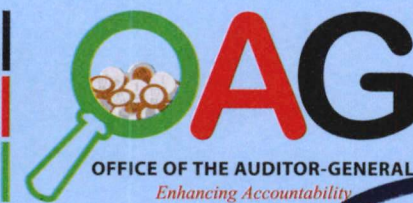


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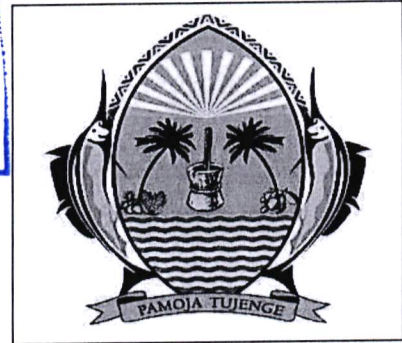
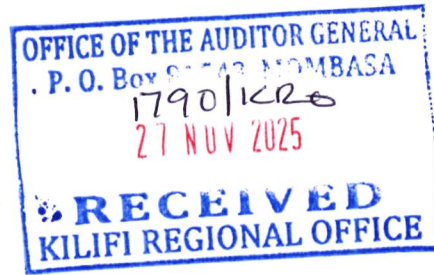
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COUNTY EXECUTIVE OF KILIFI

FOR THE YEAR ENDED  
30 JUNE, 2025





**COUNTY EXECUTIVE OF KILIFI**

**AMMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR JUNE 2025**

---

**Transitional Financial Statements /Prepared in accordance with the Accrual Basis of Accounting  
Method Under International Public Sector Accounting Standards (IPSAS)**

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**County Executive of Kilifi  
Annual Report and Financial Statements  
for the year ended 30<sup>th</sup> June, 2025**

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**County Executive of Kilifi  
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**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

<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.**

***Fiduciary Management-*** Members of Management directly entrusted with the responsibility of financial resources of the organisation.

***Comparative Year-*** Means the prior period.

**County Executive of Kilifi  
Annual Report and Financial Statements  
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**2. Key Entity Information and Management**

**a) Background information.**

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

No.	Department	Major Responsibility
1	Office of the Governor and The County Attorney	The County attorney is the principal legal advisor of the County executive. The Office of the Governor liaises with the national government as well as other offices linked to the government.
2	Finance, Economic Planning and Resource Mobilization	Management of County Treasury and Planning
3	Agriculture, Livestock and Blue Economy	Overseeing County Agriculture, animal husbandry and Fish farming
4	Water, Environment, Forestry, Natural Resources and Solid Waste Management	Solid waste management Climate change Management of natural resources of the County
5	Education and ICT	Managing vocational training centres as well as early childhood education Issuance of the ward scholarship fund
6	Health and Sanitation Services	Health services and sanitation
7	Roads, Transport and Public Works	County Roads management Fleet management of County vehicles Public works done by County Government
8	Lands, Energy, Housing, Physical and Urban Development	County physical planning and development control Housing matters Energy matters Land matters in collaboration with national government
9	Gender, Culture, Social Services, Sports, Youth Affairs, Disaster Management and Special Programs	Special programmes of the County Government Gender mainstreaming Nurture Kilifi County Talents through sporting activities
10	Trade, Tourism and Cooperative Development	Cooperative movement Attracting tourists to the County Attracting trade and investment to the County
11	Public Service Management, Devolution, Civic Education and Public Participation	Management of effective service to the residents of Kilifi
12	County Public Service Board	Recruitment of the staff of the County executive

**County Executive of Kilifi  
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**b) Key Management team**

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

No.	Office	Name
1	The Governor	H.E Gideon Maitha Mung'aro Ogw
2	The Deputy Governor	H.E. Flora Mbetsa Chibule
3	Ag. County Secretary	Catherine Kenga
4	County Attorney	Mr. Henry Kazungu Lughanje
5	CEC Member for Finance and Economic Planning	Yaye Shosi Ahmed
6	CEC Member for Agriculture, Livestock and Blue Economy	Dr. Patteson Chula Mwagona
7	CEC Member for Water Environment, Forestry, Natural Resources and Solid Waste Management	Omar Said Omar
8	CEC Member for Education and ICT	Felkin Ndena Kaingu
9	CEC Member for Health Services	Peter Mwarogo
10	CEC Member for Roads, Transport and Public Works	Catherine Kenga
11	CEC Member for Lands, Energy, Housing, Physical and Urban Development	Jane Maiki Kamto
13	CEC Member for Gender, Culture, Social Services, Sports, Youth Affairs, Disaster Management and Special Programs	Dr. Ruth Dama Masha
14	CEC Member for Trade, Tourism and Cooperative Development	John Raymond Ngala
15	CEC Member for Public Service Management, Devolution, Civic Education and Public Participation	Clara Ningome Chonga

