collection activities during the year under review. This raises concerns regarding the utilization of County assets and accountability for fuel expenditure.

10.8 Unsupported Procurement and Payment for Internet Services and Wireless LAN Infrastructure

Included in the used of goods and services expenditure is a payment of Kshs.10,334,845 made to a local supplier for the provision of internet services and wireless LAN infrastructure to County Executive. The award was under a contract dated 24 March, 2022 with a contract sum of Kshs.46,496,259. However, review of the contract file revealed a two-page contract document and the documents listed as forming part of the contract including standard, special and technical specifications, drawings and priced bills of quantities did not relate to the works or services under review. Due to the absence of complete supporting documentation, it was not possible to ascertain the procurement process followed in awarding the contract.

10.9 Unsupported Insurance Expenditure and Undisclosed Payables

The use of goods and services expenditure included insurance costs of Kshs.1,302,257,569. However, audit review of insurance contracts and related records revealed that the County procured a comprehensive medical insurance scheme a total contractual commitment of Kshs.2,020,918,416. Of this amount, a contract valued at Kshs.1,495,474,577, was awarded to an insurance company for provision of a substantive annual policy, following an earlier direct procurement of a three-month interim cover from the same firm at a contract sum of Kshs.525,443,883.

Although payments amounting to Kshs.1,275,443,883 were made during the year, the outstanding balance of Kshs.745,474,577 was neither disclosed as a payable in the financial statements, nor supported by reconciliations or correspondence to confirm the status of the outstanding liability.

Similarly, general insurance services were contracted at Kshs.129,713,854, yet only Kshs.26,813,686 was reported as paid, with the unpaid balance of Kshs.102,900,168 not supported by payment documentation or disclosed as a pending bill.

In addition, insurance services contracted in the prior financial year could not be substantiated as the contract agreement were not provided for audit and no related payments or liabilities were disclosed. Review of outstanding premium schedules further revealed unexplained variances between reported balances and supporting invoices, and significant outstanding premiums for prior years which were not supported by invoices or reconciliations.

10.10 Irregular and Unsupported Expenditure on Conference Facilities and Workshops

Use of goods and services expenditure includes training expenses totalling Kshs.179,905,782. Review of records provided revealed that during the year, the County Executive incurred expenditure amounting to Kshs.19,227,097 on provision of conference facilities, accommodation, per diem, transport and lunch allowances for officers attending various activities, and related workshop costs within the Innovation and Digital Economy Sector and the Department of Finance. However, audit review of the supporting documentation revealed instances of expenditure incurred without proper authorization, with Local Service Orders (LSOs) issued before approval of the expenditure and material inconsistencies noted between LSOs, invoices and payment vouchers regarding the number of participants, duration of workshops and amounts payable.

Further, key procurement documents including requests for quotations, tender advertisements, bid documents, evaluation committee appointment letters, minutes, professional opinions, notifications and acceptances of award were not provided for audit.

In addition, attendance registers, participant lists, workshop programs, back-to-office reports or service completion certificates to confirm that the workshops were conducted as planned, the number of officers who attended, or that the services paid for were actually delivered were not provided for audit review. In some cases, there was no evidence that the user departments monitored service delivery, while discrepancies were observed between approved workshop details and invoiced services.

In the circumstances, the regularity, accuracy and completeness of use and goods and services expenditure amount of Kshs.15,768,509,567 could not be confirmed.

11. Unsupported Expenditure in the Kenya Informal Settlements Improvement Project (KISIP 2)

The statement of financial position reflects cash and cash equivalents balance of Kshs.594,053,131 which as disclosed in Note 13 to the financial statements includes KISIP Project account balance of Kshs.322,206,514. Review of the financial statements and the cash book revealed that the County Treasury transferred a total of Kshs.448,538,617 to the Nairobi City County Kenya Informal Settlements Improvement Project 2 (KISIP 2) account during the financial year, comprising of Kshs.366,140,190 on 26 February, 2025 and Kshs.82,398,427 on 11 July, 2024. The KISIP 2 account maintained at a local Bank had an opening balance of Kshs.182,395,897 as at 1 July, 2024 and a closing balance of Kshs.322,206,514 as at 30 June 2025. However, based on the opening balance, transfers received and closing balance, the total expenditure for

the year was Kshs.308,728,000 out of which, only expenditure totalling Kshs.32,814,350 was supported. Expenditure totalling Kshs.275,913,650 was not accompanied by payment vouchers, supporting schedules, expenditure returns, financial performance reports, interim certificates of completion or engineers' progress reports.

Further, although the Government of Kenya, through the State Department for Housing and Urban Development, received financing from the World Bank and AFD to support Kenya Informal Settlements Improvement Project 2 (KISIP 2) infrastructure works, no agreement was provided to demonstrate formal arrangements with Nairobi City County Executive regarding management, utilization, and accountability of the funds.

In the circumstances, the accuracy, completeness and occurrence of the project expenditure of Kshs,275,913,650 could not be confirmed, and it was not possible to ascertain whether the funds were applied for the intended purpose.

12. Voided Payments

Analysis of the IFMIS system payments indicated that 1,376 transactions totalling Kshs.6,206,840,196 were voided during the year. Management did not provide the reasons for voiding the transactions which had been approved by the Controller of Budget for payment. Further, Management did not maintain a void transactions register detailing the date and reason for voiding transactions.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

13. Unreconciled Cash Withdrawals for Support of Various Level 1 and Level 2 Hospitals

The statement of financial performance reflects other grants and subsidies amount of Kshs.2,275,084,269 which as disclosed in Note 12 to the financial statements includes civil contingency reserves totalling Kshs.1,142,838,007. During the year under review the Health Department withdrew an amount of Kshs.89,566,950 for the support of various Level 1 and Level 2 Hospitals within the County. However, the acknowledgements from the respective hospitals and expenditure returns were not provided for audit review.

In the circumstances, the accuracy and regularity of the amount of Kshs.89,566,950 withdrawn for support of various Level 1 and Level 2 Hospitals within the County could not be confirmed.

14. Expenditure Without Budget Approvals

The statement of financial performance reflects other grants and subsidies amount of Kshs.2,275,084,269 as disclosed in Note 12 to the financial statements. Review of payment details in the Integrated Financial Management Information System (IFMIS) revealed that a total of Kshs.340,413,761 was paid for items described as construction other and refurbishment other, during the year under review. However, the specific line items under which these payments were charged had no approved budgetary provisions, implying that these expenditures were incurred without prior budget approval.

In the circumstances, the regularity of the expenditure of Kshs.340,413,761 paid for items described as construction other and refurbishment other, could not be confirmed.

15. Irregular Hire and Procurement of Heavy Equipment, Plant and Machinery for Dandora Dumpsite

The statement of financial performance and Note 9 to the financial statements reflect use of goods and services amounting to Kshs.15,768,509,567. Audit review of sampled payments totalling Kshs.94,050,100 relating to the hire of heavy equipment, plant and machinery at Dandora Dumpsite revealed significant procurement, contractual and payment irregularities;

- i. The County entered into contracts under framework arrangements without providing evidence of the underlying procurement processes, tender documents, local purchase orders or call-off references to justify engagement of the suppliers or to define the machinery required, duration of assignment and scope of work.
- ii. Letters of award were issued significantly earlier than contract signing, while contract agreements referenced attachments on specifications, drawings and priced bills of quantities that were unrelated to the hire of machinery services.
- iii. No needs assessment was undertaken to determine the number and type of machines required, and no approval or deployment schedules were provided to confirm machinery assigned to the dumpsite.
- iv. Billing was based solely on odometer-hour readings, with evidence of continuous machine operation lacking documented downtime, fuel logs, operator attendance registers or independent verification, undermining the reliability of invoiced hours. Identical working hours recorded for different machines further cast doubt on the accuracy of records.
- v. Key supporting documents such as procurement files, inspection reports prior to deployment, monitoring procedures, duty rosters and maintenance records were not provided for audit.

Further, anomalies were noted under review of tender awarded including unsupported night-shift operations, unjustified deductions of a 3% contract fee and inconsistencies between authority-to-procure memos and items procured.

In addition, lack of regret letters, incomplete bid opening records, questionable responsiveness determinations during evaluation, and absence of critical procurement approvals and contract documentation.

Also payments amounting to Kshs.44,848,200 for machinery operating day and night were inadequately supported, while some unpaid amounts were not disclosed in the pending bills register.

In the circumstances, the accuracy, occurrence and completeness of use of goods and services amount of Kshs.94,050,100 could not be confirmed.

16. Solid Waste Collection, Transportation and Disposal Services

The statement of financial performance and as disclosed in Note 9 to the financial performance, reflects use of goods and services expenditure amounting to Kshs.15,768,509,567. Audit review of solid waste collection, transportation and disposal services across Nairobi City County, involving payments totalling Kshs.1,614,001,260, revealed widespread weaknesses in procurement, contract administration, operational controls and financial management, as detailed hereunder.

- i. During May, 2023, a payment of Kshs.3,059,549 was made to a local contractor. However, the procurement file was not provided for audit verification. Further payment of Kshs.6,273,745 was made though waste collection activities undertaken outside the approved service area of Roysambu, including parts of Westlands and Ruaraka.
- ii. In August, 2023, a payment amounting to Kshs.17,667,257 revealed that the contractor failed to submit the mandatory final work plan within thirty days and no work plan accompanied the payment documentation. No Local Purchase Order specifying service areas, dates or expected service volumes was issued. Further, withholding tax amounting to Kshs.834,624 was deducted but not remitted to the Commissioner of Income Tax, while the expenditure was not recorded as pending bills in IFMIS for FY 2023/2024.
- iii. During FY 2022/2023, a contract for waste management services in Embakasi Central, executed on 14 April, 2023, resulted in payments of Kshs.82,623,704. However, the tender was not advertised on the Public Procurement Information Portal as required by law.
- iv. Audit review disclosed multiple unsupported payments totalling Kshs.3,445,865 which were based on estimated waste weights despite the existence of a functional weighbridge at Dandora Dumpsite. Comparisons between daily monitoring sheets and monthly summaries revealed inconsistencies in tonnage, number of trips, days worked and disposal times. Additionally, payments of Kshs.1,404,237 were made for garbage deliveries without signed monitoring forms.
- v. Several operations involved unauthorized vehicles without logbooks or written authorization. Analysis of cashbook records further revealed payments amounting to Kshs.279,468,542 that were not supported by payment vouchers or procurement documentation.
- vi. During the year under review, payments totalling Kshs.122,949,830 were made to one contractor for waste management services. However, only payments amounting to Kshs.41,427,394 were supported by invoices, delivery notes and weighbridge tickets. Consequently, expenditure of Kshs.81,522,436 could not be accounted for due to lack of supporting documentation.

In the circumstances, the accuracy, regularity, occurrence and completeness of use of goods and services amount of Kshs.473,240,410 could not be confirmed.

17. Unsupported Pending Bills Register

The County Executive on 28 October, 2024 through the County Executive Committee Member for Finance and Economic Planning wrote a memo to the Chief Officer Finance authorizing the suspension of Government guaranteed loans totalling Kshs.19.1 billion from the County pending bills register. However, the withdrawal was not supported with approval minutes from the Executive Committee meetings. Further, the loan withdrawal schedules, loan repayment schedules and total outstanding balances for the loans as highlighted in the withdrawal memo were not provided for audit review hence it was not possible to confirm the loans balance of Kshs.19.1 billion.

In addition, the same memo required the Chief Officer Finance to update the County pending bills register with an amount of Kshs.8,225,048,262 emanating from a consent of case number 468 of 2019 between LAPFUND and the County Executive. As at the date of audit, the County Executive had not updated the pending bills register as authorized.

In the circumstances, the County's pending bills may be understated by Kshs.19,100,000,000 and Kshs.8,225,048,262 in respect of suspended Government loans and consent for case No. 468 of 2019 respectively.

18. Payments Outside the Disclosed List of Prior Year Pending Bills

Review of payment records relating to various projects revealed that an amount of Kshs.319,486,332 was paid during the year in respect of projects that were initiated and procured during the previous financial years 2023/2024. However, the pending bills were not disclosed in the prior years audited financial statements. This was contrary to Paragraph 2.2.4 of The National Treasury Circular PSASB 1/12/Vol.1(44) dated 25 June, 2019 which requires disclosure of pending bills to enhance transparency in their management. Further, a total of Kshs.311,486,332 was not supported with an approved debt verification form from the Head of Debt Management Department hence an irregular payment of unverified debt.

In the circumstances, the accuracy, completeness and regularity of the payments could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nairobi City County Executive Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts, Recurrent and Development Combined reflects final receipts budget and actual on comparable basis of Kshs.43,564,266,834 and Kshs.32,546,363,019 respectively resulting to an under-funding of Kshs.11,017,903,815 or 25% of the budget. Similarly, the County Executive spent Kshs.31,952,309,883 against actual receipts of Kshs.32,546,363,019 resulting to under-performance by Kshs.594,053,131.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

2. Unsupported Budget Analysis

Examination of the records provided revealed that the approved second supplementary budget for the County Executive (excluding the County Assembly) provided for recurrent expenditure of Kshs.33,129,494,248 and development expenditure of Kshs.4,735,967,613. However, the detailed ledger analysis to reconcile the actual expenditure for each category were not provided for audit review.

3. Deviation from Approved Budget and Work Plan

The Office of the Governor had an approved budget of Kshs.286,640,142 for the year. However, no payments were made in the Department for expenditure incurred in the year under review and remained as pending bills at the end of the year. Instead, the budgeted funds were used exclusively to settle pending bills from prior years.

4. Unauthorized Expenditure Beyond Approved Budget Limits

Review of budget implementation records for the year under review revealed that the County Executive prepared and passed an original budget, a first supplementary budget, and a second supplementary budget in accordance with the law. However, the County incurred additional expenditure amounting to Kshs.710,085,810 beyond the approved budget allocations in various sub-sectors. Management did not demonstrate any emergency to occasion the unauthorized expenditure or show the source of funds spent.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Nairobi City County Executive Management in 2024/2025 revealed that the matters as at **Appendix 1** remained unresolved.

Other Information

Management is responsible for the Other Information set out on page iii to xcv which comprise of Key Entity Information and Management, Governance Statement, Foreword by CECM Finance and Economic Planning, Environmental and Sustainability Reporting, Management Discussion and Analysis, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Nairobi City County Executive financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources, I confirm that Other Information is not materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Payment for County Assembly Activities Using Executive Funds

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects use of goods and services expenditure of Kshs.15,768,509,567. Audit

review revealed that for a County Assembly sectorial workshop, the Executive procured conference services at a contract sum of Kshs.2,912,000. However, the inspection and acceptance was conducted after the event had began and the supplier's invoice was dated before the event concluded. Services were contracted for eighty (80) participants but records indicated that only fifty (50) attended with no evidence of cost adjustment, verified attendance lists or activity records for the entire period. Monitoring by the user or procurement department was also lacking.

Further, air travel for County Assembly delegates totalling Kshs.5,258,000 was paid from the County Executive Vote, despite the Assembly having its own independent budget. No formal authorization or inter-institutional agreement justified the use of Executive resources for Assembly activities. Contrary to Section 149(1) of the Public Finance Management Act, 2012 provides that an Accounting Officer is accountable to the county assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is lawful and authorized; and effective, efficient, economical and transparent. Further, this constituted an irregular charge to the wrong vote, undermining financial segregation, budgetary integrity and accountability and indicated possible misallocation of funds or broader patterns of budgetary indiscipline.

In the circumstances, Management was in breach of the law.

2. Irregular Payment for Land Settlement Exercise

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects use of goods and services amount of Kshs.15,768,509,567. Audit review of the regularization of land settlements and mapping of public land in various locations revealed that an amount of Kshs.3,840,000 was transferred to the Nairobi County bank account as field allowances for six (6) survey teams. However, breakdown of the allowances for individual officers, evidence confirming that the officers received the payments, and reports on the exercise conducted were not provided for audit review.

In the circumstances, value for money in the use of goods and services amount of Kshs.3,840,000 could not be confirmed.

3. Irregularities in Program Design and Implementation of the School Feeding Program ("Dishi na County")

The statement of financial performance and Note 9 to the financial statements reflects use of goods and services amount of Kshs.15,768,509,567, which includes expenditure relating to the School Feeding Program - Dishi na County. The programme was established through Executive Order No. 1 of 2022 to improve nutrition, retention and academic performance among learners in public primary schools and ECDEs. However, audit review revealed material weaknesses in programme design, governance, procurement, financial management and oversight as analysed below;

- i. The County did not provide a documented needs assessment, costed programme design, sustainability or exit strategy, or a performance framework with baseline data and key indicators to justify and guide implementation.

- ii. Although an intergovernmental agreement was entered into with the Ministry of Education, audit could not confirm compliance with key provisions, including performance evaluations, cost-sharing arrangements, disclosure of third-party agreements, deployment of human resources and accountability for donor and partner contributions.
- iii. Records evidencing oversight structures, kitchen selection criteria, delivery logistics, beneficiary verification, daily meal distribution and service acknowledgment were not provided.
- iv. The digitally administered "Tap to Eat" system was implemented without evidence of procurement, contractual arrangements, system audit, or safeguards on data protection, despite involving minors. Similarly, the co-payment model requiring parental contributions lacked controls over collection, accounting and reconciliation, with no provisions to safeguard access for vulnerable learners.
- v. The programme exhibited characteristics of a Public-Private Partnership, yet no formal PPP agreement was in existence.
- vi. Key elements such as risk sharing, asset ownership, performance metrics, dispute resolution and exit clauses were absent, while reliance on a single service provider without competitive retendering raised sustainability and value-for-money concerns. Procurement and payment irregularities were noted, including missing tender documentation, inconsistencies in procurement timelines, execution of contracts without full authorization, advance payments not supported by work plans, unsupported and irregular payments to designated and non-designated kitchens, unverified expenditure, and overpayments arising from failure to deduct learner contributions. In addition, amortization of advance payments were not effected as required under the contract.
- vii. A total of seventeen (17) central kitchens were reportedly established but no completion certificates, handover documents, commissioning reports, operational readiness records, or public health inspections were provided.
- viii. A discrepancy was noted in Embakasi Central where the awarded kitchen was Thawabu Primary School but audit documentation indicated Kayole 1 Primary School. Audit review of payments made under the Dishi na County School Feeding Programme revealed significant weaknesses in financial management and contract administration.
- ix. Payments amounting to Kshs.9,335,400 were made to Dagoretti South Central Kitchen despite the existence of a similar CDF-operated programme, without evidence of harmonization or verification of outputs.
- x. An advance payment of Kshs.160,000,000 was justified using proforma invoices, contrary to prudent financial management, and was not supported by phased work plans.
- xi. Payments totalling Kshs.118,371,525 were made to non-hub kitchens without documentation to confirm official designation, beneficiaries served or costs

incurred, while an additional Kshs.118,630,050 was paid without any supporting documentation.

- xii. Gaps in monthly billing for several months raised concerns over service continuity, while seven kitchens reportedly ready for handover lacked certification and supervision records. Overpayments amounting to Kshs.72,889,815 were identified due to failure to deduct learner contributions, resulting in the County paying Kshs.25 per plate instead of Kshs.20. Moreover, amortization of the Kshs.160,000,000 advance was not initiated as required under the contract, exposing the County to undue cash-flow risks.
- xiii. Audit was further constrained by significant documentation gaps, including missing bid documents, cumulative payment schedules, procurement records, agreements with partners and governance arrangements for digital infrastructure.

In the circumstances, the regularity and value for money of expenditure incurred under the Dishu na County programme could not be confirmed. In addition, Management was in breach of law.

4. Irregular Recruitment and Payment of Community Health Promoters

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects employee cost of Kshs.19,845,158,094. However, review of payment vouchers totalling Kshs.195,352,000 for monthly stipends of seven thousand, eight hundred and twenty (7,820) Community Health Promoters (CHPs) revealed the following.

- i. No documentation was provided to confirm whether the County conducted a needs assessment prior to engaging the CHPs, raising concerns on whether the deployment was aligned with actual service delivery needs.
- ii. The recruitment process was not supported, with shortlists, and interview reports.
- iii. There was no evidence to confirm that the CHPs were competitively hired by the County Public Service Board as required.
- iv. Engagement letters indicated a stipend of Kshs.3,500 per month (comprising Kshs.3,000 stipend and Kshs.500 SHA contribution), but the deduction for SHA was not referenced in the engagement letters, and no approval for this deduction was provided.
- v. The stipends included a Kshs.500 SHA contribution per promoter per month, totalling Kshs.46,920,000, but no receipts, remittance slips, or acknowledgment documents were provided. Consequently, the authenticity of SHA deductions and remittances could not be confirmed.
- vi. Terms of Reference or guidelines outlining the duties and responsibilities of CHPs were not provided.

- vii. Sub-county confirmations of payments were not provided, while payment vouchers were addressed to Nairobi County.
- viii. There were no acknowledgments or signed pay-lists from CHPs to confirm receipt of their stipends, and bank statements were not provided for verification.
- ix. The database of CHPs also lacked crucial information such as age, recruitment dates, and records of joiners and leavers, limiting the ability to verify authenticity and continuity of payments.
- x. Supporting documents for stipend distribution, such as Ruaraka Sub-County lists, did not include names of Community Health Units (CHUs), making it difficult to confirm whether stipends corresponded to the reported 782 CHUs.

In the circumstances, the regularity and value for money in the Kshs.195,352,000 for monthly stipends of seven thousand, eight hundred and twenty (7,820) Community Health Promoters (CHPs) could not be confirmed.

5. Legal Services Management and Financial Control Weaknesses

5.1 Irregular Engagement and Inadequate Oversight on External Legal Firms

The statement of financial performance reflects use of goods and services amount of Kshs.15,768,509,567 which includes other operating expenses amount of Kshs.6,165,173,103. This further includes Kshs.1,515,990,263 on legal services. Note 22 to the financial statements discloses contingent liabilities totalling Kshs.11,970,049,570.

Review of documents provided reveals that several firms were engaged without evidence of competitive selection, existence of framework agreements or documented justification for direct procurement or single-sourcing. In many instances, engagement letters or contractual agreements were not provided for review, undermining transparency, accountability and enforceability of contractual obligations.

Further, the County did not provide documentation to demonstrate that structured performance evaluations of the engaged legal firms were undertaken. Specifically, no case progress reports, performance review summaries, feedback mechanisms or contract close-out reports were provided to support monitoring and assessment of service delivery.

In addition, consolidated summaries of case outcomes such as judgments, settlements, withdrawals or dismissals were not provided. There was also no evidence of evaluation reports demonstrating the effectiveness, efficiency or value derived from the outsourced legal services. Although the County had approximately one hundred and ten (110) legal officers deployed across various units, most litigation matters continue to be outsourced without documented criteria to justify this arrangement. Further, no cost-benefit analysis or legal outsourcing strategy was provided to support the decision to engage external firms and disciplinary records relating to three (3) interdicted officers were not provided for audit review.

In the circumstances, the engagement and management of external legal services did not demonstrate value for money on the expenditure.

5.2 Non-Utilization of Existing Legal Case Management System

The County Legal Department had access to an in-house legal case tracking system developed by the ICT unit. However, there was no evidence that the system was actively in use. Case monitoring continued to be undertaken manually and no system-generated data was provided for audit review. It was noted that the Department relied almost exclusively on physical case files, with no electronic backup in place and lacked a centralized and updated legal document repository.

In the circumstances, the failure to utilize available ICT systems undermines effective records management and does not demonstrate compliance with good governance practices or assurance of value for money.

5.3 Undisclosed Legal Cases Paid Outside the Pending Bills Register

Audit review revealed that legal cases totalling Kshs.49,939,059 were settled during the financial year 2024/2025 but were not disclosed in the County Executive's pending bills register at the close of the previous financial year, 2023/2024. The cases include; ELC No. E001 of 2023 amount of Kshs.21,316,666, ELC Petition No. E019 of 2023 amount of Kshs.10,224,360 and HC JR ELC of 2022 amount of Kshs.18,395,033. No documentation was provided to explain the omission of these liabilities from the pending bills register submitted for audit or from the financial statements for the year ended 30 June, 2024.

In the circumstances, the legality and completeness of payments of the legal cases that were not part of pending bills could not be confirmed and may have led to loss of public funds.

5.4 High Unauthorized Legal Costs Without Budgetary Alignment

The County incurred cumulative legal expenditure amounting to Kshs.1,515,990,263 paid to external Legal Counsel. This expenditure significantly exceeded the approved supplementary budget provisions for legal services, which were Kshs.301,550,848 for recurrent expenditure and Kshs.8,000,000 for development under the Legal Department. No documentation was provided to demonstrate that the excess expenditure was regularized through additional approvals by the County Assembly or the Controller of Budget, as required under the Section 131(3) of the Public Finance Management Act, 2012.

Further, no evidence of utilization was provided to support the amounts of Kshs.8,000,000 development allocation, raising concerns as to whether development initiatives such as digitization of legal records, capacity building or infrastructure improvement were implemented.

In the circumstances, the expenditure was incurred in non-compliance with public finance management Act and did not demonstrate effective budgetary control or value for money.

5.5 Irregularities in Management and Award of Court Cases

Audit review of multiple legal cases handled between 2016 and 2025 identified recurring weaknesses in the management, monitoring and payment of external legal services.

- i. Several cases involved repeated changes of advocates and in some instances, two law firms represented the County simultaneously resulting in duplication of costs without justification.
- ii. Fee notes were inconsistent or missing. Further, notes were often grossly inflated and subsequently revised downward by the County Attorney without evidence of independent evaluation or compliance with the Advocates Remuneration Order, 2014.
- iii. Key supporting documents such as court attendance records, pleadings, rulings and case outcomes were not provided to substantiate payments.
- iv. Instructions issued to advocates were unclear, and not itemized and did not define scope or deliverables, preventing effective monitoring.
- v. Significant payments, including amounts between Kshs.40,000,000 and Kshs.136,000,000 per case, were made without itemized fee notes or supporting court documentation.
- vi. In several instances, revised fee notes could not be verified and in one case it was unclear whether the firm represented the County or a third party.
- vii. The County did not maintain a central legal case register to track active, concluded or pending matters.
- viii. Case statuses were not consistently recorded in official registers.
- ix. Some cases continued to incur costs despite absence of briefs from County solicitors and terminations or changes of advocates were not properly documented, exposing the County to double billing and avoidable expenditure.
- x. Interest payments arose due to delayed settlement of decretal sums and some legal fee payments were misclassified, obscuring true legal liabilities.
- xi. Instances were noted where withholding taxes (income tax and VAT) deducted from legal fees were not remitted to the Kenya Revenue Authority, indicating non-compliance with statutory obligations.