**County Executive of Kilifi  
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**c) Fiduciary Management**

The key management personnel who held office during the Financial year ended 30<sup>th</sup> June, 2025 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	CECM Finance and Economic Planning	Yaye Shosi Ahmed
2.	Accounting Officer and Chief Officer Finance	Hezekiah Mwarua Nguma
3.	Chief Officer Economic Planning	Philip Wario
4.	Chief Officer – Resource Mobilization	Samuel Menza Mkutano
5.	Chief Officer Land Energy and Physical Planning	Joe Ndundi Tete
6.	Chief Officer Housing and Urban Development	CPA Abubakar Mohamed Ali
7.	Chief Officer Trade	Lynne Tracy Farrah
8.	Chief Officer Tourism Promotion	Herbert George Mwachiro
9.	Chief Officer Cooperative Development	CPA Jacinta Ismail
10.	Ag. Chief Officer livestock	Christine Pekeshe
11.	Chief Officer agriculture	Teddy Mwangudza Yawa
12.	Chief Officer Blue Economy	Christine Pekeshe
13.	Chief officer Water Services & Natural Resource Management	George Katama Mwangiri
14.	Chief Officer Environment, Climate Change & Solid Waste Management	Zamzam Ali
15.	Chief Officer Roads & Transport	Philip Kitsao Charo
16.	Chief Officer Early Childhood and Vocational Training	Lerine Muoti Kitema
17.	Chief officer Youth Affairs & Sports	Naftali Owino
18.	Chief officer public service management	Eliud Kalama Chai
19.	Chief Officer Devolution Civic Education and Public Participation	Winnie Wakati Luwali
20.	Chief Officer Special Programs & Disaster Management	Irene Nekesa Opicho
21.	Chief Officer Gender, Culture & Social Services	Frederick Kasiwa Nguma
22.	Chief Officer Public Works	Lawrence Bokoro
23.	Chief Officer ICT & E-Government	Agneta Karemba Charo
24.	Chief Officer Health and Sanitation Services	David Mwathethe
25.	Ag. Chief Officer Executive	Philip Kitsao Charo

**County Executive of Kilifi  
Annual Report and Financial Statements  
for the year ended 30<sup>th</sup> June, 2025**

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**d) Fiduciary Oversight Arrangements**

The key fiduciary oversight bodies for the County for the year ended 30<sup>th</sup> June, 2025 were:

- County Assembly of Kilifi
- Controller of Budget
- Office of the Auditor General
- Kilifi County Audit Committee
- The County Assembly of Kilifi Public Accounts Committee
- The County Assembly of Kilifi Budget and Appropriation Committee
- The County Assembly of Kilifi Economic planning and Trade Committee

The following are some of the fiduciary activities undertaken during the financial year

- Approval of the 2024/2025 Executive budget estimates by the County Assembly
- Audit of the year 2023/2024 financial statements by the Auditor General.
- Approval of funds withdrawal from the County revenue fund by the Controller of Budget
- Review and recommendations on financial management by the Audit Committee

**a) County Executive Headquarters**

County Government of Kilifi  
Governor's Office Building  
Bofa Road  
Kilifi, Kenya

**b) County Executive Contacts**

P.O. Box 519-80108, Kilifi  
Telephone: (254)  
E-mail: [info@kilifi.go.ke](mailto:info@kilifi.go.ke)  
Website: [www.kilifi.go.ke](http://www.kilifi.go.ke)

**c) County Executive Bankers**

- 1) Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
- 2) Kenya Commercial Bank  
Kilifi Branch

**County Executive of Kilifi  
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3) Equity Bank

Kilifi Branch

4) National Bank

Malindi Branch

5) Cooperative Bank

Kilifi Branch

6) Diamond Trust Bank

Kilifi Branch

**d) Independent Auditor**

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

**NAIROBI, KENYA**

**e) Principal Legal Adviser**

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

**NAIROBI, KENYA**

**f) County Attorney**

County Government of Kilifi

P. O. Box 519-80108

KILIFI

**County Executive of Kilifi  
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**3. Governance Statement**

Kilifi 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.