In the circumstances, Management and award of legal cases was not in compliance with the laws and regulations and did not demonstrate assurance of value for money.

5.6 Failure to Provide County Attorney's Statutory Report

Audit review revealed that the statutory report submitted by the County Attorney related to the previous financial year rather than the year under review. The absence of a current

statutory report undermines transparency and accountability regarding pending cases, litigation risks, legal expenditure and the performance of both internal and external counsel. This was contrary to Section 28(I) of the Office of the County Attorney Act, 2020, which provides that the County Attorney shall as soon as practicable after the Month of June, each will prepare and furnish to the Governor in respect of the of the operations of the Court during the year that award on fifth June.

In the circumstances, the completeness and reliability of legal expenses for the year could not be confirmed and management was in breach of the law.

5.7 Delayed Payment of Legal Fees

Audit review revealed that a legal fee claim an amount of Kshs.40,611,050, payable for HC Misc. Application No. 539 of 1996, was delayed from 12 August, 2016 and only settled on 23 June, 2025. No vendor fee notes, contract or supporting documentation was provided to confirm the accuracy or validity of the payment. Further, extracted minutes indicated that the initial claim amount of Kshs.55,113,413 was later revised to Kshs.40,611,050 but no documentation was provided to explain the adjustment. In addition, the status of the case could not be confirmed as it was absent from the County's list of concluded matters. No evidence of prequalification, registration or due diligence of the legal service provider was provided. The delayed payment and lack of supporting documentation highlight non-compliance with legal and financial management requirements.

In the circumstances, the value for money in use of goods and services amount of Kshs.1,515,990,263 and the regularity of contingent liabilities balance of Kshs.11,970,049,570 could not be confirmed.

6. Irregularities in Construction of Capital Projects

The statement of financial position and as disclosed in Note 15 to the financial statements reflects property, plant and equipment balance of Kshs.5,813,752,973. However, review of records provided revealed the following;

6.1 Lady Northey Governor's Residence and CBK Pension Towers Phase II

Review of the proposed construction of the official Governor's residence at Lady Northey and the proposed partitioning of Offices on the 25th and 26th Floors at CBK Pension Towers – Phase II, revealed the following;

- i. Both projects were awarded to the same supplier, and had multiple irregularities and non-compliance with procurement and contract management requirements.
- ii. The Governor's Residence project, valued at an amount of Kshs.235,323,395, was scheduled for completion within forty (40) weeks from site possession on 22 April, 2024. However, as of 30 June, 2025, only two Interim Payment Certificates (IPC No. 1 and IPC No. 2) had been raised and paid, with a combined gross certification amount of Kshs.89,470,154, leaving a balance of Kshs.145,853,241 of the contract

sum uncertified and the remaining work incomplete by the end of the financial year. The forty-week completion period had lapsed by 24 February, 2025, creating a risk of project stalling and indicating significant delays in project implementation and payments relative to the original schedule.

- iii. The contract sum significantly exceeded the approved ceiling amount of Kshs.45,000,000 under SRC guidelines for Governors' official residences, while provisional sums and prime costs totalling Kshs.97,500,000 (41% of the contract) were abnormally high.
- iv. Payments amounting to Kshs.17,000,000 were made without supporting documentation, including variation orders, measurement sheets, or project manager instructions. Performance security expired before project completion.
- v. Retention funds were not remitted.
- vi. Withholding taxes were not remitted to KRA.
- vii. Ownership of the Lady Northey site could not be verified.
- viii. Staff relocation compensation lacked supporting justification, and budget allocations were inconsistent with the project timeline.

The CBK Pension Towers Phase II project, valued at Kshs.42,647,380 with payments totaling Kshs.37,111,445, exhibited similar deficiencies. These include;

- i. Inspection reports did not detail verifiable works.
- ii. Measurement sheets were absent, and LPO commitment occurred after engineer certification.
- iii. Retention totalling Kshs.2,132,369 was partially deducted and not remitted, and provisional sums and dayworks were paid without supporting documentation or variation orders.
- iv. The contract expired while works continued without extension approval.
- v. No lease agreement was provided to clarify responsibilities for partitioning rented office space.
- vi. Risk of duplication of works with previous phases was noted, and withholding taxes amounting to Kshs.1,753,195 were not remitted.

6.2 Construction of Perimeter Wall, Guard House and Gates at Shiranga Hospital – Njiru Ward

Audit review of the tender valued at a sum of Kshs.11,599,315 for a six-month period starting 2 September, 2024, revealed that the tender evaluation committee minutes were dated 21 February, 2024 prior to the tender closing on 1 March, 2024. Further, the

contract was signed on 2 July, 2024, ninety (90) days after the tender notification on 2 April, 2024 exceeding the validity period. In addition, the Bill of Quantities, site instructions, invoices and the project implementation file were missing. The 10% retention amounting to Kshs.583,870 was also not deposited into the County deposit account.

6.3 Construction of Cancer Diagnostic Centre

Audit review of the construction of the Cancer Diagnostic Centre at Parklands Sub-County Offices awarded at a contract sum of Kshs.39,998,609 with a six-month completion period commencing 2 October, 2023. However, technical evaluation inconsistencies were noted, with professional opinions covering four bidders while the minutes reflected only one bidder. The professional opinion was dated 19 June, 2023, three (3) days after the evaluation. Essential documentation including approved Bill of Quantities and site instructions were missing. Further, the project implementation file and project status report were not provided. Additionally, the 10% retention amounting to Kshs.3,388,108 was not deposited into the County deposit account.

6.4 Construction of Boundary Wall, Gate House and Parking – Safe House, Mji wa Huruma

Audit review of the construction of a boundary wall, gate house and parking at the Safe House – Mji wa Huruma, awarded at a contract price of Kshs.12,810,141 with a six-month completion period, revealed multiple anomalies.

- i. No approved engineer's estimate or Bill of Quantities was provided for audit.
- ii. The same committee members handled both tender opening and evaluation. Appointment letters for the opening and evaluation committees were missing and unsuccessful bidders were not issued regret letters.
- iii. A mischarge of Kshs.2,783,064 from the Tourism subsector to fund Gender and Inclusivity activities was noted.
- iv. Contingency sums and variations amounting to Kshs.250,000, Kshs.1,850,200, and Kshs.390,000 were included in Certificate No.1 without expenditure breakdown, variation requests or approval minutes and no justification for cost increases in Bill of Quantities items was provided.
- v. Memoranda of Understanding with National Government Affirmative Action Fund (NGAAF) (Kshs.50M) and Nairobi Metropolitan Services (NMS) (Kshs.18M) lacked progress reports, approved plans, committee minutes and handover reports.
- vi. Upon physical inspection, the public signboard did not indicate County involvement, the gate house was locked preventing confirmation of internal works and some paving blocks had already been demolished, suggesting poor workmanship or lack of supervision.

6.5 Construction of Nyangusi Road – Umoja I Ward

Audit review of the construction of Nyangusi Road in Umoja I Ward, awarded at a contract sum of Kshs. 19,700,094 with a six-month completion period commencing 18 April, 2024, revealed multiple anomalies.

- i. No requisition or Authority to Incur Expenditure from the user department was provided. There was no advertisement on the Public Procurement Information Portal or other prescribed media and professional opinion indicated a single bidder, suggesting de facto direct procurement without statutory justification or approval.
- ii. Appointment letters for opening and evaluation committees as well as opening registers and minutes, were not provided.
- iii. Tender evaluation was conducted on 18 December, 2023 but the professional opinion was issued on 23 February, 2024, approximately 67 days later.
- iv. No materials approvals, such as laboratory test certificates were on file, creating risk of substandard construction.
- v. Road designs and Bills of Quantities from both Public Works and the contractor were not provided and site handover or completion reports, site meeting minutes, monthly progress reports and resident engineer's instructions were missing.
- vi. The Local Purchase Order was dated 14 November, 2024, after works had commenced and inspection conducted, indicating post-facto procurement.
- vii. Retention of Kshs. 1,967,043 was deducted from IPC 1 but was not transferred to the County deposit account and the retention amount (approximately 11.1%) could not be reconciled to contract terms.

6.6 Upgrading to Bitumen Standards – DC–Mwembeni–Nyumba Kubwa–Gaza Road

Audit review of the upgrading to bitumen standards of DC–Mwembeni–Nyumba Kubwa–Gaza Road, awarded at a contract sum of Kshs. 19,872,424 with a six-month completion period commencing 25 April, 2024, revealed multiple irregularities.

- i. The initiating requisition referenced a different road, raising questions on needs assessment and audit trail.
- ii. Advertisement records on the Public Procurement Information Portal could not be traced and referenced addenda were missing.
- iii. No tender opening minutes or appointment letters for the opening committee were provided, and evaluation minutes, appointment letters and signed individual score sheets for evaluators were missing.
- iv. Only four (4) of seven (7) evaluators participated in scoring and bid security instruments and validity were not provided.

- v. Implementation controls were also weak, with no site handover reports, resident engineer's instructions, inspection records or supervision reports and retention money of Kshs.985,951 was not credited to the County Deposits Account.

6.7 Irregularities and Defects in Borehole Construction Projects

Audit review of borehole projects across Mabatini, Lindi, Umoja I and Kitisuru Wards revealed multiple procurement and implementation irregularities. The projects were awarded with contract sums ranging from Kshs.9,787,396 to Kshs.19,819,203. Common deficiencies included; incomplete or undated requisitions, delayed professional opinions following evaluation, inconsistencies in tender numbers, evaluation scoring and contract sums, as well as failure to provide feasibility studies, needs assessments, or proper performance bonds and acceptance letters.

Further, occupational Safety and Health Act (OSHA) compliance, Water Resources Authority approvals, Environmental Impact Assessments, NEMA approvals, and Letters of No Objection from Nairobi Water Company were missing. In addition, physical inspection post-completion identified defects, including; water overflow from elevated tanks, peeling foundation finishes and lack of branding, making it impossible to confirm County involvement.

6.8 Irregularities in the Construction of Markets Across Selected Wards

Audit review of market construction projects in Jujo, Karen and Kahawa West wards revealed multiple irregularities and non-compliance with contract and financial management requirements. The proposed construction of Jujo Market, awarded at a contract sum of Kshs.93,964,315 and commencing on 20 May, 2024, exhibited inconsistencies in documentation, including incorrect tender numbers in the professional opinion, misaligned contract dates and untraceable retention monies totalling Kshs.6,524,323 in the County Deposits Account. Similarly, the proposed market at Karen Ward, awarded at a sum of Kshs.235,369,272, had unremitted deductions for withholding VAT amount of Kshs.1,042,140, withholding income tax amount of Kshs.1,813,324 and retention amount of Kshs.6,044,415 despite payment having been made to the contractor.

The Kahawa West market (Re-Tender), awarded at a sum of Kshs.156,899,199, also had unremitted deductions totalling Kshs.6,545,542 and an expired performance security shortly after the contractual completion date. Across all projects, audit noted delayed contract execution, gaps in retention and statutory remittances and documentation deficiencies, raising concerns on compliance, accountability, and effective project monitoring.

In the circumstances, the identified weaknesses point to systemic lapses in contract execution, financial management, and project oversight and value for money could not be confirmed. Management was also in breach of the law.

7. Operational and Financial Irregularities at Kangundo Road Asphalt Production Site

The statement of financial position and as disclosed in Note 15 to the financial statements reflects property, plant and equipment balance of Kshs.5,813,752,973. Review of

operations at the Kangundo Asphalt Production Site identified multiple deficiencies that affected service delivery and value for money.

- i. The commissioning date and installation records of the plant were not provided while automated production reporting ceased following repairs in 2022, leaving manual recording that exposed the County to data integrity risks.
- ii. Fuel consumption was not independently verified, with tanker draws of approximately 4,000 litres procured at pump prices, despite an existing, cheaper framework contract remaining unused.
- iii. Supporting documentation, including fuel work tickets, requisitions and usage logs, was missing.
- iv. Land ownership or lease records for the plant site was not provided.
- v. Production for the year under review amounted to 9,786 tonnes, but no cost-per-tonne analysis was conducted to demonstrate value for money.
- vi. Of the two pave layers available, one remained idle without a maintenance or replacement plan.

In the circumstances, the Kangundo Road Asphalt Production Site did not meet the expected standards of effectiveness, efficiency and economy in its operations.

8. Human Resource Management and Payroll Irregularities

The statement of financial performance and Note 8 to the financial statements reflects employee costs of Kshs.19,845,158,094. The audit noted several inconsistencies and irregularities in human resource management, payroll administration, and statutory compliance as analysed below:

8.1 Non-Compliance with Inclusivity for Persons with Disabilities

Out of nineteen thousand, two hundred and fifty-eight (19,258) employees, only one hundred and eighty-nine (189) (1%) were persons with disabilities, significantly below the 5% statutory threshold. This indicates that Human Resource processes were deficient in accommodating persons living with disabilities.

8.2 Non-Compliance with One-Third Basic Salary Rule

Analysis of payroll revealed that six hundred and twenty-five (625) officers earned net pay below one-third of their basic salary. Human Resource practices did not comply with statutory remuneration standards.

8.3 Non-Compliance with Remittance of Statutory Deductions

Examination of bank statements for the County Executive revealed that statutory deductions amounting to Kshs.1,052,835,469 were remitted late during the year ended

30 June, 2025. This included Kshs.451,451,080 to the Social Health Authority and Kshs.601,384,389 to KRA and NITA. No justification was provided for the delays and no evidence was provided to show whether penalties or interest were incurred. This was contrary to Section 18(1) of the NHIF Act, 2012, Section 4(3) of the Affordable Housing Levy Act, 2024 and Section 10(1) of the Income Tax (PAYE) Rules, 1973 as administered by the Kenya Revenue Authority. Only two (2) payments for NHIF September, 2024 dated 02 October, 2024 of Kshs.22,000,000 and Kshs.62,600 respectively could be traced in the statement provided.

Delayed remittance of deductions violates statutory requirements and may result in financial penalties. It undermines compliance with national laws and weakens public confidence in financial management.

8.4 Irregular Annual Salary Increments

Two hundred and twenty-five (225) officers had multiple annual salary increments within the financial year contrary to Paragraph C.3 of the Public Service Commission, Human Resource Manual, 2016. These increments led to irregular basic salary progression. Annual salary increments were processed outside the approved policy framework, leading to irregular and unbudgeted payroll expenditures.

8.5 Defunct Local Authority Collective Bargaining Agreement Irregularities

Extraneous allowances totalling Kshs.48,233,833 were paid to two hundred and seventy (270) officers in FY 2024/25 without legal backing. The applicable Collective Bargaining Agreement (CBA) expired in 2014 but continued to be applied. Additionally, two hundred and fifty-five (255) officers were paid Kshs.47,751,167 in excess of the allowable 90 days per year. Officers' contracts did not provide for extraneous allowances. These payments were made without legal or contractual basis, contrary to PSC and SRC frameworks.

8.6 Irregularities in Payment of Leave Allowances

Four (4) officers received leave allowance three (3) times in one year, and three hundred and forty-seven (347) officers received multiple payments, totalling Kshs.31,975,989 contrary to Paragraph C.11(1) of the PSC HR Manual, 2016. This indicates failure to comply with established leave allowance policies.

8.7 Irregular Recruitment

There were one thousand and seventy-five (1,075) newly appointed officers per Leavers and Joiners dataset compared to one thousand, one hundred and forty-five (1,145) in HRIS payroll. Eighty (80) officers were missing from HRIS payroll, while one (1) officer was in the payroll but not paid. In addition, four hundred and twenty-four (424) officers were onboarded in HRIS and paid an amount of Kshs.388,890,141 but not in the Leavers & Joiners dataset. Recruitment and payroll records were inconsistent, indicating weak Human Resource controls.

8.8 Inadequate HRIS Input and Validation Controls

Payroll numbers were linked to multiple ID numbers (Kshs.1.298M) and multiple Tax PINs (Kshs.4.07M) compromising data reliability. The HRIS lacked sufficient validation controls and exposed the County to significant financial and compliance risks. In the circumstances, the HRIS lacked adequate validation controls compromising the reliability of data.

8.9 Irregular Engagement and Payment of Casual Employees

Audit review of four payment vouchers totalling Kshs.10,638,687 in respect of casual employees for the months of February, March, September and December revealed significant control weaknesses. There were material discrepancies between muster rolls and daily attendance registers on the number of casuals engaged, unsupported claims for overtime and weekend work, and cases where payments were made for excess days not backed by attendance records.

Further, departmental requisitions did not specify the number of casuals engaged, duration of work or justification for their engagement. No contracts, engagement terms or wage guidelines were provided to support varying daily rates, while payment vouchers lacked individual payroll breakdowns and no payroll soft copy was provided for detailed audit verification. In the circumstances, the regularity, accuracy and propriety of the engagement and payment of casual employees amounting to Kshs.10,638,687 could not be confirmed.

8.10 Off-Payroll Payment of Security Allowance

An amount of Kshs.9,662,200 described as security allowance was paid from the salary account but was not processed through payroll or approved by the SRC. No documentation was provided to support the payment. The payment constitutes irregular and unapproved expenditure, made outside established controls contrary to the law and public service guidelines.

8.11 Weakness in Salary Funds Flow Process Affecting Accountability

Audit review revealed that upon approval by the Controller of Budget, salary funds for The County Executive are disbursed from the Central Bank of Kenya (CBK) to an account held at a local bank. Subsequently, the funds are transferred to another account in the same bank, from which actual salary disbursements are made. However, the dual-account transfer process lacks adequate documentation and reconciliation controls to track the movement and utilisation of the full salary amount as originally approved. There was no clear audit trail to link the total funds requested from CBK to the final payments made, increasing the risk of misuse or diversion. In the circumstances, the current salary funds flow arrangement lacks adequate traceability, which compromises transparency and accountability in the utilisation of salary resources.

In the circumstances, Management was in breach of the law and the regularity in employee costs totalling Kshs.19,503,234,840 could not be confirmed.

8.12 Irregular Engagement of Council of Governor Advisors

Included in the employee costs amount of Kshs.19,845,158,094 is an amount is Kshs.17,057,880 in relation to Council of Advisors expenditure. Review of records provided revealed that the Governor appointed seven (7) advisors: health advisor, political advisor, mobility advisor, urban and regional advisor, innovation, technology and digital economy advisor and economic advisor contrary to Salaries and Remuneration Commission (SRC) circular dated 29 July, 2013 and Transition Authority circular dated 6 September, 2013" which caps the advisors at a maximum of three (3). On average every advisor earns Kshs.203,070 therefore the extra four advisors earned totaled to Kshs.9,747,360 which was an irregular expenditure.

In the circumstances, value for money on the expenditure could not be confirmed.

8.13 Nugatory Expenditure on Salary Account

Review of the transactions in the salary account held a local bank revealed that The County Executive incurred an expenditure of Kshs.200,940,052 in penalties, interest, and related charges due to repeated delays in reimbursing salary overdrafts. No justification or preventive measures were provided by Management and there was no evidence of accountability for the loss. The charges constitute nugatory expenditure that could have been avoided through proper cash flow management.

In the circumstances, value for money on the expenditure could not be confirmed.

9. Gaps in Fuel, Oil and Lubricants Management

The statement of financial performance as disclosed in Note 9 to the financial statement reflects use of goods and services expenditure of Kshs.15,768,509,567. During the year under review, audit noted significant weaknesses in the management of fuel across County departments. Despite a CEC directive on 6 November, 2023 requiring each sector to manage its own fuel budget and restricting the Mobility and Works subsector from handling fuel for other departments, the subsector continued centralized fuel management contrary to the resolution.

Fuel card management was notably deficient as shared cards across multiple departments facilitated the drawing of 1,477,962 litres worth Kshs.247,380,132, while multiple cards held per department led to fragmented usage of 100,371 litres valued at Kshs.16,898,366. Cards not listed in the approved limit list drew 337,907 litres worth Kshs.54,709,427. Irregular fuelling practices were observed, including Kshs.1,607,542 drawn between 2300 and 0400 hours without documentation and Kshs.22,687,082 drawn on weekends without supporting rosters.

In addition, operational monitoring was weak with at least 50 active vehicles lacking fuel consumption logs while fuel worth Kshs.32,147,290 was issued to grounded, under-repair or vandalized vehicles, including a fire engine, station wagon and ambulance. Additional irregularities included fuel of Kshs.345,349 issued to detained or written-off vehicles and Kshs.288,722 drawn for vehicles formally handed over to external institutions.

Further, the County fuel register reflected Kshs.326,170,891 while the supplier statement recorded Kshs.326,654,869. Payment vouchers amounted to Kshs.352,399,999 and bank payments totalled Kshs.432,266,379, resulting in an unexplained variance of Kshs.79,866,380.

In the circumstances, the deficiencies compromise transparency, operational efficiency and the achievement of value for money in County fuel management.

10. Irregular Implementation of Sectional Properties Act, 2020 in the Stalled Pangani Affordable Housing Project

Review of the Pangani Affordable Housing Project revealed significant irregularities in the application of the Sectional Properties Act, 2020, which have contributed to delays and potential legal and financial risks for the County and the unit owners.

10.1 Delays in Project Completion

On 23 October, 2024, members of the Pangani Affordable Housing Project wrote to the County Secretary regarding inordinate delays in the completion of the development and related concerns. The letter was hand-delivered and received by the Nairobi City County Director Housing, on 24 October, 2024. However, no correspondence or response to this letter was provided for audit review. Consequently, it was not possible to ascertain the reasons for the delays or the legal implications for the County if the matter remains unresolved. The development which began in early 2020, stalled for reasons that were not explained. There was no evidence that the County had taken any follow-up action or enforcement measures against the Developer for failure to comply with the contract or any indication that legal action was pursued to protect the interests of the purchasers.

10.2 Structural and Safety Risks

Members raised concerns that incomplete buildings were exposed to the elements, increasing the risk of structural defects. No action was documented by the County to compel the Registered Owner to mitigate these risks which could be life-threatening if defective units were completed and occupied.

10.3 Non-Compliance with Sectional Properties Act, 2020

The letter noted that the Vendor had stated the development was being implemented outside the framework of the Sectional Properties Act, 2020. No justification was provided for this deviation and the County did not demonstrate any intervention to ensure compliance, potentially compromising the legal rights of the unit owners.

10.4 Retention of Common Areas and Parking Slots

The Developer retained portions of the development for unclear purposes despite the project being designated as a Sectional Property, where benefits and obligations should be shared with purchasers. Unit owners expressed concern that all common areas were retained by the Developer with no clear explanation. Further, the Developer informed

owners that only 1,000 parking slots would be provided for 1,562 units with the remaining slots either sold or retained for charging residents, contrary to the agreement for full handover of parking facilities and common areas.

10.5 Risks to Project Sustainability

Given the County's lack of intervention and follow-up, the sustainability of the project is uncertain. Unit owners remain at risk of losing their investments and the project, intended as a flagship of affordable housing initiative, may fail to meet its objectives without timely corrective action. Further, no explanation was provided by the County Secretary regarding the delay, harming the County's reputation.

In the circumstances, the continued lack of compliance with the Sectional Properties Act, 2020 and governance records, undermines accountability and transparency in the management of the project.

11. Waste Management

11.1 Non-Compliance with E-Waste Management Regulations

Audit review revealed that the County Executive lacks a defined framework or documented procedures for the disposal and management of electronic waste (e-waste), in direct contravention of the Environmental Management and Coordination Act (EMCA) and the National Environment Management Authority (NEMA) guidelines. No records or evidence were provided to demonstrate that obsolete electrical and electronic equipment, including computers, printers, communication devices and related peripherals, had been systematically identified, segregated, safely stored or disposed of through licensed e-waste handlers as prescribed by law. This increases the likelihood of hazardous substances such as lead, mercury and cadmium contaminating soil and water resources. This creates significant health risks for staff, waste handlers, surrounding communities and the wider ecological environment.

11.2 Absence of a Structured Junk Waste Management System

Audit review revealed that the County Executive had no structured system or documented procedures for the management and disposal of junk waste, including bulky, obsolete or damaged non-electronic items such as broken furniture, scrap materials, and construction debris. No records were provided to demonstrate that such waste is routinely identified, recorded, and disposed of through authorized processes or licensed handlers. In the absence of an inventory and disposal plan, there was a risk of unsanitary accumulation within County premises, creation of fire and safety hazards, unauthorized removal or misuse of Government assets and overall non-compliance with waste management regulations. The unregulated accumulation of junk waste may result in health and safety hazards, increased fire risks, misuse or theft of County property, reduced usable workspace and breaches of national waste management laws.

11.3 Non-Compliance with Statutory Requirements for County Waste Management Planning and Reporting

Audit review revealed that the County Executive had not prepared a County Waste Management Plan or produced quarterly monitoring reports for the city, urban areas and administrative units as required. In addition, the County had not submitted annual reports to the National Environment Management Authority (NEMA) and the County Assembly on the implementation of the waste management plan. No evidence of draft plans, monitoring templates, performance tracking tools or documented submissions was provided for audit. The absence of these critical planning and reporting instruments undermine effective coordination, monitoring and evaluation of waste management activities.

Without a structured County Waste Management Plan and periodic reporting, the County risked poor coordination of waste management services, non-compliance with the law, limited accountability and ineffective allocation of resources towards waste management. This may further result in environmental degradation, public health risks and missed opportunities for waste recovery and recycling initiatives.

11.4 Failure to Maintain and Report Comprehensive Waste Management Service Data

The County Executive spent a total of Kshs.1,706,848,963 on waste management services. Audit review revealed that the County did not maintain a comprehensive and up-to-date database on waste management service provision by contracted providers, including those engaged in solid waste collection, transportation, disposal and the hire of heavy equipment at dumpsites. Despite these significant expenditures, there were no consolidated records detailing the volumes of waste collected, locations serviced, hours worked, frequency of collection, machinery deployment schedules or independent verification of services rendered.

Further, there was no evidence that such data was compiled, analyzed and submitted through the National Waste Information System in accordance with Section 17(g) of Sustainable Waste Management Act (Cap 387C) which provides that data on waste management service provision by waste management service providers should be maintained and the information shared at least once in each year through the national waste information system developed under section 8(1)(f). Without accurate, comprehensive and verifiable waste management data, the County is unable to effectively monitor contractor performance, assess value for money or identify service gaps. This increases the risk of inefficiencies, inflated billing, overpayments, duplication of services and non-compliance with national reporting requirements. It also limits the County's capacity to make data-driven policy and budgetary decisions on waste management.

In the circumstances, Management was in breach of the law and residents were exposed to health hazards.

12. Irregularities in the Engagement and Implementation of General Insurance Services for 2024/2025

The statement of financial performance reflects use of goods and services expenditure amounting to Kshs.15,788,521,544 which as disclosed in Note 9 to the financial statements includes insurance costs totalling Kshs.1,302,257,569. However, audit review of the procurement and implementation of general insurance services for the financial year 2024/2025 revealed significant procurement, financial and contract management weaknesses.

- i. The County procured general insurance services under a tender which was awarded to a local insurance company at a contract sum of Kshs.129,713,854 for a one-year period. However, the new contract commenced before the expiry of the previous insurance contract, resulting in overlapping coverage and potential duplication of insurance costs, thereby undermining value for money.
- ii. Audit further established that several key contractual obligations were not complied with or supported by documentation. These included failure to provide policy documents, appoint a designated claims management officer, conduct valuation of County vehicles, extend cover to newly acquired assets, and implement training and sensitization programmes for staff and drivers.
- iii. Outstanding insurance premium balances could not be confirmed, with unexplained variances balance of Kshs.9,034,030 relating to the current insurer and unsupported balances of Kshs.207,866,752 relating to the previous insurer.
- iv. Losses related to a mobile studio and reported fire and theft incidents could not be substantiated due to missing records.

The audit could also not confirm advertisement of the tender on the Public Procurement Information Portal, raising concerns on compliance with procurement regulations. Overall, gaps in procurement processes, contract administration, financial verification and insurer capacity exposed the County to periods without effective insurance cover and heightened risk of financial loss.

In the circumstances, Management was in breach of the law and, value-for-money and effectiveness of the insurance expenditure could not be confirmed.

13. Failure to Operationalize Nairobi City County Revenue Authority

Audit review established that a seven-member Board was appointed on 16th January, 2023 for a term of three (3) years to oversee the operations of the Nairobi City County Revenue Authority, with an approved budgetary allocation of Kshs.100,000,000. The Board has remained in office for over two (2) years, yet the County Executive Committee Member (CECM) has not dissolved the Revenue Department as envisaged by the establishing Act, thereby creating duality in revenue functions and defeating the intention of the law to consolidate revenue management under the Authority. In addition, the audit noted that the County had not operationalized the Office of the County Revenue Administrator as required under the law. At the time of audit, no substantive appointment

had been made to the position, and its functions were being performed on an ad hoc basis by officers without formal designation, appointment, or a clear legal mandate. This arrangement compromises accountability and exposes revenue administration to inefficiencies and governance risks.

Further review revealed that the Nairobi City County Revenue Authority incurred expenditure amounting to Kshs.144,271,361 during the financial year under review. This exceeded the approved budget amount of Kshs.100,000,000 by an amount of Kshs.44,271,361, representing an over-expenditure of 44%. Out of this, an amount of Kshs.64,362,963 was paid under various vote heads.

In the circumstances, Management was in breach of the law.

14. Irregularities in Payment of Nairobi Integrated Urban Plan Project

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects use of goods and services expenditure amounting to Kshs.15,768,509,567. Included in the balance is an amount Kshs.22,586,035 paid to a local University as part payment of the contract sum of Kshs.56,465,088 for the Nairobi Integrated Urban (NIU) PLAN Project. Review of the payment details revealed several anomalies;

- i. The inspection and acceptance of the submitted reports was not conducted and no statement of account was provided to reconcile the amount paid against the contract sum which was to be paid in four phases.
- ii. While the invoice indicated it was a Phase 2 payment of Kshs.22,586,035, the payment voucher reflected an amount of Kshs.10,000,000.
- iii. The tender related to 2015, the payment was indicated as relating to phase 2 of the project and did not appear in the pending bills for the financial year 2023/2024.
- iv. Management did not provide corroborative evidence to confirm the authenticity and validity of the service delivery and existence of the project exposing the County to potential misstatements in financial records.

In the circumstances, Management was in breach of the law and value for money may not have been obtained from the expenditure.

15. Procurement Irregularities

15.1 Irregularities in the Procurement of ICT Equipment

The statement of financial position reflects property, plant and equipment balance amounting to Kshs.5,813,752,973 as disclosed under Note 15 to the financial statements. Audit review of procurement and payment records for laptops, desktops, smartphones and other ICT equipment revealed that, the County made two (2) separate payments totalling Kshs.3,327,696 under different quotations and LPOs, despite both relating to the same supply; at contract sums of Kshs.2,321,496 and Kshs.1,006,200 respectively. The

procurements were not consolidated resulting to possible splitting of tender which was not in the procurement plan. No justification for splitting or parallel procurement was documented raising concerns of intentional contract splitting contrary to the Public Procurement and Asset Disposal Act, 2015 Section 3(g) which states that the procurement and asset Disposal by State organs and public entities shall be guided by values and principles of the Constitution and relevant legislation on principles governing the procurement profession and international norms.

Further, ICT equipment were procured for the Governor's Communication Department at an amount of Kshs.2,460,000 and ICT Department at an amount of Kshs.700,000. However, there was no evidence of market survey undertaken to confirm pricing. Further, quotation opening and evaluation registers were dated 31 January, 2025, while the winning bidder's quotation was dated 2 February, 2025, after the opening date. In addition, the County procured 45 (forty -five) desktop computers at a contract sum of Kshs.18,000,000. However, audit review revealed that goods were delivered 11 days after the professional opinion dated 22 May, 2025, contrary to the statutory 14-day standstill period. Only two bidders appeared in opening minutes despite the process reportedly attracting three bids. The requisition documents also lacked desktop specifications.

15.2 Anomalies in the Supply and Delivery of Cholera Response Commodities

The statement of financial performance and Note 12 to the financial statements reflects other grants and subsidies amount of Kshs.2,275,084,269. Audit review of the procurement process for a tender awarded to a supplier at a contract price of Kshs.24,879,800 identified the following irregularities:

- i. Discrepancies between inspection report and store records – The inspection report indicated delivery of Chlorine Powder 70% (200 jars @ Kshs.3,500 = Kshs.700,000) and Chlorine Powder 35% (200 jars @ Kshs.1,300 = Kshs.260,000). However, store records confirmed that these items were not received.
- ii. Contradictory delivery records – Store statements indicated that the items were received at the General Stores while a memo stated that delivery was made to the Governor's residence.
- iii. Incomplete procurement documentation – Critical procurement documents were not provided for audit including the signed contract agreement between the County and the supplier, notification letters to unsuccessful bidders and the letter of award to the successful bidder.
- iv. Unclear financial reporting – Although the payment had not been settled at the time of audit, the supplier did not appear in the County's approved list of pending bills, raising concerns regarding the completeness and accuracy of financial disclosures.

15.3 Irregularities in the Proposed Renovation of the Main Intensive Care Unit (ICU) at Mbagathi Hospital

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects use of goods and services expenditure totalling Kshs.15,768,509,567.

During the year under review, the renovation of the main ICU at Mbagathi Hospital was awarded to a contractor at a contract sum of Kshs.19,738,228. Site possession was granted on 2 October, 2023 with an anticipated completion date of 1 April, 2024. The first interim payment certificate amounted to Kshs.10,115,086. Review of the procurement process and supporting documentation for FY 2024/2025 identified the following anomalies:

- i. Missing contractual documentation – Although specified under the contract, critical documents were not provided for audit verification including signed drawings, priced Bills of Quantities and standard, special and technical specifications. The absence of these documents limits confirmation of contract validity, scope and compliance with approved works.
- ii. Unrecorded liability – The payment voucher relating to the interim certificate had not been settled at the time of audit. However, the contractor was not included in the County’s pending bills schedule, raising concerns regarding the completeness and accuracy of reported liabilities.
- iii. Contract sum variance – The contract agreement dated 1 September, 2023 reflected a contract value of Kshs.19,738,228 while the inspection and acceptance committee report cited the original contract sum as an amount of Kshs.15,241,157. The unexplained variance of an amount of Kshs.4,497,071 raises concerns regarding possible inconsistencies or undocumented alterations to contract records.

15.4 Irregularities in the Supply and Delivery of Foodstuffs for Disaster and Emergency Response – Floods (Lot 1)

Reported in the statement of financial performance and supported in Note 12 is other grants and subsidies amount of Kshs.2,275,084,269. During the year, the supply and delivery of foodstuffs for disaster and emergency response (Lot 1) was awarded to a supplier under a Framework Contract at a contract sum of Kshs.34,895,000. Payment was processed on 18 July, 2024. Review of the procurement and payment process revealed the following anomalies:

- i. Unexplained delay in contract execution – Notification of intention to award was issued on 15 November, 2022 while the framework contract agreement was signed on 5 December, 2023 representing a delay exceeding twelve months. Such prolonged delays are irregular, particularly for emergency-response contracts where timeliness is critical.
- ii. Weak inspection and acceptance process – The inspection and acceptance certificate dated 31 May, 2024 only indicated that goods were received and accepted without detailing quantities, specifications or quality checks. No remarks or verifications were recorded by committee members, undermining accountability and assurance that deliveries conformed to contractual requirements.
- iii. Gaps in store documentation – Delivery notes showed goods were delivered on 22 May, 2024 while the Stores Received Statement was dated 31 May, 2024,

creating a nine-day gap that exposes risks related to custody, storage conditions and traceability of the goods.

- iv. Absence of a detailed pricing breakdown – Although procured under a framework agreement, no itemized pricing schedule was provided showing unit costs, quantities and totals per item. This omission prevents verification that the invoiced amount of Kshs.34,895,000 was aligned with agreed framework rates and weakens assurance on value for money.

15.5 Doubtful Procurement of Photographic Equipment

The statement of financial position and as disclosed in Note 15 to the financial statements reflects property, plant and equipment balance of Kshs.5,813,752,973. The Office of the Governor advertised for the supply of photographic equipment on 23 April, 2025. The tender was opened on 2 May, 2025 and evaluated on 5 May, 2025 attracting only one bidder who quoted an amount of Kshs.9,521,000. Review of the procurement process revealed that the professional opinion was signed two (2) days after receipt of the evaluation report contrary to the requirement for immediate review and submission and there was no market survey report provided to support the pricing rationale. Further, specification No.16 in the Authority to Incur Expenditure memo differed from the evaluation report and professional opinion raising concerns over the consistency of requirements.

15.6 Irregular Procurement and Inconsistencies in Training Activities in Dubai

The statement of financial performance and supported by Note 9 to the financial statements reflects use of goods and services amount of Kshs.15,768,506,567. Audit review of documentation relating to a training on grants proposal development held in Dubai, United Arab Emirates, from 29 April to 6 May, 2024 revealed that the expenditure covered air tickets, visas, per diems, training fees, ground transport and insurance. However, Purchase Order for “provision of air tickets, visa and travel to Dubai amounting to Kshs.2,976,000 was issued on 16 September, 2024, several months after the service had already been rendered. An invoice dated 19 June, 2024 was issued prior to the purchase order, indicating retroactive regularization of the expenditure. Another Purchase Order with an unrelated description of Contracted Professional Services – Lead Manager,” was raised for the exact same amount Kshs.2,976,000, suggesting possible duplication of events.

15.7 Irregular Procurement of Consultancy Services to Develop and Implement a Tourism Marketing Strategy

The statement of financial performance and Note 9 to the financial statements reflects use of goods and services expenditure of Kshs.15,768,509,567. The Culture, Arts and Tourism Subsector procured consultancy services where audit review revealed that the consultancy tender attracted only one bidder. Further, the evaluation report recommending award at an amount of Kshs.7,980,000 was signed on 4 June, 2025, six days before the financial bid opening on 10 June, 2025, and the notification of award

dated 11 June, 2025 reflected a contract sum amount of Kshs.1,980,000, inconsistent with the evaluation report amount of Kshs.7,980,000.

In addition, the acceptance letter, contract agreement, progress reports or inspection and acceptance reports were not provided for audit inspection.

15.8 Doubtful Procurement Process of Containerized Studio

The statement of financial position and supported by Note 15 reflects property, plant and equipment balance of Kshs.5,813,752,973. Audit review of a tender advertised on 25 March, 2024 and opened on 31 March, 2025, revealed that;

- i. Specifications from item 18 onwards in the evaluation minutes differed from those contained in the professional opinion, raising concerns on the integrity of the evaluation process.
- ii. Under item 25 in the professional opinion, an amount of Kshs.345,500 was quoted twice without justification.
- iii. For item 27, the evaluation minutes indicated Kshs.70,000, while the professional opinion reflected Kshs.670,000, with no explanation for the variance.
- iv. Specification No. 25 (cement, ballast, sand installation – Kshs.395,500) appearing in evaluation minutes was absent from the professional opinion.
- v. Pricing for soundproofing materials varied between a balance of Kshs.400,000 and Kshs.550,000 across reviewed documents.
- vi. The professional opinion inconsistently recommended an award of Kshs.19,340,000 on page 14, while page 15 and page 16 repeated tables indicating a contract sum of Kshs.19,021,000.
- vii. There was a mismatch between requisition and price schedules.
- viii. The requisition contained only the 18 specifications, yet the price schedules reviewed included items 19 to 25, whose origin could not be explained.
- ix. The contract agreements and supporting procurement documentation were not provided for audit inspection.

15.9 Irregular Engagement of Bidders without Advertising

The statement of financial performance and supported by Note 9 to the financial statements reflects use of goods and services totalling Kshs.15,768,509,567. Review of procurement by the Culture, Arts and Tourism Subsector revealed that multiple high-value projects on consultancy and capacity building for cultural festivals totalling Kshs.12,980,000, were not advertised on the Public Procurement Information Portal (PPIP) despite professional opinions indicating otherwise. Verification confirmed that no advertisements were published, constituting directly awarded tenders without justification.

15.10 Supply and Delivery of ICT Equipment for the Public Health Sector

Reported in the statement of financial position and as supported in Note 15 to the financial statements is property, plant and equipment balance of Kshs.5,813,752,973. Audit review for a payment of an amount of Kshs.2,998,000 paid to a supplier for the supply and delivery of ICT equipment revealed that no asset register was provided and the beneficiaries or intended users of the equipment were not disclosed. The absence of an asset register prevents verification of assets delivered and in use. Further, tax compliance gaps were noted as no evidence was provided for remittance of 2% VAT withholding tax of Kshs.51,689 and 3% withholding income tax, approx. Kshs.89,940 was not deducted.

15.11 Supply and Delivery of Non-Pharmaceuticals

The statement of financial performance and Note 9 to the financial statements reflects use of goods and services amount of Kshs.15,768,509,567. Audit review of non-pharmaceutical procurement revealed that a payment of Kshs.27,541,000 was made for a requisition dated 8 March, 2023 while delivery occurred on 29 June, 2023, causing an unexplained delay of over three months. Documentation in support of any extension of the delivery period and evidence of inspection and acceptance of the goods prior to payment was not provided.

Further, an additional tender, revealed discrepancies between the evaluation report and professional opinion: the evaluation report indicated four (4) responsive bidders while the professional opinion indicated only three (3) advanced to technical evaluation. Contradictions were also observed in contract award sums, with the professional opinion showing an amount of Kshs.22,700,100 and the tender opening and financial evaluation indicating an amount of Kshs.29,950,000. In addition, stores received notes were misleading, recording goods in January, 2025 earlier than deliveries in June, 2025. Further, the evaluation report omitted the budget estimate, no signed contract agreement was provided, no award or regret letters were issued to bidders and appointment letters for evaluation and inspection committees were not provided.

15.12 Irregularities in the Procurement and Supply of Lab Reagents for Medical Examination of Food Handlers

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects use of goods and services expenditure of Kshs.15,768,509,567. Audit review of payments amounting to Kshs.40,491,415, made through multiple vouchers under various tenders for the supply and delivery of lab reagents for medical examination of food handlers established systemic weaknesses in the procurement and payment processes. The transactions reviewed included amounts of Kshs.19,306,000, Kshs.8,239,415 and Kshs.12,946,000. Requisitions were also raised on various dates and deliveries made between June, 2023 and January, 2025.

The audit established the following anomalies across the transactions:

- i. Key procurement records were not provided for audit, including procurement plans, tender documents, bid submission registers, evaluation reports, individual

technical scoresheets, award notifications, regret letters, signed contract agreements and market survey documentation.

- ii. There was no evidence to support the constitution and conduct of evaluation committees, as attendance registers and minutes of bid opening and evaluation committees were not provided.
- iii. Professional opinions were either delayed or unsupported, with instances where approvals were signed several days after evaluations had allegedly been concluded.
- iv. Supplier statutory and eligibility documentation was not provided, including certificates of incorporation, KRA PINs, tax compliance certificates, business permits, CR12 forms, and evidence of registration with the Pharmacy and Poisons Board, thereby preventing verification of supplier eligibility and compliance with regulatory requirements.
- v. Inspection and acceptance controls were weak, as inspections were conducted days or weeks after goods had already been delivered into stores. In some cases, delivery locations indicated on LPOs differed from the actual receiving stores, and beneficiary laboratories were not disclosed. No store issue records were presented to confirm onward distribution of the reagents.
- vi. There was no evidence to confirm that the procurements and related financial commitments were captured in IFMIS, undermining verification of budgetary control and expenditure authorization.
- vii. No Authorities to Incur Expenditure (AIEs) were availed to support the payments made.

15.13 Irregularities in the Supply and Delivery of Pharmaceuticals for Level 5 Hospitals

Reported in the statement of financial performance and supported by Note 9 to the financial statements is use of goods and services expenditure of Kshs.15,788,521,544. The County Executive awarded a contract for the supply and delivery of pharmaceuticals for Level 5 hospitals at a contract price of Kshs.25,184,200. However, key procurement documents, including the procurement plan, advertisement notice, bid submissions, award communication, contract agreement and performance security, were not provided for audit inspection. Further, despite delivery of pharmaceuticals worth Kshs.25,184,200, there were no records confirming distribution to Level 5 hospitals and no acknowledgement notes, delivery confirmations or signed distribution lists from recipient facilities were provided.

15.14 Irregularities in the Proposed Reconstruction of Delivery Room to Operating Theatre – Kianda 42 Hospital

Reported in the statement of financial performance and supported by Note 9 to the financial statements is use of goods and services amount of Kshs.15,788,521,544. The County Executive undertook the proposed reconstruction of an existing delivery room

into an operating theatre at Kianda 42 Hospital. The contract was awarded to a contractor at a contract sum of Kshs.2,589,140, with a completion period of 12 weeks. A payment of Kshs.2,462,771 was made to the contractor. However, the procurement file lacked evidence of bid invitations, tender advertisements, bid submissions or acknowledgement records.

15.15 Irregularities in the Construction of a Fire Station at Gikomba Market

Audit review of the construction of a fire station at Gikomba Market, at a contract price of Kshs.59,983,162, identified significant implementation and compliance weaknesses. An Interim Payment Certificate amounting to Kshs.30,024,578 or 50% of the contract sum had been paid by 28 June, 2024. However, physical inspection conducted on 30 July, 2025 revealed that key materials paid for were not on-site and the contractor was absent, indicating weak supervision and potential irregular payments.

Further, the project exhibited substandard workmanship, including non-compliant staircases and incomplete works. Access to the station was obstructed by informal kiosks, the water tank had been dismantled from its elevated position affecting operational readiness, and landscaping and drainage works remained incomplete. Additionally, part of the allocated land had been informally taken up by the adjacent market, creating risks of asset loss and boundary disputes. Retention money was also irregularly administered: instead of the required 10% totalling Kshs.2,999,158, only 3% totalling Kshs.900,737 was withheld, resulting in an excess payment of Kshs.2,098,421 to the contractor. The withheld amount was not deposited into the County's deposit account as required. The project suffered from weak oversight, non-compliance with contract specifications, safety and quality deficiencies, and improper management of contract payments, thereby undermining assurance on value for money.

15.16 Irregularities in the Supply and Delivery of Male Condoms

Reported in the statement of financial performance and supported by Note 9 to the financial statements is use of goods and services expenditure of Kshs.15,788,521,544. Payment amounting to Kshs.10,835,000 was made to a supplier for the supply and delivery of male condom through an LPO dated 11 March, 2025. The requisition was raised on 10 February, 2025, delivery was effected on 2 April, 2025 and inspection was conducted on 3 April, 2025.

Audit review identified the following anomalies:

- i. The payment voucher was not authorized by the Accounting Officer and lacked an item code, contrary to payment authorization requirements.
- ii. Key procurement records including evaluation scoresheets, bid submission documents and evidence of market survey, were not provided for audit, limiting verification of compliance with procurement procedures.
- iii. The professional opinion was signed on 3 March, 2025, three days after the reported date of evaluation, raising concerns regarding the transparency and integrity of the evaluation process.

- iv. Inspection of goods was conducted after the items had already been received into the stores, contrary to prescribed inspection and acceptance procedures which require inspection prior to acceptance of inventory.

15.17 Irregularities in Supply and Delivery of Non-Pharmaceuticals

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects use of goods and services amount of Kshs.15,768,509,567. Audit review of payments amounting to Kshs.27,541,000 relating to the supply and delivery of non-pharmaceuticals, established several weaknesses in procurement and inspection processes. The requisition was dated 8 March, 2023, delivery was undertaken on 29 June, 2023, and inspection was carried out on 3 July, 2023. The following anomalies were noted:

- i. The payment voucher did not bear the relevant item code weakening traceability and classification of expenditure.
- ii. Bid documents and a market survey report were not provided preventing verification of competitiveness and price reasonableness.
- iii. The evaluation was conducted on 5 April, 2023, five days after bid opening contrary to prescribed timelines.
- iv. The professional opinion was signed two days after completion of the evaluation, raising concerns on the integrity and timeliness of the approval process.
- v. Inspection was conducted after the goods had already been received into stores contrary to proper inspection and acceptance procedures.
- vi. Financial evaluation indicated that the award was split among three firms yet procurement files for two of the evaluated firms were missing, limiting audit assurance on the completeness of the procurement process.
- vii. There were contradictions in inspection documentation, where inspection memos and delivery notes confirmed full delivery of all items, while the inspection report indicated that one item was missing.

15.18 Inconsistencies in Procurement and Supply and Delivery of Metallic Beds

Reported in the statement of financial performance and supported in Note 12 to the financial statements is other grants and subsidies amounting to Kshs.2,275,084,269. Audit review of the supply of 100 double-decker metallic beds, delivered to Kangundo Road Fire Station at a contract sum of Kshs.2,693,560, established that mandatory eligibility documents were missing, and framework contract documentation for the supplier was not provided including the Certificate of Incorporation, KRA PIN, VAT compliance certificate, AGPO certificate, Single Business Permit and Supplier Registration Letter.

Further, it was noted that the amount remains outstanding several years after delivery and no procurement justification was provided to demonstrate that the acquisition met the criteria for emergency or disaster-related procurement as purported.

15.19 Irregularities in Partitioning and Renovation Works at City Hall Annex

Reported in the statement of financial performance and supported by Note 9 to the financial statements is use of goods and services expenditure of Kshs.15,788,521,544. A contract valued at Kshs.12,760,255 was awarded to a contractor. Review of documentation provided revealed that the payment voucher lacked an item code, while the approved AIE was for an amount of Kshs.10,513,080 against an awarded contract sum of Kshs.12,760,255 resulting in an over-expenditure amount of Kshs.2,247,175. Further, retention money amounting to Kshs.1,276,026 was not deposited into the County deposit account and statutory deductions including withholding VAT at 2%, withholding tax at 3% and retention at 10% were not effected.

15.20 Irregularities in Supply and Delivery of Foodstuff for Disaster and Emergency Response (Lot 2)

The statement of financial performance and as disclosed in Note 12 to the financial statements reflects other grants and subsidies amount of Kshs.2,275,084,269. During the year the County paid an amount of Kshs.34,000,000. Audit revealed that no market survey or prequalified supplier list was undertaken prior to the procurement. The contract agreement was dated February, 2023, approximately two months after delivery of the goods. Further, no breakdown of unit costs for the 2,500 bales of rice and 4,000 bottles of cooking oil was provided for inspection. The professional opinion was signed three weeks after issuance of the evaluation report while inspection of the supplies was conducted four days after delivery. In addition, inconsistencies were noted in the procurement file, with some documents referring to Lot 1 and others to Lot 2.

15.21 Irregular Payments for Media and Advertisement Services

Reported in the statement of financial performance and supported by Note 9 to the financial statements is use of goods and services expenditure amount of Kshs.15,768,509,567. Audit review of payments for media and advertisement services totalling Kshs.93,465,267 revealed multiple irregularities across several campaigns, including content production, land rates waiver and newspaper advertisements. Statutory documents, including Certificate of Incorporation, KRA PIN, valid Tax Compliance Certificate, CR12, and Business Permit, were not provided. Tax compliance anomalies were noted: withholding tax (3%) and VAT (2%) were either not deducted or not remitted. IFMIS data to confirm correct vote allocation were not provided, and no approved deliverables were certified by the requesting departments. Procurement documentation, including award letters, evaluation reports, and contracts, were missing. Expenditure was charged to "other creditors" as pending bills but not disclosed in the FY 2023/2024 pending bills list.

Additionally, payments were made without evidence of market surveys and in some cases through direct procurement with no participation by other media houses. Campaign

payments were subcontracted to media houses without justification, invoicing and LPOs were inconsistent, and costs exceeded prevailing market rates. These irregularities demonstrate systemic weaknesses in media procurement and payment processes, undermining transparency, accountability and value for money.

15.22 Irregular Procurement of Pharmaceuticals, Non-Pharmaceuticals and Laboratory Items from KEMSA

Reported in the statement of financial performance and supported by Note 9 to the financial statements is use of goods and services expenditure amounting to Kshs.15,768,509,567. The County, through the Health Facilities subsector, requisitioned supplies totalling Kshs.244,859,433 from KEMSA totalling Kshs.244,859,433 disclosed several anomalies including an unexplained variance of an amount of Kshs.7,311,585 between the summarized invoice value of a balance of Kshs.237,547,848 and payments made, lack of detailed items and specifications on requisitions and the LPO, and absence of delivery notes attached to payment vouchers rendering deliveries unverifiable.

Although inspection and acceptance was reported to have been conducted at facility level, the corresponding facility inspection and acceptance reports were not provided for audit. Further, KEMSA's letter dated 16 January, 2025 referenced a signed payment plan for arrears amounting to Kshs.198,937,999 but the agreement was not provided for review. A variance of an amount of Kshs.859,433 was noted between KEMSA's acknowledgment of a balance of Kshs.44,000,000 received and the related payment voucher of an amount of Kshs.44,859,433. Payment Voucher for an amount of Kshs.98,937,999 could not be traced in the County's payment records despite being referenced by KEMSA, while another payment voucher for an amount of Kshs.100,000 was charged to pending bills but irregularly deducted from the Health Facilities account contrary to budgetary and chart of accounts requirements. Additionally, discrepancies were noted between facility proforma orders and supplier invoices, and the procurement file and signed contract agreement were not provided for audit review.

15.23 Irregular Expenditure on Supply and Delivery of Goods and Services in the Office of the Governor

The statement of financial position and as disclosed in Note 15 to the financial statements reflects property, plant and equipment balance of Kshs.5,813,752,973. Audit review of nine procurement transactions in the Office of the Governor totalling Kshs.22,525,796 revealed that;

- i. In the supply of ICT equipment, three laptops were delivered instead of four, with variances between requisition, LPO and actual delivery.
- ii. Inspection and acceptance was delayed by two to three weeks and payment was irregularly processed under pending bills.
- iii. The supply of sports gear lacked user specifications, distribution lists and beneficiary criteria, with LPO issuance, delivery and inspection all on the same day, and payment processed under pending bills without registration.

- iv. Supplies of jackets, T-shirts, mobile phones and branded dustcoats were staggered or inconsistently recorded, lacking inspection certificates, distribution lists, justification for assets and asset tagging.
- v. Conference facilities procurements, including executive, project prioritization and validation conferences, had LPOs issued one day before events, missing invitations, agendas, attendance registers, travel approvals, post-conference reports and in some cases, payments exceeded RFQ ceilings.
- vi. Deliverables for digitization and USSD hosting were completed but payments were irregularly settled.
- vii. Payments for all nine transactions were not recorded in the pending bills register but settled as first charge under pending bills.

15.24 Irregular Procurement and Payment for Office Equipment and Furniture

The statement of financial position and Note 15 to the financial statements reflects property, plant, and equipment balance of Kshs.5,813,752,973. Audit review of procurement, delivery and payment records for office equipment, furniture, general supplies and IT equipment for various sectors within Nairobi City County during the financial year revealed multiple irregularities across several transactions totalling Kshs.26,326,999.

Audit review of the supply and delivery of computers and other IT equipment and procurement of office equipment and furniture, including transactions revealed non-sequential and undocumented procurement processes, contracts exceeding approved expenditure limits, missing tender advertisements and committee records, incomplete specifications, and inadequate evidence of market surveys. In several cases, suppliers were awarded contracts before formal tender opening, and mandatory notifications to unsuccessful bidders were not issued.

Further, delivery, inspection, and stores controls were weak, with goods being recorded before inspection and inconsistencies noted between delivery notes, store records, and inspection reports. Some payments were processed without essential supporting documents, including asset register updates and contract agreements. Framework agreements reviewed did not comply with legal requirements, and tender validity periods were breached.

These weaknesses expose the County to risks of financial loss, overpricing, procurement of substandard items, non-compliance with procurement laws, and inaccurate financial reporting. The findings point to systemic deficiencies in procurement planning, documentation, oversight, and internal control.

15.25 Irregular Payment and Supply and Delivery of Airtime

Reported in the statement of financial performance and supported by Note 9 to the financial statements is use of goods and services expenditure of Kshs.15,768,509,567. Audit review of the supply and delivery of airtime revealed that the contract was awarded

at an amount of Kshs.2,325,000 while the approved budget was an amount of Kshs.1,500,000 resulting in an unapproved over-expenditure of an amount of Kshs.825,000. Further, a total of 1,000 airtime vouchers were purchased at Kshs.1,550 each, which does not reflect value for money compared to prevailing market prices. In addition, the vouchers were received in the store on 20 March, 2025 but inspection was conducted on 8 May, 2025, over two months later, in violation of procurement law. Also, the opening minutes and evaluation report were not provided for audit review and similarly, no appointment letters for the opening and evaluation committee members were provided.

15.26 Unauthorized Expenditure under Trade Shows and Office Equipment

Reported in the statement of financial performance and supported by Note 9 to the financial statements is use of goods and services expenditure of Kshs.15,768,509,567. Audit review of the City Culture, Arts, and Tourism Sub-Sector revealed an expenditure amounting to Kshs.17,787,700 on trade shows and exhibitions against an approved procurement plan of an amount of Kshs.10,000,000 resulting in over-expenditure of Kshs.7,787,700. Similarly, Kshs.2,250,000 was spent on mobile phones, laptops, and MacBooks against a budget of Kshs.800,000 resulting in an over-expenditure of an amount of Kshs.1,450,000. In total, an amount of Kshs.9,237,700 was spent outside the approved procurement plan. Management did not provide evidence of supplementary approval or the source of the excess funds, and the expenditure was not supported by an approved supplementary budget.

15.27 Irregularities in Supply and Delivery of Motor Vehicle Prime Mover

The statement of financial position and Note 15 to the financial statements reflects property, plant and equipment balance of Kshs.5,813,752,973. Audit review of the Culture and Tourism Sub-Sector revealed irregularities in the procurement of a motor vehicle prime mover at a contract sum of Kshs.39,793,429. The tender was not advertised and effectively single-sourced without justification under Section 124(12) of the Procurement law. An LPO issued on 10 January, 2024, expired after 30 days yet delivery occurred on 18 April, 2024, over two months later. Inspection was conducted six days after delivery, contrary to procurement requirements. The prime mover was not insured, and its existence could not be confirmed during physical inspection. Payment was charged to Refurbishment of Building and value for money for the Kshs.39,793,429 expenditure could not be confirmed.

15.28 Unconfirmed Deliveries and Failure to Provide Procurement Records – Disaster Management

Reported in the statement of financial performance and supported by Note 12 to the financial statements is other grants and subsidies amounting to Kshs.2,275,084,269. Audit review of payments for disaster and emergency goods revealed that a total of Kshs.460,633,914 was paid to nine (9) suppliers, including duplicated payments of an amount of Kshs.81,077,586 each, without supporting documentation or justification and with no evidence of recovery or reconciliation for the duplicated payments. Physical inspection at Gigiri Stores on 31 July, 2025 did not confirm deliveries as per vouchers

and there were no stores issue vouchers, delivery notes or goods receipt statements provided. The items paid for included foodstuffs, household items, firefighting gear and ICT equipment.

Consequently, the existence, delivery, and proper authorization of goods worth Kshs.460,633,914 could not be confirmed, indicating significant risk of irregular expenditure and potential misappropriation.

15.29 Irregularities in Provision of Event Management Services for City Mayors and Governor's Dinner

Reported in the statement of financial performance and supported by Note 9 to the financial statements is use of goods and services amounting to Kshs.15,768,509,567. Audit review of the procurement for event management services revealed that the same members were appointed to both the tender opening and evaluation committees contrary to the Public Procurement and Asset Disposal Act and one member listed in the professional opinion was not included in the original appointment letter. Further, payment of Kshs.2,345,000 was processed without supporting key procurement documents. There was also evidence of procurement being split among multiple suppliers, raising concerns over compliance, transparency and value for money.

15.30 Irregular Contracting for Provision of Conference Facilities

Reported in the statement of financial performance and supported by Note 9 to the financial statements is use of goods and services expenditure amounting to Kshs.15,768,509,567. Audit review of payments revealed multiple irregularities in contracting and expenditure across various County departments. Payments totalling Kshs.6,120,000 for conference facilities at Windsor Hotel were made without compliance with procurement laws. The tender was not advertised on the Public Procurement Portal, and key supporting documents including; tender opening minutes, evaluation reports, and committee appointment letters were not provided. The Local Purchase Order was issued outside the proper award sequence and inconsistencies existed between AIEs, invoices, and workshop dates, and the supplier's quotation matched the requisitioned estimate exactly. Although the AIE named Windsor Hotel, the procurement was channeled through a third party, inflating costs and undermining transparency. Attendance records were also not provided for verification.

Further, a payment of an amount of Kshs.2,966,300 for event setup during the UN Habitat Assembly on 5 to 9 June, 2023 also exhibited irregularities. The supply was executed in 2022/2023, yet the expense did not appear in either year's pending bills. It was wrongly charged to other operating expenses and lacked evidence that the County was responsible for the event. The invoice date and procurement documentation raised concerns on validity, and the professional opinion was not signed by the Accounting Officer.

Additional payments amounting to Kshs.14,201,000 and Kshs.17,062,500 for working tools in the Environment Department were processed without tender advertisement, proper supplier identification, evaluation or opening committee records, professional

opinion, award letters, or signed contracts. Goods delivered were inspected two months later, contrary to requirements, and verification from stores revealed no evidence of receipt or issuance. These payments were also charged to inappropriate accounts.

The irregularities indicate serious weaknesses in procurement planning, documentation, oversight, and financial controls, exposing the County to risks of financial loss, inflated costs, procurement of non-existent goods, and misstatement of financial reports.

15.31 Irregular Procurement and Payment for Assorted Building and Road Construction Materials

The statement of financial position and as disclosed in Note 15 to the financial statements reflects property, plant and equipment balance of Kshs.5,813,752,973. Audit review of the procurement and payment for assorted building and road construction materials under framework contracts revealed multiple irregularities. There were inconsistencies and missing documentation across the procurement process, including absence of tender opening minutes, committee appointment letters, regret letters and performance bonds. Notification of intention to award was issued before professional opinion approval and tender references were contradictory across documents. Discrepancies existed in the number of bids received, evaluated and recommended, and the professional opinion excluded certain bidders with conflicting details. No financial evaluation, market survey, or price estimates were provided, and the evaluation report lacked clear recommendations for award.

Expenditure on crusher run totalling Kshs.5,400,000, revealed irregularities including contracts signed after expiry of tender validity, statutory supplier documents were missing, one supplier was single-sourced without justification, and payment discrepancies were significant, including an overpayment of an amount of Kshs.6,730,455. Delivery dates differed from receipt dates, no engineer's certificates or store issue vouchers were provided, and costs exceeded technical department estimates by an amount of Kshs.200,000. Withholding taxes were also not confirmed.

15.32 Irregular Procurement and Payment for Ballast – Framework Contract

Reported in the statement of financial position and as supported by Note 15 to the financial statements is property, plant and equipment balance of Kshs.5,813,752,973. Audit review of a ballast procurement framework with transactions totalling Kshs.15,500,000 and Kshs.21,350,000 for 7,000 tons of 1/8" ballast revealed significant irregularities and non-compliance with the following key issues noted:

- i. Professional opinions were signed after notification of award.
- ii. No regret letters, performance bonds, or contract agreements were provided.
- iii. Contradictory tender references appeared in documentation (223 vs 224).
- iv. Supplier statutory documents were missing.

- v. Framework covered 175 suppliers, but one supplier was selected without justification.
- vi. Payment vouchers indicated settlement, but bank records showed no actual payment and withholding tax remittances were unverified.
- vii. Expenditure was not confirmed in IFMIS or pending bills schedules.
- viii. No engineer's certificates or evidence of issue to users; store controls were weak, with materials recorded in stores before inspection, exposing the County to quantity and quality risks.
- ix. Bid documentation, bid security proofs, appointment letters for opening/evaluation committees, and opening minutes were missing.
- x. Evaluation reports and professional opinions contained inconsistencies: discrepancies in the number of bids opened versus evaluated, missing individual evaluators' score sheets, and references to a different tender number than advertised.
- xi. AIE for 7,000 tons @ Kshs.3,000/unit (Kshs.21,000,000) differed from LPO issued at Kshs.3,050/unit (Kshs.21,350,000), creating an unauthorized variance of Kshs.350,000.
- xii. Framework period mismatch: AIE cited 2025/2026 plan, while framework covered 2022/23–2023/24, indicating off-framework use or expired framework risk.
- xiii. No market survey evidence to support unit rates, raising concerns on value for money.

These irregularities indicate systemic weaknesses in framework procurement management, poor compliance with the Public Procurement and Asset Disposal Act (PPADA), and lack of proper internal controls over contract execution and payments.

15.33 Procurement and Payment Irregularities – Supply and Delivery of Tyres and Tubes

Reported in the statement of financial position and as supported by Note 15 to the financial statements is property, plant and equipment balance of Kshs.5,813,752,973. Audit review of Lot 3 under the tender for supply and delivery of tyres and tubes revealed procurement and payment anomalies amounting to Kshs.16,229,000 awarded through four LPOs which included:

- i. Delivery delays of 50 days, exceeding LPO validity without justification.
- ii. Payment discrepancies: voucher indicated an amount of Kshs.15,949,189 while bank records indicated Kshs.27,988,279 resulting in an unexplained overpayment of Kshs.12,038,990.
- iii. Documentation inconsistencies: supplier delivery notes did not align with stores records with up to 44 days difference.

- iv. Budget variances: departmental request estimated at an amount of Kshs.10,235,000, yet actual invoiced cost was an amount of Kshs.16,229,000 resulting to an unexplained total increase of Kshs.5,994,000.
- v. Unit price differences per tyre ranged from Kshs.234,000 to Kshs.1,395,000 above requested estimates.

15.34 Lift Maintenance at City Hall Annex

Reported in the statement of financial performance and supported by Note 9 to the financial statements is use of goods and services expenditure of Kshs.15,768,509,567. Audit review of a payment voucher for an amount of Kshs.3,377,890 made to a contractor for maintenance of lifts at City Hall Annex revealed multiple irregularities as indicated below;

- i. The contract agreement and contractor's license were not provided for audit verification. The payment voucher indicated that the maintenance covered the period from July, 2023 to September, 2024, yet the professional opinion was signed on 27 November, 2024 and the local purchase order was dated 30 October, 2024, casting doubt on the authenticity of the payment.
- ii. No market survey report was provided.
- iii. While the professional opinion indicated that bids were examined and evaluated by a quotation evaluation committee, the same document later stated that the procurement was direct, without providing justification for this approach.
- iv. The requisition for a local purchase order dated 28 August, 2024 and the Authority to Incur Expenditure (AIE) dated 31 July, 2024 referenced an outstanding lift maintenance debt amount of Kshs.2,373,579, yet the professional opinion cited estimated works amounting to Kshs.3,377,890, reflecting an overstatement of an amount of Kshs.1,004,311.
- v. The quotation opening date in the professional opinion was 5 April, 2024, however, the memo appointing opening committee members was dated 31 November, 2024, seven months after the stated opening date.
- vi. The contractor's written acceptance, was dated 30 October, 2018, six (6) years before the professional opinion.
- vii. Invoices for March, 2024 to July, 2025 were processed under a payment voucher covering July, 2023 to September, 2024, indicating discrepancies in the payment period. Inspection conducted during the audit revealed that the lifts were not operational, raising concerns about the authenticity and quality of services rendered.

15.35 Irregularities in Training, Workshops, and Staff Development Payments

Reported in the statement of financial performance and supported by Note 9 to the financial statements is use of goods and services expenditure of Kshs.15,768,509,567.

Audit review of training and workshop expenditures during the year revealed multiple irregularities in documentation, procurement and accountability.

- i. Training for the Valuation Court Task Force costing an amount of Kshs.1,208,200 and participation in the Institute of Surveyors of Kenya conference costing an amount of Kshs.2,475,300 lacked fundamental supporting documents, including approved travel guidelines, per diem and transport rates, work tickets, work plan approvals, travel evidence, and back-to-office reports.
- ii. Allowances totalling Kshs.480,000 were paid without supporting policy.
- iii. For the Urban Planning Induction Technical Committee training in Mombasa amounting to Kshs.8,100,000, although the procurement reported as an open tender, no signed contract, award letters, or acceptance documents were provided.
- iv. Notification and appointment dates indicated compressed and non-compliant evaluation timelines, while participant numbers increased without corresponding budget approval.
- v. Consultancy services for Environmental, Occupational Health, Safety, and Management training of an amount of Kshs.4,988,000 similarly lacked evidence of tender advertisement, evaluation score sheets, a signed contract, or adequate training documentation.
- vi. Participant numbers in reports did not match attendance registers, and payments exceeded the approved award by an amount of Kshs.86,000 without justification.
- vii. A separate consultancy for development of an e-waste management policy of an amount of Kshs.2,990,150 was also non-compliant. The tender was not advertised on the PPIP, and no workshop records, attendance lists, draft policy, or validation and approval documentation were provided, raising doubts about whether the service was delivered.
- viii. Payments totalling Kshs.4,064,795 for seven (7) officers who were to attend an experiential learning programme in Singapore were processed without imprest warrants, travel evidence, boarding passes, attendance registers, or mission reports.
- ix. Transport allowances amounting to Kshs.350,000 were paid without policy support, and expenditures were misclassified in IFMIS.
- x. Overall, the review noted widespread absence of supporting documents, incomplete approval processes, procurement non-compliance, misclassification of expenditure, and lack of evidence of actual participation or deliverables. These weaknesses expose the County to risks of irregular, unauthorized, and potentially fictitious expenditure, and raise value for money concerns.

15.36 Irregularities in Procurement and Payment for Vocational Tool Kits

The statement of financial position and Note 15 to the financial statements reflects property, plant and equipment balance of Kshs.5,813,752,973. Audit review of the

procurement and payment for electrical, plumbing, masonry and motor vehicle mechanics tool kits for Vocational Training Centres at a contract sum of Kshs.6,962,560, revealed that the successful bidder was not issued a notification of intention to enter into a contract, and unsuccessful bidders were not issued regret letters. The LPO was dated 9 December, 2021, but supplies were delivered on 8 March, 2022, after the expiry of the LPO. Inspection and acceptance were conducted on 31 May, 2022, three months after delivery, while the items had already been recorded in stores on 10 March, 2022, before inspection. The inspection and acceptance report did not list the supplies, making it difficult to confirm that all items were inspected, delivered in the correct quantity, and met the technical standards. Further, there was no evidence of a market survey to establish prevailing market rates.

15.37 Irregularities in Procurement and Management of Fuel

Reported in the statement of financial performance and supported by Note 9 to the financial statements is use of goods and services expenditure of Kshs.15,768,509,567. Audit review of fuel procurement and management during the year under review identified multiple irregularities as detailed:

- i. Procurement of fuel under Framework Contract lacked key documentation including evidence of supplier bids, bid opening minutes and valid tender committee appointments.
- ii. The tender opening committee comprised only two members instead of the legally required three.
- iii. No evidence was provided to confirm notifications or acceptance of award by the bidders and contract agreements were missing.
- iv. Framework contract review revealed non-rotation of suppliers with only one supplier consistently engaged despite three suppliers being on the contract.
- v. Payments under the contract totaled Kshs.352,399,999 to a single supplier while other suppliers received no orders.
- vi. Fuel products outside the approved contract scope including V-Power fuel and lubricants were procured without competitive bidding or documented approval.
- vii. Fuel allocations to Chief Officers totalling Kshs.638,851 were drawn without approvals, limits or formal controls, highlighting misuse of public funds.
- viii. Departments were issued a single fuel card instead of per vehicle contrary to standard operating procedures and there was no fleet-wide fuel consumption tracking system, including GPS or odometer readings.
- ix. Fuel supplier statements and records revealed multiple irregularities including incomplete supplier statements with missing vehicle registration numbers, generic descriptions such as "any vehicle," and exceeding card limits with transactions totalling Kshs.1,708,045. Fueling beyond allocations amounted to Kshs.2,362,464 while general fuel cards worth Kshs.77,634,126 were used for multiple vehicles without spending caps.

- x. Discounts totalling Kshs.2,258,070 were unutilized and undocumented and public funds were used to fuel private vehicles.
- xi. Excessive fuel drawdowns including single fueling of garbage trucks (300–400L) and the asphalt plant (4,000L) were recorded without route logs or technical justification.
- xii. The Environment subsector drew fuel from Mobility allocations despite having independent procurement arrangements, while 314 grounded vehicles and 50 motorbikes may have been fueled without proper records, creating the risk of “ghost vehicles.”

15.38 Supply and Management of Sanitary, Waste and Public Assets

Reported in the statement of financial position and supported by Note 15 to the financial statements is property, plant, and equipment balance of Kshs.5,813,752,973. Audit review revealed that a contract valued at Kshs.90,288,000 was awarded to a company for the supply of black dustbins. At the time of audit, no dustbins were physically available in the County general stores or deployed on the streets, raising concerns on the delivery and accountability of the procured items. Further review of the store’s records revealed that the bins were not registered, exposing the County to potential loss of public funds and increasing the risk of fraud or misappropriation of resources.

Further, Nairobi County Executive also entered into a contract for the supply and delivery of sanitary and cleaning materials on 18 October, 2023, at a contract sum of Kshs.15,280,000. Examination of the payment voucher revealed multiple irregularities;

- i. The payment was not included in the approved list of prior year pending bills, making it difficult to confirm its authenticity.
- ii. The tender was not advertised in the Public Procurement Information Portal as required by law.
- iii. Goods delivered on 2 November, 2023, were inspected on 9 November, 2023.
- iv. The notification of intention to enter into a contract was issued on 10 June, 2023, but the contract was signed four (4) months later, on 18 October, 2023.
- v. Sections of the contract referenced unrelated standard, special, and technical specifications, drawings, and priced bills of quantities, indicating negligence. Inconsistencies in contract and award dates were also noted, including acceptance dates that exceeded the allowed period.
- vi. The supplier’s acceptance letter was not provided for audit review.
- vii. The signed professional opinion stated that the tender was opened on 29 June, 2023, but the supplier had already been awarded the contract on 10 June, 2023, suggesting bias and irregular direct sourcing.

- viii. Another supplier evaluated as the second lowest bidder was awarded a portion of the contract, but the absence of the advertised tender document meant the regularity of this split could not be confirmed.

In the supply and delivery of Kenya National and Nairobi County flags at a contract price of Kshs.3,500,000, the tender had not been advertised in the Public Procurement Information Portal. The LPO, delivery note, store statement, inspection committee notification and inspection of goods all bore the same date of 10 December, 2021, raising concerns over whether proper procurement planning occurred or whether this was an emergency procurement. The distribution list showing where the flags were delivered was not provided and apart from the size of the flags, there were no other specifications, such as fabric type, to justify the prices.

15.39 Supply and Delivery of County Vehicles, Equipment and Spare Parts

Reported in the statement of financial position and supported by Note 15 to the financial statements is property, plant, and equipment balance of Kshs.5,813,752,973. Audit of the supply and delivery of heavy equipment, trucks, skips, motor vehicle batteries and spare parts revealed significant procurement, delivery and payment irregularities. Payment of Kshs.216,600,000 was made to a local company under a tender for heavy equipment, trucks and skips. Audit review revealed that key documentation including opening committee appointment letters, bid opening and evaluation attendance registers, individual technical evaluation score sheets, local purchase orders, bid documents and market survey reports were not provided. The authority to procure memos did not align with the items eventually procured, as the delivered refuse compactors differed from those requested. Regret letters to unsuccessful bidders, professional opinions, written acceptance, contract agreements, and delivery notes were also not provided for audit. Discrepancies in technical specifications, late evaluation committee sign-offs, and inconsistent approval timelines suggested non-compliance with procurement regulations and potential bias in awarding contracts.

Similarly, review of a framework agreement for the supply of motor vehicle batteries revealed inconsistent documentation. Payment of Kshs.7,765,164 was made in October, 2024, over a year after delivery and inspection in August, 2023. Requisition and authority to incur expenditure dates contradicted the professional opinion, and appointment memos for opening and evaluation committees, tender opening minutes, evaluation minutes, individual score sheets, notification of award, regret letters, and contract agreements were missing. The payment was not recorded in the County's pending bills register, raising concerns about the completeness of financial reporting and the possible concealment of liabilities.

Further, payments of Kshs.12,762,800 were made for the supply of motor vehicle spare parts. The contract agreement was signed after the tender validity had expired and the items were delivered one year after the LPO issuance, exceeding the 30-day validity period. Inconsistencies were observed between delivery notes, inspection reports, and store records, including a one-month delay between delivery and official receipt. There was no evidence that the items were issued to intended users, or were pre- or post-inspection reports, defect reports and market surveys were not provided. The prices

charged were found to be above prevailing market rates. In the circumstances, the validity, regularity and value for money of the procurements could not be confirmed.

15.40 Supply and Delivery of Staff Uniforms and Protective Equipment

Reported in the statement of financial performance and supported by Note 9 to the financial statements is use of goods and services expenditure of Kshs.15,768,509,567. Audit of the procurement, delivery and payment for staff uniforms and protective equipment across various County departments revealed widespread irregularities and non-compliance with procurement and contract management regulations. During the 2023/2024 financial year, the County procured branded reflector jackets, t-shirts, rubber shoes, black ankle boots, safety boots, fleece jackets, overalls, dustcoats, raincoats and other clothing items under multiple tenders, with contract sums ranging from Kshs.2,520,000 to Kshs.51,440,000.

Review of procurement records indicated that, although professional opinions cited open tenders advertised through the Public Procurement Information Portal, no evidence of these advertisements could be traced. Appointment letters for tender opening and evaluation committees, tender opening minutes, evaluation minutes, and individual score sheets were missing, making it difficult to verify whether proper evaluation procedures were followed. Contract and tender documents lacked detailed specifications, including fabric type, texture, size breakdowns, stitching standards, branding quality, durability, design features and delivery timelines. Additionally, contracts did not include clauses on penalties for late delivery, quality assurance or inspection methodologies.

Discrepancies were also observed between delivered and inspected quantities, for example, in the supply of 4,275 branded reflector jackets and 3,200 t-shirts, delivery notes recorded only 3,000 t-shirts while the Stores Received Statement indicated 3,200 units, with no supporting explanation for the additional items. Similar inconsistencies were noted across other procurements, including safety boots, rubber shoes, gumboots, reflector jackets, fleece jackets, and raincoats, with inspected quantities differing from both delivered and ordered quantities. In some cases, inspection reports recorded more items than were delivered, raising concerns about the reliability of delivery and inspection records.

Payment records revealed further irregularities. Full payments were processed despite incomplete deliveries, unexplained discrepancies and inadequate inspection verification. In the case of rubber shoes and black ankle boots, a credit note of Kshs.6,700,000 was issued for undelivered boots yet there was no evidence that this amount was refunded, adjusted or applied against future procurements. For other uniform contracts, payments were made for goods not delivered or partially inspected, with no indication of adjustments to reflect the actual quantity and quality of goods received.

Additional concerns included missing documentation for notification of intention to award, award letters, signed contract agreements, and distribution records to end-users. Inspection and acceptance certificates were sometimes issued days or months after deliveries, with stores received statements not aligning with inspection dates, highlighting weaknesses in record-keeping and inventory management. In some procurements, the

same officers were appointed to both opening and evaluation committees, compromising independence and increasing the risk of collusion and favoritism.

15.41 Supply and Delivery of Smartphones and Digital Services

Reported in the statement of financial position and supported by Note 15 to the financial statements is property, plant, and equipment balance of Kshs.5,813,752,973. Nairobi City County procured smartphones for the Digital Economy and Start-ups Sector using request for quotation method at a total cost of Kshs.810,000. Audit review of the procurement documentation revealed several issues. The County Executive did not maintain a list of prequalified suppliers, and the source of the invited firms could not be verified. No Local Purchase Order (LPO) was issued for the procurement. Delivery of the smartphones occurred on 3 February, 2025, but inspection was conducted on 20 February, 2025, seventeen days later, with no justification provided for the delay. Further, there was no distribution list for the smartphones, and no evidence was presented that the items were recorded in the County's asset register. Additionally, no market survey was conducted to support the procurement decision, raising concerns over value for money.

The County also procured digital devices using request for quotation method at a total cost of Kshs.1,936,986. Audit review identified that there was no prequalified list of suppliers, and individual score sheets for evaluation committee members were not provided. The procurement documents did not clearly specify the requirements for colored printers, smartphones, shredders and portable speakers. Delivery notes failed to indicate the models or brands of laptops, printers, shredders, and speakers supplied, and inspection and acceptance reports did not include model or serial number details. The inspection report also did not list the items inspected, making it difficult to confirm whether all delivered devices were inspected. A distribution list for the procured items was not provided, and there was no evidence that the digital devices were included in the County's asset register and there was no evidence that a market survey was conducted to justify the pricing or procurement approach.

15.42 Irregularities in the Renovation of Finance and Economic Planning Offices

Audit review of records relating to the renovation of offices for the Finance and Economic Planning Department revealed that the works were awarded to a contractor through request for quotation at a contract sum of Kshs.2,032,436. The inspection and acceptance certificate for the renovation works was dated 19 December, 2022 while Interim Payment Certificate (IPC) No. 1 for Kshs.1,981,509 was issued earlier on 10 May, 2022. The corresponding payment was made on 2 April, 2025. Although, the contract document was provided for audit, it was not dated. The section for the contract signature date was left blank, raising concerns on the validity and enforceability of the agreement and when it legally took effect. Despite the services being rendered and inspected in 2022/2023 financial year, the payment was processed in 2024/2025 financial year yet the expenditure was not listed in the pending bills register as at the end of the preceding financial year.

In the circumstances, value for money in the expenditure could not be confirmed and Management was in breach of the law.

16. Unsupported and Inconsistent Reporting on Progress of Development Objectives

Review of the non-financial performance information presented under the section “Progress on Attainment of Development Objectives from the Annual Development Plan” (pages xix to cv) revealed several inconsistencies, unverifiable achievements, and lack of supporting documentation across multiple sectors as detailed below:

16.1 Environment, Water and Sanitation Sector

Claimed procurements and installations, including 500 litter bins, garbage collection, construction of feeder access roads, installation of a weighbridge, procurement of heavy machinery, and tree planting, were not supported with documentation or site verification evidence.

16.2 Food, Agriculture and Natural Resources Sector

Reported activities including animal vaccinations, stakeholder trainings, and establishment of animal clinics lacked supporting documentation.

16.3 Business and Hustler Opportunities Sector

Claimed construction of 6 markets, installation of a cold room and issuance of liquor licenses were not supported by records.

16.4 Housing and Urban Renewal Sector

Reported renovation, redevelopment and upgrading of estates and informal settlements could not be verified through documentation or physical inspection.

16.5 Lands Sector

Reported survey of 1,515 parcels of land, preparation of registry index maps, digitalization of 5,600 parcels, and execution of tenant leases lacked supporting documentation.

16.6 Boroughs, Administration and Personnel Sector

Claimed construction and completion of borough offices and holding of 20 public engagement forums which were not supported by documentation.

The non-financial performance information presented could not be verified, lacked sufficient supporting evidence, and in some instances conflicted with the physical and financial records.

In the circumstances, value for the expenditure could not be confirmed and Management was in breach of the law.

17. Provision of Conference Facility for Nairobi City County Employees in Naivasha

The statement of financial performance and Note 9 to the financial statements reflects domestic travel and subsistence expenses of Kshs.1,430,239,192. Included in this amount is a payment to a hotel of Kshs.5,400,000 dated 25 June, 2024 for provision of conference facilities from 25 June -12 July, 2024 as requisitioned on 18 June, 2024. However, the audit revealed that the tender was not advertised in the Public Procurement Information Portal (PPIP).

In addition, opening and evaluation committee appointment letter, minutes and opening and evaluation attendance registers, individual technical evaluation scoresheets, bid documents and market survey and notification for award and acceptance of award were not provided for audit.

Further, although the workshop was scheduled to run from 25 June - 12 July, 2024, there was no attendance sheet, any record or activity report to confirm that the conference took place. This raises concerns on authenticity of the billing.

In the circumstances, value for money for the expenditure could not be confirmed.

18. Recruitment Without Approved Plan

Reported in the statement of financial performance and as disclosed in Note 8 to the financial statements is employee costs of Kshs.19,845,158,094. Employee costs increased from Kshs.17,290,337,584 in the prior year to Kshs.19,845,158,094 in the year under review, reflecting a rise of approximately Kshs.2,554,820,210 or 15%. Review of records revealed that 1,075 officers were recruited during FY 2024/2025, out of whom only 993 were traced in the HRIS payroll, earning a total of Kshs.1,179,177,034. The remaining 82 newly recruited officers could not be verified on the payroll, raising concerns over the accuracy and completeness of the County's personnel records. The County did not demonstrate how the recruitment was linked to planned staffing needs or service expansion. Without an approved policy framework, it was not possible to confirm that the additional recruitment was guided by objective criteria, workload analysis or budgeted establishment ceilings.

Further, the recruitment was undertaken in the absence of an approved annual recruitment plan. The County Human Resource Management Advisory Committee (CHRMAC) did not provide evidence of such a plan or minutes outlining projected staffing needs or approval of positions to be filled during the year. In the absence of an approved plan, staffing decisions appeared ad hoc and reactive rather than aligned with the County's strategic workforce requirements.

In the circumstances, Management was in breach of law.

19. Unremitted Statutory Deductions

The statement of financial performance reflects employee costs amounting to Kshs.19,845,158,094 as disclosed in Note 8 to the financial statements. The amount includes basic salaries for permanent staff of Kshs.8,700,511,178 for the year under review. Examination of statutory deduction schedules and salary account bank statements revealed that statutory deductions—comprising NHIF/SHA, NSSF, PAYE, and the Affordable Housing Levy—were not remitted to the respective statutory agencies within the required timelines, and in several cases not remitted at all.

Despite employees' payslips reflecting deductions for health insurance, pension contributions, income tax, and the housing levy, the funds were not transmitted to the respective bodies. Consequently, employees were denied access to critical statutory benefits, including health coverage under NHIF/SHA, pension security under NSSF, recognition of tax compliance under PAYE and housing development contributions under the Affordable Housing Levy.

The audit confirmed that only two NHIF payments for September, 2024 amounting to Kshs.22,000,000 and Kshs.62,600 dated 2 October, 2024 could be traced in the bank statement provided. No evidence was provided to confirm remittance of deductions for NSSF, PAYE, or the Affordable Housing Levy.

Failure to remit these funds undermines statutory objectives and weakens trust in the County's financial stewardship.

20. Bank Accounts Held with Commercial Banks

The County Executive operated several bank accounts in commercial banks, contrary to Regulation 82(1)(b) of the Public Finance Management (County Governments) Regulations, 2015, which requires all County Governments bank accounts to be held at the Central Bank of Kenya, except for petty cash imprest accounts. These accounts were utilized for purposes other than petty cash. Further, the County Executive had not established a Cash Management Advisory Committee as required under the Public Finance Management Regulations.

In the circumstances, Management was in breach of the law.

21. Non-Compliance with the Law on Fiscal Responsibility on Wage Bill

Reported in the statement of financial performance and supported by Note 8 to the financial statements is employee costs totalling Kshs.19,845,158,094. In comparison, the expenditure on employee compensation represented approximately 62% of the total revenue of Kshs.31,829,450,413 for the year under review. This ratio exceeds the prescribed ceiling of 35% of total revenue as provided by about 27 percentage points contrary to the Public Finance Management 2015, Section 15 which requires county government's expenditure on the compensation of employees (including benefits and allowances) not to exceed 35 percent of the county government's equitable share of the

revenue raised nationally plus other revenues generated by the county government pursuant to Article 209 (4) of the Constitution.

The high and rising wage bill continues to exert pressure on the County's recurrent expenditure, limiting the fiscal space available for development projects and essential service delivery. It also reflects weaknesses in payroll management, unplanned recruitments and inadequate control over personnel costs.

In the circumstances, the County Management was in breach of the law.

22. Non-Compliance with the Public Procurement Capacity Building Levy Order

Review of records revealed that the County Executive entered into contracts but no documentary evidence has been provided to confirm that the County Executive complied with paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which provides that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20th day of the subsequent month and also file monthly returns.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Management of Assets

1.1 Failure to Maintain Asset Register

As disclosed in Note 15 of the financial statements, the County has assets amounting to Kshs.5,813,752,973. However, the County Executive did not maintain an asset register

indicating the identification or serial number, acquisition date, description of asset, location, class, cost of acquisition, accumulated depreciation, net book value. In addition, policies and procedures relating to asset management guidelines on non-current assets acquisition, use, control, protection, maintenance and disposal of assets were not provided for audit review.

1.2 Failure to Tag Fixed and Movable Assets

The County Executive's assets were not tagged as a mechanism of tracking them and Management had not established policies and procedures on assets management.

1.3 Lack of Fleet Management System

The County Executive did not have a Fleet Management System to plan the usage of fleets within the County Executive, monitor and track the movement. However, no explanation was provided as to why the County had not procured a fleet management system.

1.4 Doubtful Ownership of Assets

Management did not provide for audit, ownership documents for motor vehicles and buildings.

In the circumstances, the effectiveness of internal controls in asset management by Management during the year under review could not be confirmed.

2. Weaknesses in Inventory Management

Physical inspection of various stores in the month of October, 2025 revealed the following weaknesses in the management of inventories:

2.1 Kangundo Road Asphalt Production Site

Production reports were recorded manually after automation failed in 2022. The fuel was being supplied via tanker at pump price instead of through framework contracting at negotiated price that would be economical to the County. Further, there was no documentation of fuel requisitions. In addition, there was no cost analysis of asphalt production to determine cost-effectiveness. The site had lapses in proper inventory oversight, tracking and accountability.

2.2 Nairobi City County Garage

The audit revealed cases of manual fleet management with no electronic tracking of fuel, repairs, or movement and many grounded vehicles were not processed for disposal. The project vehicles were not returned to County pool while the four backhoes and two bulldozers were idle for a long period of time since a supplier retained keys because of delayed payments. Further, the grounded fire engines and emergency vehicles had not been repaired for long and the accident/ damaged insured vehicles were not compensated; Management did not provide evidence of insurer follow-up. Stores

management practices were weak, leading to inefficiencies and a lack of proper oversight of resources.

2.3 Nanyuki Road Stores

Physical inspection of the stores revealed that, Asphalt plant was destroyed by fire in 2021 but no insurance compensation or disposal initiated. There were many cases of Manual weighbridge records and only one out of two weighbridges was operational.

Further, we noted an issue of land encroached by private developers and fuel firms (no survey or legal response). Cases of Long-serving staff with no training, poor manual inventory records and four unresolved theft cases were also noted.

Other weaknesses noted were undocumented dispatches, stock records inconsistent with significant theft of bitumen not properly recorded, idle materials with no disposal or reallocation plan and lack of disposal policy or functional disposal committee. The site lacked proper inventory oversight, tracking and accountability.

2.4 Irregularities in Medical Stores

The medical store was small, untidy, and only stored male condoms, exposing pharmaceutical supplies to risk of contamination or mishandling. Pharmaceuticals supplies worth Kshs.2,371,552 were recorded in the S3 Ledger but not posted to bin cards, traceability and accountability were therefore compromised. Newborn identification bands branded "KEMSA" were found in stores, despite confirmation by the store officer that non-pharmaceuticals were sourced from private suppliers. This raises concerns of misrepresentation of supplier identity and possible unauthorized diversion of KEMSA-supplied items.

Further, lab reagents valued at Kshs.61,301,965 were delivered directly to a Health Centre by suppliers, and no S3 ledger, bin cards, or issue vouchers were maintained at the health centre. Although, the lab reagents were recorded as received by the central medical store, there was no evidence that the goods were delivered and absence of records of medical examination certificates issued for the year. No stock take was conducted for the year ended 30 June, 2025, contrary to Section 162 of Public Procurement and Asset Disposal Act and Public Finance Management requirements. but recorded as received by the central medical store,

2.5 Electrical Stores

Examination of payment vouchers in respect of an amount of Kshs.13,000,000 paid for supply and delivery of 500 pieces of led streetlights latern 100W under framework contract to a supplier revealed that, a delivery of 500 pieces of 100W streetlight lanterns was indicated as supplied and paid for but the electrical department confirmed non-receipt of the item. There were no entries in the bin cards to support delivery. No supporting records including work plans, inspection reports, job cards, or completion certificates were availed to confirm whether streetlights were installed, repaired, or commissioned.

Further, there were cases of diversion of electrical items to General Stores. For instance, from May, 2025, electrical items procured for the Electrical Department were directed to

the General Stores instead of the Electrical Stores. No justification was provided for this diversion which weakened the departmental controls over technical inventory. This compromised the inventory accountability, and increases the risk of loss or misappropriation. In addition, the Electrical Department did not conduct annual stock take for the year ended 30 June 2025, contrary to Section 162 of the PPADA and PFM requirements.

2.6 General and Gigiri Stores

The general Store was very dusty, cluttered and had poor lighting. The store had no automated inventory system and lacked LPO register. The audit noted weaknesses in bin card records, poor stock management, obsolete stock items, poor segregation of duties and unused donations of ICU bed and medical machines and expired stock with no disposal plan.

In the circumstances, the pervasive weaknesses in inventory and asset management exposed County assets and stocks to loss, damage, theft, and misuse, undermining value for money and public confidence in the County's governance and service delivery.

3. Weaknesses in the Legal Department

The statement of receipts and payments and as disclosed in Note 9 to the financial statements reflects use of goods and services amount of Kshs.15,791,398,101. The amount includes Kshs.6,190,517,661 incurred on other operating expenses. Included in other operating expenses is an amount of Kshs.2,669,821,964 for legal expenses. The following issues were noted;

- i. The expenditure was not supported by approvals of the County Executive Committee and recommendations of the County Attorney.
- ii. Review of the Integrated Payroll Personnel Database system indicated that the executive had a legal officer and legal advisor to deal with legal matters. However, it was not possible to ascertain their role including why they could not represent the Executive on legal issues. In addition, County Executive did not maintain a legal cases register.
- iii. The Office of the County Attorney did not prepare and submit annual reports to the Governor and the County Assembly, with details as outlined in Section 28 of the County Attorney Act, 2020. it was therefore not possible to confirm the number of cases which had been ruled in favor of or against the County. In the absence of a status report, it was also not possible to confirm the nature of the cases in terms of whether they had been finalized or they were still on going. Thus, the County Executive may also not efficiently plan and budget for legal costs.
- iv. It was observed that the physical case files in the registry are kept in manual format. There was no electronic copy or back up of the files, or fireproof cabinets to protect the files from fire or any other damage.

In the circumstances, the efficiency and effectiveness of the legal department could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Accrual Basis and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the County Executive of Nairobi City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Nairobi City County Executive financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 December, 2025

Appendix 1

Unresolved Prior Year Matters

	Year	Audit Issues
1	2023-2024	Anomalies in Compensation of Employees
2	2023-2024	Pending Bills
3	2023-2024	Irregularities in Management of Executive Scholarships and Ward Bursaries
4	2023-2024	Failure to Prepare and Submit Separate Fund Financial Statements
5	2023-2024	Irregular Insurance Payments
6	2023-2024	Irregular Management of Motor Vehicles
7	2023-2024	Unsupported Payment of Taxes
8	2023-2024	Irregular Procurement of Services
9	2023-2024	Irregular Procurement and Hire of Heavy Machinery
10	2023-2024	Irregular Purchase of Office Equipment
11	2023-2024	Irregular Procurement of Garbage Skips and Skip Loaders with Complimentary Skips
12	2023-2024	Irregular Payment of Consultancy for Development of the Tourism Policy for Nairobi City County
13	2023-2024	Payment of Consultancy Services for Sub Sector Strategic Plan
14	2023-2024	Anomalies on Routine Maintenance of Motor Vehicles
15	2023-2024	Irregular Procurement for Construction and Civil Works
16	2023-2024	Irregular Engagement of Bidders without Advertising of Tenders for Construction and Civil Works Projects
17	2023-2024	Irregular Procurement for Electrical Materials for Street Lighting
18	2023-2024	Irregular Supply and Delivery for Road Materials
19	2023-2024	Irregular Procurement on Renovation of County Flats in Uhuru Estate
20	2023-2024	Payment for Construction of ECDE Centre at Ngunyumu Primary School
21	2023-2024	Irregular Procurement of Events Management Services
22	2023-2024	Legal Fees
23	2023-2024	Non-Adherence to Salaries and Remuneration Commission Guidelines
24	2023-2024	Dishi na County Program
25	2023-2024	Irregular Procurement for Construction of Market
26	2023-2024	Irregular Procurement of Non-Pharmaceuticals
27	2023-2024	Procurement and Payment of Fuel, Oil and Lubricants
28	2023-2024	Construction of Gikomba Fire station
29	2023-2024	Irregular Procurement of Affordable Housing Projects
30	2023-2024	Irregular Procurement for Completion Works of a Modern OPD Complex at Mutuini Hospital
31	2023-2024	Stalled Projects
32	2023-2024	Irregular Expenditure under Framework Contracting on Purchase of Food and Non-Food Items

Report of the Auditor-General on County Executive of Nairobi City for the year ended 30 June, 2025

	Year	Audit Issues
33	2023-2024	Irregularities in County Stores
34	2023-2024	Irregularities in Project Implementation
35	2023-2024	Lack of Non-Current Assets Ownership Documents
36	2023-2024	Lack of Preparedness to Transition to IPSAS Accrual
37	2023-2024	Lack of Human Resource Manual and Policies
38	2023-2024	Incomplete Asset Register

County Executive of Nairobi City

Annual Report and Financial Statements for the year ended June 30, 2025.

10. Statement of Financial Performance for the year ended 30 June 2025

Description	Notes	Period ended
		30th June 2025
Kshs		
Revenue from non-exchange transactions		
Transfers from CRF	6	31,459,394,683
Miscellaneous Revenue	7	370,055,730
Total revenue		31,829,450,413
Expenses		
Employee costs	8	19,845,158,094
Use of goods and services	9	15,768,509,567
Transfers to other Government Entities	10	100,000,000
Depreciation and amortization expense	11	322,719,550
Other Grants and Subsidies	12	2,275,084,269
Total expenses		38,311,471,480
Surplus/Deficit for the year		(6,482,021,067)

The Financial Statements set out on pages 1 to 37 were signed by:



Name: Asha Abdi
County Chief Officer, Finance



Name: Caroline Wang'ang'a
Head of County Treasury
(Accounting)
ICPAK M/No 15768

11. Statement of Financial Position as at 30 June 2025

County Executive of Nairobi City

Annual Report and Financial Statements for the year ended June 30, 2025.

Description	Notes	Period ended 30th	Opening Statement
		June 2025	1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	13	594,053,131	882,279,608
Receivables from Non-Exchange Transactions	14	216,448,631	6,612,700
Total Current Assets		810,501,762	888,892,308
Non-Current Assets			
Property, Plant and Equipment	15	5,813,752,973	-
Total Non- Current Assets		5,813,752,973	-
Total Assets (A)		6,624,254,735	888,892,308
Liabilities			
Current Liabilities			
Trade and Other Payables	16	87,240,740,803	118,794,238,631
Refundable deposits and prepayments	17	44,468,929	-
Total Current Liabilities		87,285,209,732	118,794,238,631
Non-Current Liabilities			
Total Non- Current Liabilities		-	-
Total Liabilities (B)		87,285,209,732	118,794,238,631
Net Assets (A-B)		(80,660,954,997)	(117,905,346,323)
Represented by:			
Accumulated Surplus		(80,660,954,997)	(117,905,346,323)
Capital Fund		-	-
Net Assets		(80,660,954,997)	(117,905,346,323)

The financial statements set out on pages 1 to 37 were signed by

.....


Name: Asha Abdi
County Chief Officer, Finance

.....


Name: Caroline Wang'ang'a
Head of County Treasury
(Accounting)
ICPAK M/No 15768

12. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30 th June 2024 (cash basis)	888,892,308	-	-	888,892,308
Adjustments: (to recognize assets and liabilities)	(118,794,238,631)	-	-	(118,794,238,631)
As at July 1, 2024	(117,905,346,323)	-	-	(117,905,346,323)
Surplus/ deficit for the period	(6,482,021,067)	-	-	(6,482,021,067)
Additions during the period	43,726,412,394	-	-	43,726,412,394
As at 30th June, 2025	(80,660,954,997)	-	-	(80,660,954,997)

County Government of Nairobi City
Annual Report and Financial Statements for the year ended June 30, 2025.

13. Statement of Cash Flows for the year ended 30 June 2025

Description	Notes	Period ended 30th Jun 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		31,249,558,752
Miscellaneous Revenue		370,055,730
Other income		44,468,929
Total receipts		31,664,083,411
Payments		
Employee costs		18,252,861,362
Use of goods and services		9,098,982,381
Transfers to other Government Entities		100,000,000
Other Grants and Subsidies		868,489,669
Total payments		28,320,333,412
Net cash flows from/ (used in) operating activities	18	3,343,749,999
Cash flows from investing activities		
Purchase of PPE		(3,631,976,476)
Net cash flows from/ (used in) investing activities		(3,631,976,476)
Cash flows from financing activities		
Net cash flows from financing Activities		-
Net increase/(decrease) in cash & Cash equivalents		(288,226,477)
Cash and cash equivalents as at Period Start	13	882,279,608
Cash and cash equivalents as at Period End	13	594,053,131

(PSASB has prescribed the use of the direct method for cash flow preparati

County Government of Nairobi City
Annual Report and Financial Statements for the year ended June 30, 2025.

14. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025 Recurrent and Development Budgets Combined

Revenue/expense item	Original budget	Adjustments	Final budget	Actual on comparable basis	Budget utilization difference	% of utilization
	A	B	C=(a+b)	D	E=(c-d)	F=d/c *100
Revenues						
Opening balance (Non-refundable special purpose accounts)	1,000,000,000.0	-	1,000,000,000.0	882,279,608		88
Transfers from CRF	42,564,266,834.0	-	42,564,266,834.0	31,249,558,752	11,314,708,082	73
Miscellaneous Revenue			-	370,055,730		-
Other income			-	44,468,929		-
Total revenues	43,564,266,834.0	-	43,564,266,834.0	32,546,363,019	11,314,708,082	75
						-
Expenses						-
Employee costs	17,086,188,290.0	-	17,086,188,290.0	18,252,861,362	(1,166,673,072)	107
Use of goods and services	8,355,977,469.0	-	8,355,977,469.0	9,098,982,381	(743,004,912)	109
Transfers to other Government Entities	3,911,111,836.0	-	3,911,111,836.0	100,000,000	3,811,111,836	3
Other Grants and Subsidies	1,109,583,250.0	-	1,109,583,250.0	868,489,669	241,093,581	78
Finance costs	-	-	-	-	-	-
Social Benefits	254,646,814.0	-	254,646,814.0	-		-
Total	30,717,507,659.0	-	30,717,507,659.0	28,320,333,412	2,142,527,433	92
Capital items						

Acquisition of PPE	12,846,759,175.0	-	12,846,759,175.0	3,631,976,476	9,214,782,699	28
Acquisition of Intangible assets	-	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-
Repayment of borrowings	-	-	-	-	-	-
Total expenses Development	12,846,759,175.0	-	12,846,759,175.0	3,631,976,476	9,214,782,699	28
Total Expenses	43,564,266,834.0	-	43,564,266,834.0	31,952,309,888	11,357,310,132	73
Surplus/ deficit	-	-	-	594,053,131		

Reconciliation table

	Operating	Financing	Investing	total
<i>Actual amounts on comparable basis presented in the budget and actual comparative statement</i>	594,053,131	-	-	594,053,131
<i>Basis difference</i>	-	-	-	-
<i>Timing differences</i>	-	-	-	-
<i>Entity differences</i>	-	-	-	-
<i>Classification differences</i>	-	-	-	-
<i>Actual in the statement of cashflows</i>	594,053,131	-	-	594,053,131

15. Notes to the Financial Statements

1. General Information

County Government of Nairobi City is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are provision of services to the residents of Nairobi County.

2. Statement of Compliance and Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

These financial statements were authorised for issue by the accounting officer on 29th August 2025.

Basis of Preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Entity. The accounting policies adopted have been consistently applied to all the years presented.

Reporting period

The reporting period for these financial statements is for the period ended 30th June 2025.

Notes to the financial statements

Critical accounting judgements

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

Revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of an entity for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgment is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The entity pursues a number of policy targets and outcomes. However, the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the entity is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the entity policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the entity's future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030. Entities commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the entity as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

Notes to the Financial Statements (Continued)**3. Adoption of New and Revised Standards**

- i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

Standard	Effective date and impact:
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.

Standard	Effective date and impact:
	<ul style="list-style-type: none"><li data-bbox="453 232 1374 338">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.<li data-bbox="453 344 1374 539">iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Entity and can be measured reliably. Recurrent grants are recognized in the statement of financial performance. Development/Capital grants are recognized in the statement of financial performance after meeting revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

ii) Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 26th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

Budget information (continued)

The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial cash flows has been presented under section 14 of these financial statements.

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period recommended by management. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value

Notes to the Financial Statements (Continued)

e) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

f) Tangible Natural Resources

The entity recognises a tangible natural resource recognized if, and only if: It is probable that service potential associated with the natural resource will flow to the entity; the entity controls the tangible natural resource as a result of past events; and the tangible natural resource can be measured reliably. Where this criterion is not met, the entity discloses the tangible natural resource in the notes to the financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. An entity shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes to the Financial Statements (Continued)

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

h) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale;
- ii) Its intention to complete and its ability to use or sell the asset;
- iii) How the asset will generate future economic benefits or service potential;
- iv) The availability of resources to complete the asset;
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

i. Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

ii. Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through surplus or deficit.

Notes to the Financial Statements (Continued)

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

k) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Notes to the Financial Statements (Continued)

m) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

n) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

p) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates

different from those at which they were initially reported are recognized in surplus or deficit in the period.

Notes to the Financial Statements (Continued)

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

s) Related parties

The Entity regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the Governor, Deputy governor, County Secretary, County Executive Committee Members and Chief Officers.

t) Service concession arrangements.

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

Notes to the Financial Statements (Continued)

v) Comparative figures

In preparing these financial statements the entity has elected to apply paragraph 79 of IPSAS 33, which allows for the election by an entity to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

Useful lives and residual value

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers for
			Period ended 30th June 2025
	Kshs	Kshs	Kshs
Recurrent	27,057,232,420		27,057,232,420
Development	4,172,702,082		4,172,702,082
Special purpose transfers	29,048,250		29,048,250
Receivable from CRF	200,411,931		200,411,931
Total	31,459,394,683	-	31,459,394,683

7. Miscellaneous Revenue

Nature of Revenue	For the period ended 30th June 2025
	Kshs
CIHEB	357,684,030
UNFPA 10th GoK	12,371,700
Total	370,055,730

8. Employee Costs

Description	Period ended
	30th June 2025
	Kshs
Basic salaries of permanent employees	8,700,511,178
Basic wages of temporary employees	666,968,319
Personal allowances – part of salary	7,840,163,665
Government Pension and retirement benefits	79,198,883
Employer contributions to compulsory national social security schemes	1,627,306,751
Personal allowances provided in Kind	90,582,862
Other personnel costs	840,426,436
Employee costs	19,845,158,094

Notes to the Financial Statements (Continued)

9. Use of Goods and Services

Description	Period ended
	30th June 2025
	Kshs
Utilities, supplies and services	144,416,184
Communication, supplies and services	41,376,982
Domestic travel and subsistence	1,430,239,192
Foreign travel and subsistence	798,845,285
Printing, advertising, and information supplies & services	275,964,685
Rentals of produced assets	57,850,292
Training expenses	179,905,782
Hospitality supplies and services	1,124,665,885
Insurance costs	1,302,257,569
Specialized materials and services	1,812,370,097
Other operating expenses	6,165,173,103
Office and general supplies and services	675,031,118
Fuel Oil and Lubricants	544,987,677
Routine Maintenance - Vehicles and Other Transport Equipment	26,023,780
Routine maintenance – other assets	347,470,614
Others Expenses	841,931,322
Total	15,768,509,567

10. Transfers to Other Government Entities

Description	<i>Period ended</i>
	<i>30th June 2025</i>
	Kshs
Transfers to Early Childhood Development Education	100,000,000
Total	100,000,000

11. Depreciation and Amortization Expense

Description	<i>Period ended</i>
	<i>30th June 2025</i>
	Kshs
Property, plant and equipment	322,719,550
Total	322,719,550

12. Other Grants and Subsidies

Description	<i>Period ended</i>
	<i>30th June 2025</i>
	Kshs
Scholarships and other educational benefits	270,434,062
Emergency relief and refugee assistance	861,812,200
Civil contingency reserves	1,142,838,007
Total Grants and Subsidies	2,275,084,269

Notes to the Financial Statements (Continued)

13. Cash and Cash Equivalents

Description	Period ended	Opening Statement
	30th June 2025	1 st July 2024
	Kshs	Kshs
Central Bank of Kenya-Recurent 1000171502	1,070,985	-
Central Bank of Kenya-Development 1000171413	-	-
Central Bank of Kenya-Special Purpose 1000339179	-	466,600
Central Bank of Kenya-KRB RMLF 1000248106	171,863,580	394,866,137
Central Bank of Kenya-Ward Development Fund 1000309741	-	-
Central Bank of Kenya-Youth Poly PRJ Grant 1000367431	314,192	314,192
Central Bank of Kenya-10TH GOK/UNFPA CP 1000744038	5,955,500	-
Central Bank of Kenya-Kenya Devolution Support Programme 1000458777	3,615,409	31,442,137
Central Bank of Kenya-Primary Health Care 1000624019	-	22,635,000
Central Bank of Kenya-Health Care Services 1000369124	-	-
Central Bank of Kenya-Nairobi County Emergency Fund 1000746912	-	-
Central Bank of Kenya Nairobi County Community Health Prom Acc 100074409	-	-
Central Bank of Kenya Nairobi County Second Devol Sup Pro 1000763418	-	-
Central Bank of Kenya-Kenya Urban Support Programme 1000398582	-	-
Central Bank of Kenya-Deposits and Retentions 1000690178	18,530,837	-
Cooperative Bank-Bursary Fund 01141232396613	62,093	216,451,544
Cooperative Bank-Free Education Current Account A/C No: 01139232396601	6,586	300
Cooperative Bank SPA- Commercial A/C for ASDSP II Program 01141232396614	-	-
Cooperative Bank-Salary 01692232396600	3,110,817	2,080,095
Cooperative Bank- Nairobi City County- Kenya Informal Settlements Improvement Project (KISIP) 01141232396622	322,206,514	182,395,897
Cooperative Bank-NCC-Centre for Disease Control 01141232396620 - KES	3,179,325	-

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Cooperative Bank-NCC-Centre for Disease Control 02128232396600 USD	-	-
Cooperative Bank-Waithaka Vocational Training Centre 01139232396600	35,653	182,358
Cooperative Bank-Nairobi County-Staff Car Loan and Mortgage Scheme 01102323966001	244,306	-
Cooperative Bank Nairobi County Health 10TH GOK UNFPA CP Account 01102323966007	2,113	-
Cooperative Bank-Nairobi City County Imprest Operations 01102323966006	2,180,030	-
Kenya Commercial Bank-Trust fund 1149229667	25,938,092	31,445,347
Cooperative Bank-Center for International Health, Education, and Biosecurity-CIHEB KENYA 01141232396611	33,136,211.85	-
Cooperative Bank-Nairobi City County Aggregation and Industrial Parks 01102323966002	-	-
Cooperative Bank-Nairobi City County Health Scientific Conference 01102323966008	1,615,736.00	-
Cooperative Bank-Nairobi City County Sports Fund a/c 01102323966009	979,430.00	-
Cooperative Bank-Nairobi City County ECD Big Win Grant 01102323966010 KES	-	-
Cooperative Bank-Nairobi City County ECD Big Win Grant a/c 01102323966011 USD	-	-
Cooperative Bank-Nairobi City County KISIP PROJECT 2 a/c 01102323966017	-	-
Cooperative Bank-Nairobi City County Governor's Christmas Tree 01102323966018	835.00	-
Cooperative Bank-Nairobi City County Nairobi City Festival 01102323966019	220.00	-
Cooperative Bank-Nairobi City County Tenant Purchase Scheme 01102323966021	-	-
Cooperative Bank-Nairobi City County School Feeding Programme 01102323966023	-	-
Credit Bank-Nairobi City County ECDE 0191007000285	4,667.00	-
Total	594,053,131	882,279,608

14. Receivables from Non-Exchange Transactions

Description	Period ended	<i>Opening Statement</i>
	30th June 2025	<i>1st July 2024</i>
	Kshs	Kshs
Other debtors (non-exchange transactions)	216,448,631	6,612,700
Less: impairment allowance	-	-
Total receivables from non- exchange transactions	216,448,631	6,612,700

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Notes to the Financial Statements (Continued)

15. Property, Plant and Equipment

	La nd	Buildings	Motor vehicles	Infrastructur e assets	Furniture and fittings	Computers & ICT Equipment	Specialised plant, equipment and machinery	Work in progress	Total
Depreciation Rate		2%	10%	2%	12.50%	33.30%	10%		
Cost	Ks hs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	-	-	-	-	-
Additions	-	1,097,150,026	842,692,852	3,127,506,554	421,966,274	248,904,296	183,262,185	214,990,336	6,136,472,523
Disposals	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	1,097,150,026	842,692,852	3,127,506,554	421,966,274	248,904,296	183,262,185	214,990,336	6,136,472,523
Depreciation And Impairment									
Depreciation	-	21,943,001	84,269,285	62,550,131	52,745,784	82,885,131	18,326,219		322,719,550
Disposals	-	-	-	-	-	-	-	-	-
As At 30th Jun 2025	-	21,943,001	84,269,285	62,550,131	52,745,784	82,885,131	18,326,219	-	322,719,550
Net Book Values	-	1,075,207,026	758,423,566	3,064,956,423	369,220,490	166,019,165	164,935,967	214,990,336	5,813,752,973
Opening Bal as at 1st July 2024	-	-	-	-	-	-	-	-	-
As At 30th June, 2025	-	1,075,207,026	758,423,566	3,064,956,423	369,220,490	166,019,165	164,935,967	214,990,336	5,813,752,973

Notes

The County has recognized Assets recognized have been acquired within the financial year. The County is in the process of valuing all assets acquired in other financial years to establish the current value as guided by International Public Sector Accounting Standards. The values will be recognized in subsequent financial statements.

Notes to the Financial Statements (Continued)

16. Trade and Other payables

Description	Period ended 30th June 2025	Opening Statement
	Kshs	1st July 2024 Kshs
Trade payables	34,698,631,731	36,101,231,403
Employee payables	1,325,026,793	357,275,998
Third-party payments	44,052,201,489	82,335,731,230
PPE	7,164,880,791	-
Total trade and other payables	87,240,740,803	118,794,238,631

Category	Ageing analysis (Amount in Kshs.)				Total
	Under one year	1-2 years	2-3 years	Over 3 years	
Development Pending Bills	1,951,326,088	1,150,884,087	1,032,564,493	3,030,106,123	7,164,880,791
Recurrent Pending Bills (Goods & Services)	7,564,367,164	3,198,389,128	6,592,742,736	17,343,132,703	34,698,631,731
Recurrent Pending Bills (Salary Arrears and Statutory Deductions)	2,155,826,131	0	0	41,896,375,357	44,052,201,489
Recurrent Pending Bills (Staff Claims)	501,395,181	210,654,951	67,744,526	545,232,135	1,325,026,793
Total Recurrent Pending Bills	10,221,588,476	3,409,044,079	6,660,487,262	59,784,740,195	80,075,860,012
Total Pending Bills	12,172,914,564	4,559,928,166	7,693,051,755	62,814,846,318	87,240,740,803

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Notes to the Financial Statements (Continued)

17. Refundable Deposits and Prepayments

Description	Period ended 30th June 2025	Opening Statement
	Kshs	1st July 2024 Kshs
Central Bank of Kenya-Deposits and Retentions A/C No: 1000690178	18,530,837	-
Kenya Commercial Bank-Trust fund A/C No: 1149229667	25,938,092	-
Total deposits	44,468,929	-

18. Cash Generated from Operations

	Period ended 30th June 2025
	Kshs
Surplus for the year before tax	(6,482,021,067)
Adjusted for:	
Depreciation	322,719,550
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Increase in inventory	-
Increase in receivables	(209,835,931)
Increase in deposits	44,468,929
Increase in payables	9,668,418,518
Increase in payments received in advance	-
Net cash flow from operating activities	3,343,749,999

Notes to the Financial Statements (Continued)

19. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Entity's financial risk management objectives and policies are detailed below:

i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's accounting officers, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

The Entity has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The Entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Interest rate risk

Interest rate risk is the risk that the Entity's financial condition may be adversely affected as a result of changes in interest rate levels. The Entity's interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Notes to the Financial Statements (Continued)

Financial Risk Management

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

The objective of the Entity's capital risk management is to safeguard the Entity's ability to continue as a going concern.

Notes to the Financial Statements (Continued)

20. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *Entity* include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Entity*, both domestic and external.

Other related parties include:

- i) County Government Entities
- ii) National Government Entities
- iii) Key management.

	FY 2024/2025
	Kshs
Grants /transfers from the government	
Transfer from CRF	31,249,558,752
Total	31,249,558,752

21. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Entity to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments)

22. Contingent Assets and Contingent Liabilities

Contingent Liabilities

	Period ended 30th June 2025
	Kshs
Contingent Liabilities	
Court Cases against the Entity	11,970,049,570
Total	11,970,049,570

23. Capital Commitments

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised

by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

24. Program for Results (PforR) Disclosure

This disclosure note is for entities implementing Programs for Results (PforR). Implementing entities are required to make disclosures in accordance with their respective financing agreements. The disclosure should capture the program's goal and expenditures designated in the expenditure framework.

25. Events after the Reporting Period

There were no material adjusting and non- adjusting events after the reporting period.

26. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

27. Currency

The financial statements are presented in Kenya Shillings (Kshs).

16. Appendix

Appendix 1: Implementation Status of Auditor-General's Recommendations

Reference No on the external audit Report	Issue/Observation from Auditor	Management comments	Status Resolved/Not resolved
1. Inaccuracies in Compensation of Employees	<p>Basic salaries for permanent employees' expenditure of Kshs.8,239,633,410 differed with the Integrated</p> <p>Personnel Payroll Database basic salary amount of Kshs.7,399,700,121 resulting to an unexplained variance of Kshs.839,933,289. Further,</p> <p>The compensation of employees' expenditure increased from an amount of Kshs.11,185,475,652 to the current year's expenditure of Kshs.17,290,337,584 by Kshs.6,104,861,932 or 55% of the prior year amount.</p>	<p>The variance of Kshs.839,933,289 was as a result of payment of payroll related pending bills paid off IPPD (outside payroll) as Tabulated below. These payments were Made towards Pension arrears (Lap Fund and Lap Trust), NMS salary arrears, PAYE arrears, and third Party deductions arrears.</p>	<p>Administrative action has been taken as per the Senate committee recommendation.</p>

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2. Discrepancies in Cash and Cash Equivalents	In the circumstances, the accuracy and completeness of the bank balance of Kshs.882,279,608 could not be confirmed.		resolved

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<p>3. Unexplained Double Payments in Bank Statements</p>	<p>Review of bank statements indicated instances of suppliers receiving payments twice for the same transaction.</p>	<p>The double entries in the Bank statement are brought about by bounced payments mainly due to incorrect supplier (payee) bank details. In this circumstance, the payments are normally re-invoiced for payment through the correct account details. This re-invoicing is what makes it look like a double payment. Refer to the returned RTGS.</p>	<p>Administrative action has been taken as per the Senate committee recommendation.</p>
<p>4.1 Misstatement of Accounts Payables</p>	<p>i. Variance between reported pending bills an accumulated total pending bill of Kshs.118,315,753, 589 according to the County Executive records resulting to an unexplained variance of Kshs.478,485,041. ii. County Executive paid Kshs.2,706,330,152 in pending bills, however, the amount differs with the reported amount of Kshs.2,546,724,58</p>	<p>The variance of Kshs.159,605,565 was total amount of pending bills paid in the Period-July 2024. The total amount reported of Kshs.2,706,330,152 out of the total pending payables was the cumulative amount paid to</p>	<p>Administrative action has been taken as per the Senate committee recommendation.</p>

	7 as total paid within the year resulting to a variance of Kshs. 159,605,565	creditors from July 2023 to July, 2024 while a total amount of Kshs.2,546,724,587 was the total payments reported by end of the financial year on 30th June, 2024 covering July 2023 to June 2024. Hence the reported variance of Kshs.159,605,565	
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<p>4.2 Unreconciled Related Entities Balances</p>	<p>Included in the balance are pending bills of Kshs.724,964,162 owed to Kenya Power Company. However, records at Kenya Power Company reflects a receivable balance of Kshs.2,730,901,603 as at 30 June, 2024.</p>	<p>KPLC claimed Kshs.2,730,901,603 from Nairobi City County Government. Kenya Power and NCCG conducted a joint physical verification of metering points and both parties thereafter agreed on a debt of Kshs.1,515,000,000. It was later Confirmed that between December 2020 and November 2022, the defunct Nairobi Metropolitan Services (NMS) had on behalf of Nairobi City County Government paid KPLC an additional Kshs.706,800,736.35 . Hence the stated amount of Kshs.724,964,162 is accurate Pension arrears</p>	<p>Administrative action has been taken as per the Senate committee recommendation.</p>
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County Executive of Nairobi City
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<p>4.4 Undisclosed Pending Bills</p>	<p>Management did not maintain an ageing analysis of the pending bills. Further, analysis of total County receipts of Kshs.31,006,479,217 against total pending bills of Kshs.118,794,238,631 revealed that in order to clear the pending bills, the County Executive might have to halt services to Nairobi citizens for over three (3) consecutive years, as the debt is 383% of the total receipt for the County.</p>	<p>The County executive debt register has aged all the debts and the aging analysis report has since been provided to the auditors. Of the 98 billion, old government guaranteed loans amounting to Kshs 21 billion which the county government has written to the National Treasury to write them off and Lap Fund debts amounting to Kshs.27 billion, the court expunged the whole amount but there was a consent between Nairobi City County and Lap Fund of Kshs.8 billion out of which Kshs.800million was paid in financial year 2023-2024. Currently we owe the Fund</p>	<p>Administrative action has been taken as per the Senate committee recommendation.</p>
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		around Kshs.7.4 billion.	
2.Commitments Over and Above the Approved Budget	There was an Underfunding of Kshs.10,415,459,672 or 25% of the budget and under-utilization of Kshs.333,607,032 or 1% of the budget	Management recognizes the underfunding of the Budget by 25% during the financial year. The factors that explained the underfunding of the budget includes the following: - The County did not achieve the projected revenue targets during the financial year	Administrative action has been taken as per the Senate committee recommendation.
3.Contingent Liabilities	The County had been subjected to several legal claim's incidental to its operations and whose outcome and possible loss may not be foreseen or quantified. In the event that those contingent liabilities crystalize, the County may be exposed to huge cash outlay which may affect its ability to meet its obligations when they fall due, thus impacting on service delivery capacity.	The Office of the County Attorney (OCA) has endeavoured to come up with a contingent liability register for the ongoing cases where the external advocates have been engaged to handle cases on behalf of the county.	Administrative action has been taken as per the Senate committee recommendation.
4.Low Absorption of Development Expenditure	Actual development expenditure amounting to Kshs.2,733,867,95	Nairobi City County is service oriented county where bulk of	resolved

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	1 which represents 9% of the total expenditure for the year.	the monies are incurred in payment of non-discretionary expenditures. It is important to note that Personnel emoluments take up the entire county's equitable share	
Other Matter Unresolved Prior Year Matters	In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2024	Management has come up with an audit implementation matrix where Auditors recommendations as highlighted in the Management Letter are addressed and implemented. Management also relies on Internal Auditors reports to improve on internal control weaknesses and manage risks identified in the reports	resolved
1.1 Lack of Substantive County Secretary	As at the time of audit in November, 2024, the County Secretary's Office did not have a substantive office holder. Further, the officer in acting position continued	The County Public Service Board is yet to advertise for the position.	resolved

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	acting for more than six months.		
1.2 Irregular Engagement of Casual Workers	The County Executive engaged revenue casual workers on a contract of service for a period of 3- months renewable However, casuals' personal records were not maintained by the Human Resource Directorate to indicate how they were recruited and on-boarded.	Authority to hire casuals is sought from the County Public Service Board upon determining the nature of work and budgetary provision. Preference is given to the local labour for ease of service delivery and movement within the project area. Before recruitment a meeting is held with the local administration where the bio data of the casuals is captured together with their skills. Attached please find the correspondences used for recruitment.	Administrative action has been taken as per the Senate committee recommendation.
1.3 Irregular Payment of Salary to Dismissed Staff	. Thirteen (13) staff dismissed were irregularly paid salary backdated for a period of up to 2 years. ii. The County Executive did not have a disciplinary policy	Management acknowledges the delay in salary stoppage caused by	Administrative action has been taken as per the Senate committee recommendation.

	<p>to guide the Management of disciplinary cases.</p>	<p>unauthorized absence which normally results in over payment. The delay is normally caused by delays by immediate supervisor in reporting any unauthorized absence by an employee within 24 hours. This delay has been noted by the county Human Resource Management Advisory Committee (CHRMAC) in their meeting of 8th October 2024, the committee recommended to the County Public Service Board that where a supervisor delays in reporting staff on unauthorized absence and the officer is dismissed, the supervisor shall be surcharged the entire amount the over payment.</p>	
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		(Copy of the extract of CHRMAC Minutes attached) Appendix 1.4	
1.4 Irregular Recruitment of County Staff	<p>The County Executive recruited three thousand eight hundred and thirty- four (3,834) staff within the financial year under review. However, the recruitment was not supported with a recruitment plan, advertisement, long list and shortlists interview reports and score sheets. Officers were appointed despite lacking academic qualifications and other requirements</p> <p>Recruitment was done for cadres that could not be traced in the staff establishment,</p>	<p>The officer possesses the following skills: - master's in business administration, BSc in information/System, Advanced Diploma (IAD) KCCT Mbagathi (2005), Diploma IMIS (2004)</p> <p>The officer had the relevant qualification as per the indents. Strategic Leadership Development Course (SLPD) was not a mandatory requirement as per the advertisement and PSC, 2020 guidelines.</p> <p>The officer possesses the following qualification: - Bachelor of Science in Information Technology KCA</p>	Administrative action has been taken as per the Senate committee recommendation.

		University 2014, Diploma in	
1.6Late Remittance of Staff Deductions	<p>Review of the payment vouchers provided revealed the County Executive paid Kshs.100,000,000 being payment of unremitted staff deductions to NCCG third parties and staff pension contribution. In addition, the County Executive incurred Kshs.100,000,000 in respect of payment to Kenya Revenue Authority being payment for tax arrears. However, it was not established why the County had failed to remit the deductions when they fell due.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>The payments relate to pending bills from prior years.</p> <p>Issue partially addressed.</p>	resolved
1.1.1 Employees Sharing Bank Accounts	<p>Review of the bank remittance for the year ended 30 June, 2024 revealed that the months of April, May and June, 2024 had seven thousand, seven hundred and seventy-seven (7,777), six thousand, one hundred twenty-three (6,123) and six thousand, eight hundred and three (6,803) staff respectively sharing same bank</p>		resolved

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	accounts, same agent code and same branch code		
1.7.2 Duplicates Names	Review of the bank remittance for the year ended 30 June, 2024 revealed that in the month of August, 2023, seventy-four (74) staffs were sharing all names		resolved
1.7.3 Officers Active in the Payroll with No Pay	Analysis of the payroll indicated that there were six (6) officers active in the payroll without salaries.		resolved
1.7.4 Officers Whose Bank Remittances were Higher than their Net Pay	Net salaries for officers in the County were recomputed and checked against what was remitted to the bank and it was established that some officers received a higher salary than what was computed as their net earnings for the period under review. The total overpayment for the period amounted to Kshs.5,395,449		resolved
1.7.5 Officers Paid Gross Salaries Higher than the SRC Recommendation	revealed some officers were paid gross salaries higher than the maximum recommended amounts for their job groups resulting to an overpayment to the officers by an amount of Kshs.8,432,252		resolved
1.7.6 Officers not Deducted P.A.Y.E	revealed some officers were not deducted statutory deductions including PAYE amount at various times during the year. The total amount not taxed during the year under review was Kshs.148,642,687.		resolved
1.7.7 Variances between IPPD Payroll Computation and Payment Vouchers	unexplained variance of Kshs.1,393,234,865 between IPPD and payment voucher amounts.		resolved

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1.7.8 Irregular Payment of Stipend and Salaries	The manual payrolls obtained from the Health Department, indicated that Kshs.317,156,560 was paid as allowances to the Community Health Volunteers		resolved
1.7.9 Irregular Adjustment of Staffs Details in IPPD	Some officers' basic salary changed multiple times during the year with some up to 6 times.		resolved
1.8 Irregular Payment of Arrears	revealed various staff were paid in arrears for earnings not ordinarily earned while some officers were observed to have been earning arrears for the entire year.		resolved
1.9 Irregular Payment of Transport - Allowances	Analysis of the transport and commuter allowance paid revealed that two (2) officers were paid commuter allowance totalling Kshs.14,000 in accordance to the SRC recommendations but were also paid transport allowance in arrears of Kshs.48,690. However, the rate used for payment could not be determined.		resolved
1.10 Non-Compliance with Law on Mandatory Retirement	Review of the Integrated Payroll and Personnel Database (IPPD) revealed that seventeen (17) officers who had attained the mandatory retirement age of sixty (60) years were still in service as at 30 June, 2024.		resolved

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1.11 Reinstatement of Interdicted Staff	Review of staff records revealed that a staff was interdicted for gross misconduct. However, the staff filed for an application in Court on 31 October, 2023 seeking suspension/staying implementation of the decision to interdict him as contained in the letter dated 6 March, 2023		resolved
1.12 Non-Remittance of Statutory Dues	audit could not trace remittance of the deductions to the relevant authorities through the County's bank statements and no support document on remittance was provided.		resolved
1.13 Non-Compliance with Fiscal Responsibility Principles.	<p>Regulations, 2015 which requires that the expenditure set should not exceed thirty-five (35) percent. The County Executive was in breach of the law and the high wage bill may not be sustainable on long term period.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>Although this was a historical issue carried over from Defunct City Council whereby before constitution 2010, the County has now put in place stricter restriction on recruitments by ensuring that they are initiated only after confirmation of availability of funds. In addition, the County has received the report of the office of the Auditor General on payroll</p>	resolved

		<p>Audit conducted last year in the month of November and is in the process of implementing the recommendations. The policy was introduced when the ratio of employee compensation already surpassed the recommended 35%. It was not prudent to lay off any staff. In addition, Nairobi being a service-oriented County requires more staff to offer services effectively and efficiently to a population that is still increasing. To attain the recommended ratio, the County will implement revenue-raising strategies. Increased revenue will lower the disparity. This will be</p>	
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		attained in the medium term. Implementation Status: Being implemented	
2.1 Failure to Settle Pending Bills	Pending accounts payable totalling Kshs.118,794,238,63 1 remained unsettled despite the County Executive having unspent funds amounting to Kshs.1,478,245,241 in the County Revenue Fund.	The last disbursement of 2023/2024 equitable share was received on 26th July 2024 long after we had closed the financial year even after extension by two weeks in July 2024. Invoicing of new payments in IFMIS is restricted up to 30th June of every financial year. Therefore, no invoicing could be carried out in July 2024.	resolved
2.2 Pending Legal Costs	Four (4) Advocates out of the total pending legal cases, are owed a total of Kshs.6,269,546,657 which is 29% of the total pending legal fee of	the office of the county attorney pursuant to the recommendation of the committee which was appointed by the H.E the Governor to look into the legal pending bills	Administrative action has been taken as per the Senate committee recommendation

		<p>established an assessment committee to assess and reassess the fee notes</p> <p>The committee in its report during the year under review assessed and reassessed fee notes which had been presented totalling to Ksh19,554,805,263.12 which after assessment and reassessment was reduced to Ksh3,569,524,268.85</p> <p>Pending bills relating to decrees against the county is largely attributed to inadequate budgetary allocation for the purpose hence the escalation of interests and penalties as ordered by courts.</p>	
<p>2.3 Non-Settlement of Payments Due</p>	<p>An expenditure amounting to Kshs.180,712,573 in</p>	<p>The amounts queried are in relation to HCC NO E140 OF</p>	<p>Administrative action has been taken as per</p>

	<p>respect of interest and penalties awarded to a garbage contractor by High Court of Kenya for non- payment of Kshs.358,844,976 with an interest of 12% at commercial rate. This cost could have been avoided had Management put in place prudent public finance management controls in payment of pending bills and by honouring court orders</p>	<p>2020; HARDI ENTERPRISES LTD-VS-NAIROBI CITY COUNTY In the matter, the plaintiff sued the County with regard to contract No. NCC/WEFE and NR/DP/276/2017-2018 Hire of Heavy Equipment and Vehicles (service).</p> <p>The Plaintiff alleged that the Contractual Services were valued at Kshs 948,986,822.13 between 5th July 2018 and 4th July 2018 and of which the County Settled Kshs.590,141,916.55 leaving an outstanding balance of Kshs.358,844,975.58 which is the subject matter of the suit.</p>	<p>the Senate committee recommendation</p>
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		<p>Judgment was entered against the County for the Sum of Kshs 358,844,975.58 and interest at commercial rates from 4th July 2018 until Payment in full. Relevant documents in support of the above are as underlisted and contained in Annexure 2.3.</p> <ol style="list-style-type: none"> 1. Memo dated 5th July 2021. 2. Letter dated 11th March 2022. 3. Letters dated 2nd March 2022. 4. Memo dated 22nd November 2022. 5. Letter dated 14th December 2022. 6. Memo dated 16th December 2022. 	
2.4 Non-Payment of Dues Arising from Court Award	Kshs.10,080,000 incurred as interest for delayed payment. This loss would have been avoided had Management honored the court orders.	Non-payment was due to cash flow constraints. The county is committed	Administrative action has been taken as per the Senate committee recommendation

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		to honouring all its debts when funds are available.	
2.5 Irregular Pending Bills	Kshs.176,741,698 was due to County Executive staff in relation to domestic and subsistence allowances.	The County employees from all sectors were engaged in various work-related activities during the period under review. Such duties/assignments required employee compensation prior to attendance. However, the County Executive was unable to compensate the employees on time due to cash flow constraints	Administrative action has been taken as per the Senate committee recommendation
3.1 Failure to Provide Support for Bursary and Scholarship Applications Vetting	Management did not provide Wards Bursary Committees deliberations minutes that stipulated their recommendations for individual vetted cases and a list of the vetted applicants and some scholarship forms for the successful applicants did not have the committee's recommendations and Head Teacher's recommendations as required by the guidelines.	Wards bursary committee's deliberations and minutes stipulating their recommendations for individual vetted cases and a list of the vetted applicants forwarded to the executive Scholarships and	Administrative action has been taken as per the Senate committee recommendation

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		Bursary processing committee are hereby attached marked appendix A (Ward Committees Minutes).	
3.2 Un-Acknowledged Disbursements	The County disbursed Executive Scholarship to five thousand, three hundred and thirty-nine (5,339) students in the financial year 2023-2024 and also disbursed Ward bursaries to twenty-nine thousand, seven hundred and seventy-five (29,775) students in term III amounting to Kshs.301,400,000 for executive scholarship and Ward bursary, Kshs.170,000,000 for the Ward bursary and Kshs.131,400,000 for the executive bursary respectively. However, the benefitting institutions did not give their acknowledgements and therefore, the disbursements could not be confirmed.		resolved
4 Failure to Prepare and Submit Separate Fund Financial Statements	The County Executive Management did not prepare and submit financial statements for the funds whose enabling legislation requires that they prepare books of account for audit	Nairobi City County Betting, Lotteries and Gaming Control Board. The court nullified the Act that had earlier established the Board. Currently the county is coming up	Administrative action has been taken as per the Senate committee recommendation

		<p>with the new Act of establishing a fund. WARD DEVELOPMENT FUND- Controller of Budget raised a number of concerns with respect to validity, legality and constitutionality of the Act Nairobi City County Revenue Authority- The NCRA has not been fully operationalized and Revenue operations are still under the County Revenue Department. Disaster and Emergency Fund- the fund has not been fully operationalized hence separate financial statements were not prepared</p>	
<p>5 Irregular Insurance Payments</p>	<p>i. Non fulfilment of obligations by insurer for provision of Work Injury Benefit Act (WIBA), Group Personal Accident and Employer Liability</p>	<p>I. The Insurer delayed in implementing the specified terms of</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

	<ul style="list-style-type: none"> ii. Unmet requirements by service provider for Provision of Comprehensive Medical Insurance Cover iii. Provision of General Insurance Services iv. Irregular Direct Procurement of Insurance Cover 	<p>reference due to delayed payment by the County and therefore most activities failed to take place as per schedule. The insurer has issued invoice No DHRHQS24093394 for an additional 2400 staff totalling Kshs 14,555,684.00 dated 22nd November 2024 which is being reviewed before payment.</p> <p>ii. The following documents requested are hereby attached</p> <ul style="list-style-type: none"> 1.Appointment letters for seven (7) members from the County 2.Monthly reports from the committee 3. Training and sensitization reports 4.Identification of reputable rehab centers. <p>Refer to Appendix</p>	
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		<p>5.2 I, II, III and IV iii. The variance in the number of vehicles listed in the tender document versus the attached list arose from an inconsistency in data consolidation during the tender preparation process. However, we confirm that the insurance coverage provided was based on the final approved vehicle list, ensuring all insured vehicles were accurately documented.</p> <p>iv. The County Executive decided to enter into a new contract with the same insurance company when there was an existing active Contract instead of reviewing Clause 4 because the previous Contract did not cover ex- gratia</p>	
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		which covers chronic illness.	
6 Management of Motor Vehicles	<p>i. Four hundred and eighty-three (483) operational vehicles against 338 drivers. Therefore, one hundred and forty- five (145) vehicles remained idle</p> <p>ii. 402 Grounded Vehicles-No disposal plan or evidence of claims from insurance companies</p> <p>iii. Motor Vehicle held in private Garage due to outstanding bill of Kshs.36,223,235</p> <p>iv. Irregular procurement of prime mover at contract sum of Kshs.39,793,429. However, contract agreement was not provided. It was burnt down 2months after delivery. NO evidence of claim lodged with insurer</p>	<p>I. The operational vehicles include vehicles handed over to vocational school, GSU and those at Statehouse which are Thirty-one (31). The remaining 108 drivers are County staff who have not been redesignated as drivers but are performing duties of drivers after doing a suitability test at Garage.</p> <p>ii. Nairobi County Government Fleet Section prepared a Vehicle Disposal list which was handed over to asset Management department.</p> <p>iii. The documents containing comprehensive details regarding the</p>	Administrative action has been taken as per the Senate committee recommendation

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		<p>repairs performed on vehicles, the corresponding inspection reports, as well as the contracts established between the county and the suppliers, have been included and are available in Annex 11 for your reference.</p> <p>iv.- While the contract agreement was not availed during the initial audit review, we wish to confirm that the vehicle in question falls under the additional motor vehicle category. Consequently, the insurance premiums for additional motor vehicles were issued to us, serving as proof that a valid contract agreement was entered into for this procurement</p>	
<p>7.Unsupported Payment of Taxes</p>	<p>The County Executive paid a total of Kshs.330,689,333 to</p>	<p>The county executive has written to KRA</p>	<p>Administrative action has been taken</p>

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	KRA However, there was no acknowledgement of the payment from KRA.	for confirmation of all payments done to the Authority.	as per the Senate committee recommendation
8.Irregular Procurement of Services	. No evidence to indicate that requests for quotations were made to at least three suppliers and that the bidders' quotations were subjected to quotation opening, evaluation and award. ii. Expenditures not supported with documents which include signed attendance lists by participants, advertisement, tender opening minutes and register, tender evaluation committee reports, letters appointing both opening and evaluation committee and evidence of regret letters sent to the unsuccessful bidders.		Administrative action has been taken as per the Senate committee recommendation
9.Irregular Procurement of Hire of Heavy Machinery	. Non-Compliance with Contract Terms for Hire of Heavy Machinery resulting to an excess payment of Kshs. 6,562,063 ii. Unconfirmed Work Hours for Hire of Heavy Equipment, Plant and Machinery at Dandora Dumpsite- Machines worked non-stop for 2 shifts daily of 8 hours. There was no corroborative evidence for the hours worked and no LPO issued when engaging the contractors	i. The billing for the heavy machinery in question is in compliance with the contract, the claim of overpayment due to incorrect billing is invalid. ii. During this period, the city was sinking in garbage and there	Administrative action has been taken as per the Senate committee recommendation

		<p>was a lot of public outcries on uncollected waste in the city estates. (Rephrase) There was need to mobilize any available resource in terms of trucks and machinery to sort out the mess. In order to ensure no interruption of disposal activities at operation areas, all machines are fueled before the beginning of any shift.</p>	
10. Irregular Purchase of Office Equipment	<p>i. Payments not supported with evidence of quotations sent to registered suppliers.</p> <p>ii. The payment was not supported with requisite procurement documents</p> <p>iii. The local purchase order validity period of thirty (30) days was not adhered to as supplies were delivered after the 30 days validity period.</p>	No responses	Administrative action has been taken as per the Senate committee recommendation
11. Irregular Procurement of Garbage Skips and Skip Loaders with Complementary Skips	Supply and delivery of 120 garbage skips at a contract sum of Kshs. 51,600,000,	The Order was placed on 20th April 2023 after the Contractor	Administrative action has been taken as per

	<p>only forty-one (41) garbage skips had been delivered and the contract validity period had already lapsed. LPO for supply and delivery of twenty- seven (27) large tippers and ten (10) skip loaders with complementary skips were placed before the contract was binding on both parties.</p>	<p>accepted the offer upon finalization of procurement Process. Since the Special Conditions in the Local Purchase Order did not cover the scope of the Conditions required for such Contract a Form of Contract Agreement which contained all the Special Conditions that bound both parties (Contractor and the County) was signed. Both Pre and Post Delivery Inspection were conducted as per the reports of the two Inspection reports attached</p>	<p>the Senate committee recommendation</p>
<p>12.Irregular Payment for Consultancy for Development of the Tourism Policy for Nairobi City County</p>	<p>Review of payment voucher of Kshs.4,999,999 paid for development of the tourism policy for Nairobi County Revealed the following anomalies; An evaluation report summarizing the results of the preliminary, technical and</p>	<p>The tender was advertised on 22nd February and opened on 28th February 2024 tender No. NCC/CCAT/Q/190/NEGO.NO-1471152/2023-2024</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

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	<p>financial evaluation and signed by all evaluation committee members was not provided for audit. In addition, a copy of the contract was not provided as one of the supporting documents for payment.</p>	<p>and only one bidder responded in the e-procurement portal. Please find the attached Appendix 12.1(i). ii) There was only one bidder hence there were no regret letters. iii) There was no contract signed but the bidder was issued with PO NO. 52 as attached</p>	
<p>14. Anomalies on Routine Maintenance of Motor Vehicles</p>	<p>Payment of Kshs.7,280,357 was not supported with requisite procurement documents</p> <p>I. The Logbooks (GP55) for services, repairs and maintenance undertaken were not provided for audit. Therefore, the audit could not determine whether the record of work done was posted in vehicle logbooks, or work tickets.</p> <p>ii. Efficiency analysis reports for county vehicles were not provided for review.</p>	<p>i. The requested documents are attached. (Annex 3) ii. Garage Technical Examiners undertakes thorough inspection of all repaired vehicles from external garage to ascertain new parts have been fitted and old parts are returned back as instructed on Repair/ Works instruction forms iii. Job card attached (Annex 4)</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

		<p>iv. Therefore, we have attached the reports for February 2024, May 2024 and June 2024(Annex 5) for your reference and the computation of efficiency</p>	
<p>15.1 Payment for Stalled Construction of Perimeter Wall in Mji wa Huruma</p>	<p>Whereas works commenced on 10 September, 2015 and valuation of works recommended payment of Kshs.4,870,690, the amount remained unpaid until June, 2024. Inspection indicated that the structure had developed cracks and here was no evidence of re- inspection on the extent of damage and the nature of repair works done.</p>	<p>The payment was done as per the valuation done in 2015 and not as a result of re- inspection on the extent of damages and nature of repairs works. Attached- letter from the Legal department (Office of the County Attorney) marked Appendix 15.1(a) and Appendix 15.1(b) copy of payment certificate</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

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<p>15.2 Rehabilitation of Lot 13 Roads in Eastleigh Area Nairobi (Athumani, Kipande, Mwendu Road, Blue Estate and Kitui Village)</p>	<p>. The payment was not supported with requisite procurement documents ii. Performance security of Kshs.800,133, constituting only 1% of the contract sum was not commensurate with the value of works and contract sum. ii. Construction and civil works totalling Kshs.86,011,253 revealed various gaps which include non-compliance with procurement laws and failure to attach relevant documents in support of payments</p>	<p>The works commenced on 8th December, 2021 with an initial contract period of 10.0months and the order to commence was given on 6th December 2021 a completion date of 21st July, 2022. Due to delays in payment of IPC No 1 due to the Transition from NMS to NCCG, the works were completed as intended on 21st July 2022. The Deed of Novation was signed dated 18th April 2023. The contractor was awarded an interim extension of time totalling 12 months vide a letter date 8th July 2024. The works were procured by NMS and during the handing of the contracts, the procurement</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>
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		<p>documents were not handed over. However, a request has been made to Executive office of the President for the requisite documents</p>	
<p>15.3 Irregular Payment for Rehabilitation of Roads in Industrial Area</p>	<p>i. The contracts outlined the works procured by Nairobi Metropolitan Services and related to the procurement plan for the year 2020/2021 which were signed on various dates in the month of August, 2021 with contract period of 8 months. Therefore, the works were expected to be completed by May, 2022. However, the contract period lapsed without commencement of works and there was no evidence of contract extension approval. Whereas the deeds of novation were signed on 18 April, 2023, the audit could not establish why the works took over two years to be completed after signing of contract and issuance of instructions to commence work.</p>	<p>The County has established that the works were procured by NMS and during the handing of the contracts, the procurement documents were not handed over. However, a request has been made to Executive office of the President for the requisite documents. Pursuant to the provisions of the public finance management (public investment management) Regulations 2022, the county treasury has commenced a process of setting up prerequisite internal</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

		<p>structures towards streamlining the actualization of Public Investment Management. A precursor towards this end was to build the human resource which consequently sets the stage for effective implementation of the PIM ecosystem. Beginning FY 2025/2026, PIM is being operationalized and is already provided for in the budget circular 2026/2027, which consequently will;</p> <ul style="list-style-type: none">i. Establish a system for conceptualization, planning, execution and monitoring/reporting of county projectsi. Provide a standardized approach in project	
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		<p>cycle management in sectors</p> <p>i. Resource optimization and improved project completion rates</p> <p>. Improved participation of the public and non-state actors in projects decisions</p> <p>The Office of the County Governor has taken a wider approach to prioritize completion of existing and stalled projects and provide a budget for their completion.</p>	
16. Irregular Engagement of Bidders Without Advertising of Tenders for Construction and Civil Works Projects	Various projects amounting to Kshs.179,621,620 were procured without publishing of advertisements in the public procurement portal as required by law.	The works that were paid by the Sector were procured by NMS and during the handing of the contracts, the procurement documents were not handed over.	Administrative action has been taken as per the Senate committee recommendation

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		However, a request has been made to Executive office of the President for the requisite documents	
17.1 Supply and Delivery of 3x16mm2 ABC Aluminium Round	Review of payment in respect of an amount of Kshs.38,442,000 for supply and delivery of 3x16mm2 ABC aluminium round stranded compressed conductor under framework revealed that the specifications from the user department and the local purchase order issued to the supplier were different from what was delivered. The delivery note from the supplier indicated that materials of specification 2x16mm ABC aluminium round stranded compressed conductor while the LPO stated 3x16mm were delivered on 16 May, 2024 and inspection and acceptance certificate issued on 06 June, 2024 despite the delivered materials not meeting the required specifications. These materials may end up being unused by the user department since they did not meet the specifications requested.		
17.2 Supply and Delivery of Assorted Electrical Materials for Street Lighting	The specifications from the user department and the local purchase order issued to the supplier were different from what was delivered. the framework contract agreement	Arising from above, the procurement officer in-charge electrical stores	Administrative action has been taken as per the Senate committee recommendation

	<p>was signed on 17 January, 2024. This date was not within the tender validity period of 150 days from the date of opening of tender cables supplied by a general merchant and received in the store on 16 May, 2024 were missing from the store due to pilferage incidences the materials were received beyond the stipulated period as local purchase orders are valid for a period of 30 days from the date of issue</p>	<p>consulted the Director of supply chain management who responded through Memo dated 20th May, 2024 (Copy attached). The Memo indicated that the supplier had both cables in the frame contract and were both costed the same at Kshs.250 per metre. The supplier was then advised to deliver 2x16mm ABC aluminium round stranded compressed conductor which was the right cable. The inspection and acceptance of the materials was done guided by the Supply chain management Director's MEMO. The inspection and acceptance team produced a report hence the materials were utilized.</p>	
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		Late signing of the contract agreement was due to delay in processing contract agreements because of the big number of bidders who had responded to the two categories of frameworks at the same time and a serious understaffing in the County Attorney's office	
18.1 Supply and Delivery of 5000 Tonnes of Quarry Chips	The framework contract agreement was signed on 24 November, 2024. This date was not within the tender validity period of 150 days from the date of opening of tender not supported with delivery notes for each day of delivery against which the daily deliveries could be verified.	Late signing of the contract agreement was due to delay in processing contract agreements because of the big number of bidders who had responded to the two categories of frameworks at the same time and a serious understaffing in the County Attorney's office	Administrative action has been taken as per the Senate committee recommendation

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<p>18.2 Supply and Delivery of 8000 Tonnes of Crusher and 1,200 Drums of K160</p>	<p>Examination of payment in respect of an amount of Kshs. 21,600,000 for supply and delivery of 8000 tonnes of crusher run and Kshs. 39,600,000 in respect of supply and delivery of 1,200 drums of 200 kilograms of K160. No evidence of market survey carried out to inform the placing of orders, no evidence of acceptance of award, performance bond and signed framework contract agreement binding the contractor and the County Executive</p>	<p>This was an open tender and prices are determined by the competitive price offered by bidders and was evaluated within the given price range for goods. The prevailing market price may not have other charges loaded for example delivery charges, taxes and markup to cover for the goods purchased on credit. This framework contract was through call-offs order where the price has been determined in the contract by applying the terms specified without reopening competition.</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>
<p>18.4 Irregular Procurement of Bitumen</p>	<p>The County Executive paid a supplier an amount of Kshs.33,000,000 for supply and delivery of one thousand (1,000) drums of 200kg of bitumen. The contract was</p>	<p>This was an open tender and prices are determined by the competitive price offered by bidders</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

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	<p>executed through framework agreement which was signed on 22 June, 2023. However, the procurement method did not meet the conditions for the frame work agreement because there was no proof of competition</p>	<p>and was evaluated within the given price range for goods. The prevailing market price may not have other charges loaded it for example delivery charges, taxes and markup to cover for the goods purchased on credit. This framework contract was through call-offs order where the price has been determined in the contract by applying the terms specified without reopening competition.</p>	
<p>19. Irregular Procurement of Renovation of County Flats in Uhuru Estate</p>	<p>Procurement of services commenced with insufficient budgetary provision of Kshs.17,750,000 against a contract sum award of Kshs.39,866,880. The contract duration had already lapsed while the paint works and roofing remained incomplete.</p>	<p>It is unrealistic to extend a non performing contract. The county therefore allowed for the suspension until the payment is made for the contractor to resume the works. It is worth noting that the project is still valid but on</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

		prolonged suspension. Once the payments due are made, the contract time will be extended.	
20.Payment for Construction of ECDE Centre at Ngunyumu Primary School	<p>Examination of records in respect of an amount of Kshs. 4,088,753 for construction of ECDE Centre at a contract sum of Kshs.13,975,680 indicated that the practical completion date for the works was 3 November, 2020. Discussions with Management revealed that the construction was currently at 95% completion</p> <p>However, given that the contract period had lapsed, the contractor was performing the works with an invalid contract and there was no evidence of extension of contract duration. This was contrary to Section 88(1) which provides that before the expiry of the period during which tenders shall remain valid, the accounting officer of a procuring entity may extend that period.</p>	<p>The contractor raised the first Interim Payment Certificate on 18th August 2020 which was within the contract period (See attached copy of the certified payment certificate). The payment was delayed due to the delayed transition from NMS to Nairobi City County government. The contractor's first IPC was settled in July 2024. Thereafter the contractor applied for time extension to enable her complete the outstanding works (See attached copy of the application) which was granted</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

<p>21. Irregular Procurement of Events Management Services</p>	<p>Payment of Kshs.49,955,400 for provision of events management Services at Kenyatta International Conference Centre (KICC). The audit could not establish justification for contracting the same services through a third party, while the venue for the event could offer all the services tendered at a fair price. contract binding the County and the service provider was not provided for audit. No evidence of payments of performance bond no evidence of publishing of advertisement of the tender</p>	<p>The county opted for open tender and KICC did not bid for the tender which was awarded to the service provider who qualified. The evaluation signed scoring sheets and the performance bonds are attached in Appendix B 21. The evidence of advertisement of the tender NO. NCC/CCAT/T/142/1373098/2023 - 2024 in the PPIP portal is attached in Appendix B 21. The invitation date was done in minimum of seven days It was published on 22nd November, 2023 and opened on 29th November, 2023. The tender evaluation scoring was signed as attached and there is evidence of the</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>
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		evaluation report signed. The performance bond was not indicated in the document	
22.1 Anomalies in Provision of Legal Services	<p>The basis of the fee notes in view of the Advocates Remuneration Order together with a detailed summary of services rendered by the lawyer upon which the fee note is based was not provided for audit review.</p> <p>ii. The advocates were directly appointed from a list of prequalified advocates without subjecting the process to mini competition</p> <p>ii. The contracts between the Advocates and the County and the current status of the legal cases was not provided for audit.</p>	<p>Advocates raise fee notes in line with the Advocates Remuneration Order (ARO). However, under schedule 5, of the Order, the Advocate and the client can agree on fees provided the same is not below the stipulated minimum under the Order as that would amount to undercutting. Where the value of the subject matter is pleaded Schedule 6 and 7 apply. when the list for prequalified firms were forwarded to the office of the county attorney, the legal firms were not subjected to another</p>	Administrative action has been taken as per the Senate committee recommendation

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		<p>bidding process because the law which govern the legal profession does not contemplate the process, reason being, ultimately the fees shall be charged as per the advocates remuneration order. The legal framework for the public procurement of consultancy services in Kenya, under PPADA 2020 and the procuring public entities should therefore be aware of and take into consideration the tenets of the legal profession and demand special exception in the public procurement of the legal services. On the question of agreements, the law in Section 46 of the Advocates Act which governs the legal</p>	
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		<p>profession forbids advocates from entering into certain agreements with their clients and even goes ahead to invalidate such agreements. However, there are Formal Instruction Letters which are issued to the legal service providers, and are binding. The Payments may not be according to the principle of first in first out basis and this is attributable to the following factors</p>	
<p>22.2 Unfair Award of Cases and Payment to Advocates</p>	<p>65 cases were awarded to eight (8) advocates with the number of cases allocated to each ranging between four (4) and twenty (20). Criteria for allocation not explained.</p> <p>County paid some advocates who defended the County in new cases while some old cases remained unpaid for years.</p>	<p>In allocating the files to external counsel, we take into consideration past experience of the advocate in handling our cases, familiarity with the matter, complexity of the case or cases and areas of specialization.</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

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		Contrary to what is alluded herein, the list of cases and the advocates on record for the financial year under review are as per Annexure 22.2	
22.3 Long Outstanding Court Payments	Regulation 41(2) of the Public Finance Management (County Government) Regulations, 2015	The greatest challenge in complying with payment of decrees is attributed to budgetary constraints and that is the reason why some of these decrees remain unpaid to the extent of the decree holders proceeding to file contempt proceedings against the County officials	Administrative action has been taken as per the Senate committee recommendation
23.1 Construction of Governor's Residence	I. The contract sum of Kshs.235,323,395 was against the Salaries and Remuneration Commission Circular Ref. No. SRC/TS/COG/6/61/ 48 Kshs.45 million. Title deed for the land on which it intended to build the Governor's residence not provided	The County Government exceeded the cost of Governors house with Ksh190,323,395 because of the following reasons:	Administrative action has been taken as per the Senate committee recommendation

	<p>ii. Failure to Construct Deputy Governor's Residence and Irregular Rental House Allowance</p>	<p>i) This is a complex building with multiple interconnected facilities and amenities that serve a variety of other official purposes. ii) There will be two (2) blocks, the Governor's house and an Administration block with various sub offices and His Excellency the Governor will be conducting some of his Official duties and responsibilities in the sub offices. The ownership documents of the land situated on the northern boundary of plot no. 2368 is attached for reference.</p>	
<p>24.1 Irregular Payments to Dishy Na County Implementor</p>	<p>The County Executive ought to have paid the implementor Kshs.20 per plate served to form part of the contract cost of Kshs.25 as provided in the contract. Instead, the</p>	<p>The County Executive entered into a contract with Food for Education on 5 December,</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

	<p>County paid Kshs.25 per plate served. There was no agreement or memorandum.</p>	<p>2023 for the provision of school feeding services as part of the Dish na County Nairobi School Feeding Program for (one) (1) year at a rate of Kshs.25 per plate.</p> <p>The Ksh 25 per plate paid by the county aligns with the contract, while an additional Ksh 5 is contributed by parents. Food4Education covers the remaining Kshs.15, as outlined in the tender’s terms of reference. The total meal cost includes food ingredients, distribution and logistics, sourcing, utilities such as water and electricity, cooking fuel, technology, cooking labour and overhead</p>	
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		<p>costs. Nairobi City County Government did not receive any grant towards the Dishi na County School Feeding Program. The said grant was awarded to Food for Education Foundation who signed an MoU with the French government. The allocation was to support vulnerable learners whose parents were unable to pay for their meals.</p>	
<p>24.2 Irregular Procurement of Proposed Construction of Central Kitchen</p>	<p>I. This contradiction of the individual scoring of each member of the evaluation committee and the outcome of the evaluation ii. indicated that none of the evaluators signed against their individual score sheets casting doubt on the authenticity of the scores</p> <p>Physical verification of Central Kitchens for the Dishi na County Programme</p>	<p>Each evaluator signed against their score sheet. See attached hard copies of the individual evaluator scores in the appendix provided. Corporate Transfers Solution Ltd under Contract No. NCC/TSDC/T/309/2</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

	<p>carried out in the month of October, 2024 revealed poor workmanship</p> <p>The central kitchen at Mutuini Primary School noted that the kitchen was feeding 17 schools among them 5 high schools. The audit team was informed that the high school students pay Kshs. 30 per plate per student.</p> <p>Feeding of high school students was beyond the scope of the program and therefore irregular</p>	<p>022-2023 was non-responsive at the preliminary stage of the evaluation hence could not proceed to financial evaluation. The payment for the meter and power installation was made to Kenya Power. The payment receipts and EPRA Certificates were sent. According to Kenya Power, meter number 25700736579 has been assigned to the kitchen. Water connection was done by Nairobi Water and Sewerage Company and Meter number 5255585 was allocated to Toi Central Kitchen.</p> <p>•The kitchen uses briquettes as the primary source of cooking energy, where by gas is used as a backup, and all</p>	
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		<p>infrastructure is in place. The connection of gas to the cooking vessels is underway.</p> <ul style="list-style-type: none"> •The contractor satisfactorily did light paving of the driveway and parking at the time of handing over. It is noted that there is a typo whereby the BQ for the parking and driveway (D) is erroneously assigned to the ELECTRICAL WORKS section. Make reference to the Farasi lane BQ where the driveway and parking is assigned under PROVISIONAL SUMS and not ELECTRICAL WORKS. •The contractor installed the three (3) water tanks as per the BQ specifications. There is photo evidence of the same. 	
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		<p>The high schools being fed from the Mutuini Kitchen have been previously feeding from the Dagoretti South National Constituency Development Fund kitchen before Dishina County was initialized. Below are the high schools with their corresponding number of meals; Ndurarua Secondary-550; Mutuini Girls-89; Kagira High-60 and Riruta High-210. Payment for these meals is done directly to Food for Education by the respective schools.</p>	
<p>25. Irregular Procurement for Construction of Market</p>	<p>The contract period had lapsed and there was no evidence of approval of extension of the contract while the performance bond expired on 2 July, 2024. The project had since stalled.</p>	<p>The performance bond was delivered accompanied by the acceptance on 2nd January 2024 and was valid until 2nd July 2024;</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

		<p>iii. The contractor raised the first certificate of Ksh. 69,000,000 on 15th March 2024. The inspection certificate and payment vouchers were done before mid-May 2024 awaiting payment;</p> <p>iv. Payment delayed and was done on 18th July 2024;</p> <p>v. The performance bid was valid by the time the certificate was being invoiced and uploaded on IB;</p> <p>vi. The project is currently at 80% completion rate</p>	
<p>26.1 Procurements above the Budgeted Amount</p>	<p>The County Executive budgeted an amount of Kshs.36,000,000 and awarded the contract at a contract price of Kshs.47,917,860, therefore, incurring Kshs.11,917,860 over and above the budgeted amount.</p>	<p>The contract for procurement of medical equipment of sum amount of Kshs.47,917,860 is a pending bill incurred during financial year 2022/2023 being payment of supply</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

		and delivery of medical equipment for Mbagathi and Pumwani hospitals	
26.2 Supply and Delivery of Non-Pharmaceuticals	The County Executive incurred an amount of Kshs.13,890,000 on supply and delivery of non- pharmaceuticals Review of stores received statement indicated that goods were received in the stores on 3 August, 2023. However, the appointed inspection and acceptance committee carried out inspection on 6 October, 2023, two months after receipts of goods in the stores	Management noted that there was delay in appointment of inspection and acceptance committee however this did not cause any loss of material defect on the commodities supplied since the appointed team inspected and accepted goods supplied were of good quality and quantity as per the attached LPOS issued. The LPO issued was validated by the authorized officer therefore giving its extension of validity period.	Administrative action has been taken as per the Senate committee recommendation
26.3Supply and Delivery of Health Products for Mutuini Hospital	The County Executive incurred an expenditure of Kshs. 8,880,632 for supply and delivery of health products for Mutuini	Although the validity period for the LPO had lapsed, the stores LPO copy had been	Administrative action has been taken as per the Senate committee recommendation

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	<p>Hospital. Review Of procurement documents indicated that opening of the tender was done on 29 June, 2023 while evaluation was performed on 28 June, 2023 a day before opening. Further, the award letter stated a contract period of 14 days. However, local purchase order (LPO) were issued on 14 July, 2023 while delivery was done on 27 September, 2023. Therefore, the goods were delivered after the 30 days validity period of the LPOs. In addition, inspection was done on 21 November, 2023; almost two months after delivery of goods</p>	<p>validated on 21/9/2023 thus giving the LPO validity, an extension and it's on this strength that receipts were done (stores LPO copies attached).</p>	
<p>26.4 Supply and Delivery of Non-Pharmaceuticals and Linen for Health Facilities</p>	<p>i. The contracted supplier delivered goods partially on 30 August, 2023 and issued a credit note of Kshs.2,496,000. No explanation was provided for failure by the contractor to deliver all the items ii. Goods were delivered after the 30 days validity period of LPOs. Date inconsistencies implying that how the goods were received in the stores before being delivered by supplier. inspection was done more than one month after delivery of goods.</p>	<p>The supplier delivered the items on 21/8/23 after expiry of the validity period of the LPO. However, the stores copy of the LPO had been validated on 18/8/23 (copies attached) giving it an extension informed by the nature and purpose of the goods, the extension was necessary in line with PPDA 178(i).</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

		<p>The supplier was unable to service all the items on the LPO because the cost of shipping the few items that were not locally available then which necessitated the raising of the credit note.</p>	
<p>26.5 Supply and Delivery of Yellow Fever Certificate</p>	<p>The County Executive paid Kshs.8,000,000 for the supply and delivery of yellow fever certificates. However, delivery notes indicated that goods were delivered on 5 July, 2023 but received in the stores through stores received statement dated 25 July, 2023. This was more than 20 days after delivery by the supplier. Further, goods were inspected on 18 July, 2023, before being received in the stores, therefore casting doubt on whether the stores received the goods. In addition, the County Executive paid another supplier an amount of Kshs.19,875,000 for supply and delivery of yellow fever certificates, however, it was established that goods were delivered and received in the stores on 28 August, 2023 after expiry of LPO validity period of 30 days. The LPO number 4300 was issued on 14 July, 2023.</p>	<p>The goods were delivered on 5th July 2023. Inspection and acceptance certificate serial no 3388 was duly signed on 18th July 2023. (Copy Attached. The goods were posted in the Stores received statement (SRS) on 25th July 2023(copy attached) after inspection and acceptance in accordance with Section 159 of the PPAD Act 2015.</p> <p>The store cannot receive goods into the official accounting</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

		<p>document i.e. the SRS until they have been duly inspected and accepted by the ad hoc Inspection and Acceptance committee. The stores received items on 28th August 2023 vide LPO 4300 (copy attached) which had been validated by the HSCM on 22/8/2023 therefore, the LPO was valid at the time the delivery was done</p>	
<p>27.Procurement and Payment of Fuel, Oil and Lubricants</p>	<p>The tender was not supported with appointment letters for tender opening committee. Further, the tender opening committee and the tender evaluation committee consisted of the same members</p> <p>the County Executive procured fuel from only one company without ensuring fair rotation among the companies</p> <p>County Executive fueled vehicles belonging to the County Assembly totalling to Kshs.2,564,401. Management had fueled vehicles whose speedometers were</p>	<p>The documents providing the register of members for both the Tender Opening Committee and the Tender Evaluation Committee, which demonstrate that the members are not the same, are attached in Annex 6 for your reference</p> <p>ii. The documents evidencing the notification and</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

	<p>defective. Due to the defect, it was not possible to ascertain the fuel consumption by the vehicles.</p> <p>Un updated work tickets</p> <p>Lack of fuel card policies and procedures in order to ensure that there are sufficient controls over management of fuel,</p> <p>fuel consumption records for generators were not provided for audit.</p>	<p>acceptance of the award from the companies that were awarded the framework contract to supply and deliver fuel and oil have been attached in Annex 6 for your reference. (Annex 6)</p> <p>ii. There is a strong and mutually beneficial working relationship with Vivo Energy, which allows them to extend credit facilities to us before the payment is fully processed</p> <p>iii. Work tickets for all County Executive and County Assembly vehicles are issued and surrendered at a central point, the Transport Inspection Unit (TIU) at Muoroto, along Landhies Road.</p>	
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		<p>iv. As a County Government we have started repairing the faulty speedometer as evidenced by Job car od KAT 535X (Annex 7) which has been replaced</p> <p>v. Due to the bulk nature of the records and the limited workforce handling them, occasional errors may arise during the data entry process. These errors are generally typographical in nature, such as incorrect digits or miswritten details, and do not have a significant impact on the overall integrity of the data.</p>	
<p>28. Construction of Gikomba Fire Station</p>	<p>Tender Opening committee members were appointed as tender evaluation committee members.</p> <p>Further, inspection and acceptance certificate no. 1 not supported with a</p>	<p>The Chairpersons of the two respective committees were different individuals as per the Act.</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>



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	<p>technical report detailing the works done, including the remaining works against which the contract completion period could be compared. The project was incomplete despite lapse of contract period.</p>	<p>The Quantity Surveyor appeared in both Committees as the Competent Technical Authority who had prepared the project's Bill of Quantities. The User Department nominated one officer who had been taken through intensive training and demonstrated a good understanding of the then newly introduced E-procurement system</p> <p>Valuation of the Contract period is in the process to determine the validity period and enable the Contractor to complete the project once payment for the Valuation certificate 1 raised is settled. Refer to Appendix 28</p>	
<p>29. Irregular Procurement of Affordable Housing Project</p>	<p>The contracts were not cleared by the Attorney General before they are signed.</p>	<p>a) The tender document for the</p>	<p>Administrative action has been</p>

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	<p>Clause 6 of the agreement, contradicted the conditions in the tender document which defines the total development cost to include the value of the land on which the project shall be implemented. The cost of the land is the contribution of the County Government.</p> <p>The value of the performance bond for the Woodley not commensurate with the value of works.</p> <p>Section 9 of the joint venture agreement contradicts Section 12 of the same agreement. This clause might be abused by either party. Evaluation report contradicted the findings of the scores documented for mandatory requirements</p> <p>the County Accounting Officer responsible did not submit the tender documents and the proposed procedure to the Cabinet Secretary for approval detailing the justification for the use of the method.</p> <p>Titles for the land on which the affordable housing projects were to be built were not provided for audit. This includes the title for Jevanjee land</p>	<p>Woodley site provided the following as per Appendix B 29 (i) – Bid Form 1 table B & C; Development cost which is cost for project construction which the Developer tendered at Kshs 10,288,284.589.00</p> <p>b) Total Development cost, which is Development cost in (1) above plus land value. The contract amount is Ksh 10,288,284,589.00, however, the public exposure, which need to be de-risked, is on the value of land estimated at Ksh 2,897,310,000.00 (9.6 Acres valued at Ksh 300,000,000.00</p>	<p>taken as per the Senate committee recommendation</p>
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		<p>per acre) and therefore the Ksh 57,946,200 is 2% of the land value, which is within the PPADA range not more than range of 10%. After the functions were returned to Nairobi City County Government, the County Secretary wrote to Principal Secretary the National Treasury vide letter: URHBS/HOU. /6/2/ MR/sm dated 6th December, 2022 to request approval for use of specially permitted procurement method and the same was approved by Cabinet Secretary vide letter: NT/PPD/CONF/5/5/007(12) dated 7th February, 2023.</p>	
<p>30.Irregular Procurement for Completion Works of a Modern OPD Complex at Mutuini Hospital</p>	<p>Awarding of Kshs.236,524,771 for completion works of the Modern OPD Complex at Mutuini Hospital for 18 months</p>	<p>The defunct Nairobi Metropolitan Services (NMS)</p>	<p>Administrative action has been taken as per</p>

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	<p>is deemed irregular, since the remaining works of 45% amounted to Kshs.67,087,995 in respect of the initial contract sum. Therefore, a cost of Kshs.169,436,775 for an extra floor was more than the initial contract sum of Kshs.149,084,435.4 4</p>	<p>awarded M/s Pinnie Agencies limited via tender No. NMS/RT/008/2020-2021 for the construction of a modern OPD complex at Mutuini Hospital at a contract price of Kshs. 149,084,435.44. The works entailed construction of a new 2-storey medical block with a slab to await for phase two of the construction. The project stalled at approximately 55% completion and the contractor had raised two certificates totalling Ksh. 81,966,439. The Contractor was paid Ksh. 57,952,341.35 of the first payment certificate which is equivalent to 45% contract sum. The NCCG awarded a</p>	<p>the Senate committee recommendation</p>
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		new contract vide tender No. NCC/HWN/T/349/2023-2024 at a contract price of Kshs. 236,524,771.	
31.1 Stalled Rehabilitation of Desert Play Ground in California Ward	<p>I. Desert Playground in California-</p> <p>ii. Construction of Social Hall at Kahawa west</p> <p>iii. Other stalled projects valued at Kshs. 2,282,899,172. Contract period had lapsed and no extension request had been lodged by the contractor.</p>	<p>Due to budgetary constraint, the phases of the project entailed construction of the foundation, sub structure and super structure for ground floor and 1st floor slab. (See attached BQ). This phase I of the project is complete. Phase II which entails finishes has been planned for FY 2024/2025.</p>	Administrative action has been taken as per the Senate committee recommendation
32. Irregular Expenditure under Framework Contracting on Purchase of Food and Nonfood Items	<p>County awarded contracts to the highest bid prices on food items under the framework contract resulting in excess expenditure of Kshs. 16,510,760 which could have been avoided if the County considered awarding the contracts to the lowest bidders. Further, the County did not rotate contractors while awarding purchase orders.</p>	<p>The county had challenges in rotating the contractors in the framework contract due to the following reasons;</p> <p>i. Due to the prevailing economic environment, most of the contractors who</p>	Administrative action has been taken as per the Senate committee recommendation

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		<p>had quoted lower prices were unable to supply due to lower profit margins or potential losses arising from increased product costs.</p> <p>ii. Delays in payments for goods supplied by some Contractors caused reluctance by others to supply especially if their prices were lower.</p> <p>Other Contractors were reluctant to sign contract agreements with the County even after being shortlisted in the Framework contract; hence could not be awarded purchase orders.</p>	
33.1 Irregularities at Nanyuki Road Stores	<p>Physical inspection carried out in store revealed;</p> <p>i. 120 drums valued at Kshs.3,960,000 could not be accounted for. ii. Management did</p>	<p>i. This was a case of theft and is under investigation internally and by Kenya Police</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

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	<p>not conduct quarterly and annual inventory stock take iii. Items left to deteriorate in the stores. iv. Unautomated weighbridge v. The County Executive did not prepare an annual disposal plan VI. Items received in the store on 9 September, 2021 had not been issued to the user department</p>	<p>The county has increased security personnel from two to five officers ii. The county conducted quarterly annual stock take and the reports are provided in Annex ii iii. The above items were procured by NMS and records were not handed over when the deed of transfer of functions ended iv. Weights and Measures department has since calibrated the weighbridge The Disposal plan is attached in Annex v</p>	
<p>33.2 Asphalt Plant Store</p>	<p>i. 25 drums amounting to Kshs.825,000 could not be accounted for. Bitumen ii. Unexplained variances between quantities requisitioned and issued from Nanyuki Stores</p>	<p>These drums of the bitumen were wrongly delivered at Kagundo Road Asphalt Plant Depot. This depot does not have bin cards for receiving deliveries from suppliers. They had to be transferred to</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>

		Nanyuki road stores which is equipped as such. In the process of moving these drums it was discovered that 25 of them were leaking and they were used in the plant.	
33.3 General Store	<p>i. The County Executive did not have any inventory management and control software for effective stores management.</p> <p>ii. Management had not implemented policies and procedures to guide on slow moving and obsolete items</p> <p>iii. Thirteen (13) pieces of medical machines (ACT machines, Mammograph machines, Biochemical analysis and Ski graph (medical equipment) donated in May, 2014 were still in the store unused for more than 10 years after receipts in the stores</p>	The medical machines were transferred from the ministry of Health under the Managed Equipment Services (MES) program. However, skills/training on how to operate these machines were not impacted on the county and the machines have remained idle.	Administrative action has been taken as per the Senate committee recommendation
34.1 Irregularities in Projects implementation	<p>i. Dandora Stadium- Non-functional flood lights and public address system, field uneven, exposed electrical cables, visibly deteriorated roof.</p> <p>ii. Huruma Estate Renovations- The project was incomplete. The contract duration had also lapsed. Rooftop tiles were leaking.</p>	<p>1. The floodlights are working, PA system is working, perimeter wall boards were replaced</p> <p>2. No Response</p> <p>3. The contracted works involved</p>	Administrative action has been taken as per the Senate committee recommendation

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	<p>iii.Rehabilitation of Joe Kadenge City Stadium- Contract duration lapsed with contractor having not completed works. The artificial tuff had not been installed, the drainage was partially done and the chain link had not been Contractor had abandoned the site.</p> <p>iv. Renovation of Uhuru Estate- Physical inspection revealed that painting works were poorly done and the contractor was not on site v. Construction of Jericho Perimeter Wall- Works incomplete, however, inspection and acceptance report indicated that the expected works were 100% completed.</p> <p>vi.Rehabilitation of Joseph Kangethe/Woodley Stadium- A new contract was awarded to another contractor on 2 August, 2024 at a contract sum of Kshs.123,957,878. It was observed that the incomplete works of the former contractor were not included in the scope of the new contractor</p>	<p>installation of artificial turf, drainage and chain link. The artificial turf is at the grounds of Joe Kadenge and the ground works have been completed awaiting laying of the turf. Attached herein are photos of the turf at the Joe Kadenge marked “JK1”.</p> <p>4.Not all houses were renovated; due to budgetary constraints the renovation was limited to repair roof work of damaged roof and painting works.</p> <p>5.According to the inspection/acceptance team and technical team, works were complete and thus the issuance of completion certificate.</p> <p>I. 6. All incomplete</p>	
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		works not completed by first contractor were incorporated in the new contract hereby report that: 1.Drainage system works ongoing. 2.Earthworks for laying of turf have been completed just awaiting laying of the turf. 3.Turf was already on site. II. The terms citing terraces and main stand terraces refer to the same thing. Refer to Appendix 34.6	
35.Lack of Non-Current Assets Ownership Documents	Ownership records on the parcels of land where the buildings and structures are constructed were not provided for review. Detailed analysis of the specific works done and the current status in the year under audit was not provided for audit. A detailed schedule of infrastructure done over the years totalling Kshs.18,983,591,616 was not provided for audit.	At a meeting with the National Land Commission, The Chairman of the National Land Commission advised that after the promulgation of the 2010 Constitution the County Government of	Administrative action has been taken as per the Senate committee recommendation

		<p>Nairobi became the head lessor of all lands within Nairobi. For this reason, therefore issuing of ownership documents to NCCG land would cease and all public lands in Nairobi belonging to the County Government will no longer be issued with titles but will henceforth be reserved.</p>	
<p>Basis for Conclusion</p> <p>1. Lack of Preparedness to Transition to IPSAS Accrual</p>	<p>Requirements for transition from IPSAS Cash to IPSAS Accrual by County Governments included development of planning documents and technical capacity which entails sensitization and training. However, updates on transition arrangements established that the County Executive constituted a steering committee in the month of November, 2024 to develop a road map, create awareness and capacity building of staff on accrual principles. This was five (5) months after closure of IPSAS Cash reporting period. Therefore, the County may not have prepared adequately for the transition. Further, there was no</p>		<p>Administrative action has been taken as per the Senate committee recommendation</p>

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	<p>evidence to indicate that training and sensitization of staff had taken place.</p> <p>In the circumstances, the County Executives preparedness to transition to IPSAS Accrual could not be confirmed.</p>		
2. Lack of Human Resource Manual and Policies	<p>The County Executive did not have an approved staff establishment document, human resource and procedure manual, career progression guidelines, succession plan policy, disciplinary procedure policy, casual policy, recruitment plan and procedures relevant for the effective management of its public services. However, the County Executive’s Schemes of Service and Human Resource Policy Manual, 2016 indicated that they were prepared and developed by the National Government for use by its officers. In addition, the schemes of service adopted by the County Executive did not include all the cadres of staff employed by the County Executive or incorporate the changes that have occurred within the County Executive’s staff establishment over the years.</p> <p>In the circumstances, the effectiveness of internal control on staff management could not be confirmed</p>	<p>The County has been fully relying on the Public Service Commission (PSC) Human Resource Manual 2016 and national government career progression</p>	<p>Administrative action has been taken as per the Senate committee recommendation</p>
3. Incomplete Assets Register	<p>The asset register provided by Management was incomplete and had not been updated to</p>	<p>The county maintains an asset register that</p>	<p>Administrative action has been taken as per</p>

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	reflect the balances disclosed in Annex 5 to the financial statements	is continuously updated whenever a new asset is acquired. The county has engaged the services of County valuers for valuation of immovable properties (Land and Buildings) which appear in our assets register with no values. This ongoing process ensures that all assets owned by the county are systematically documented and reflected in the register in real time	the Senate committee recommendation
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Accounting Officer

Date: 15th December 2025

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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Deferred Income	Receivables	Others must be specific	- be	
County Revenue Fund		Recurrent	27,057,232,420	27,057,232,420					27,057,232,420
County Revenue Fund		Development	4,172,702,082	4,172,702,082					4,172,702,082
County Revenue Fund		Special Purpose	29,048,250	29,048,250					29,048,250

Appendix VI: Fixed Asset Register

Asset class	Historical Cost c/f	Additions during the year	Disposals during the year	Transfers	Historical Cost c/f
	2023-2024 (Kshs)	(Kshs)	(Kshs)	(Kshs)	2024/2025 (Kshs)
Land	-	-	-	-	-
Buildings	-	1,097,150,026	-	-	1,097,150,026
Infrastructure assets	6,068,472,502	3,127,506,554	-	-	9,195,979,056
Motor Vehicles	1,305,072,000	842,692,852	-	-	2,147,764,852
Computers And Related Equipment	212,697,529	248,904,296	-	-	461,601,825
Office Equipment, Furniture, And Fittings	1,569,795,178	421,966,274	-	-	1,991,761,452
Specialised plant, equipment and machinery	-	183,262,185	-	-	183,262,185
Other Machinery and Equipment	596,369,753	-	-	-	596,369,753
Heritage and cultural assets	112,432,000	-	-	-	112,432,000
Intangible assets	200,289,293	-	-	-	200,289,293
Purchase of Specialized Plant, Equipment and Machinery	1,063,192,457	-	-	-	1,063,192,457
Purchase of certified seeds, breeding stock and live animals	42,283,285	-	-	-	42,283,285
Infrastructure	18,983,591,616	-	-	-	18,983,591,616
W.I.P	2,826,814,000	-	-	-	2,826,814,000
Total	32,981,009,613	5,921,482,187	-	-	38,902,491,800