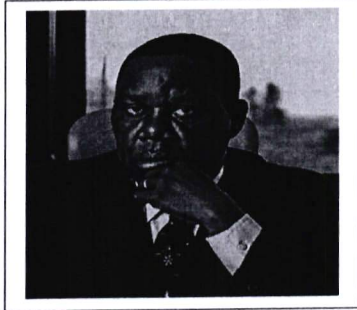
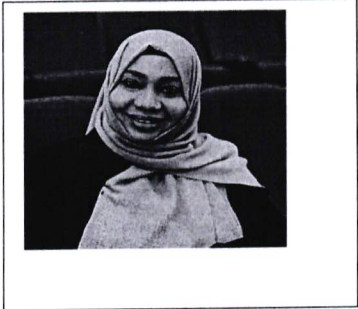
The County is made up of a County Assembly, County Executive and 4 number of County Government Entities. The County Executive is structured in terms of departments, headed by a County Executive Committee Member (CECMs). The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution. The County Secretary heads county public service and is responsible for arranging the business of the county executive committee.

**The County Executive**

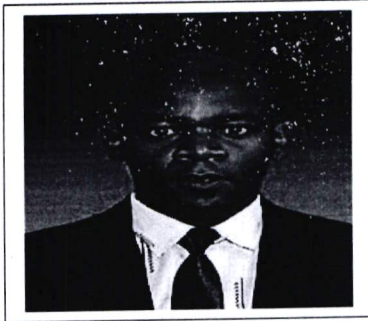


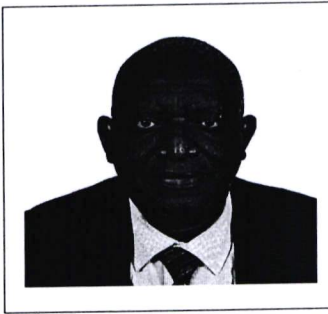
a) The membership of the County Executive Governance Structures comprises the following:

No.	Office	
I.	The Governor	 <p data-bbox="979 1272 1441 1312">H.E Gideon Maitha Mung'aro Ogw</p>
II.	The Deputy Governor	 <p data-bbox="1062 1644 1410 1680">H.E. Flora Mbetsa Chibule</p>





**County Executive of Kilifi  
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<p>III.</p>	<p>Ag. County Secretary</p>	 <p>Hon. Catherine Kenga</p>
<p>IV.</p>	<p>County Attorney</p>	 <p>Mr. Henry Kazungu Lughanje</p>
<p>V.</p>	<p>CEC Member for Finance and Economic Planning</p>	 <p>Hon. Yaye Shosi Ahmed</p>


**County Executive of Kilifi  
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VI.	CEC Member Agriculture, Livestock and Blue Economy	 <p>Hon. Dr. Patteson Chula Mwagona</p>
VII.	CEC Member for Water Environment, Forestry, Natural Resources and Solid Waste Management	 <p>Hon. Omar Said</p>
VIII.	CEC Member for Education and ICT	 <p>Hon. Felkin Dena Kaingu</p>
IX.	CEC Member for Health and Sanitation Services	 <p>Hon. Peter Mwarogo</p>

**County Executive of Kilifi  
Annual Report and Financial Statements  
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X.	CEC Member for Roads, Transport and Public Works	 <p>Hon. Catherine Kenga</p>
XI.	CEC Member for Lands, Energy, Housing, Physical and Urban Development	 <p>Hon. Jane Maiki Kamto</p>
XII.	CEC Member for Gender, Culture, Social Services, Sports, Youth Affairs, Disaster Management and Special Programs	 <p>Hon. Dr. Ruth Dama Masha</p>
XIII.	CEC Member for Trade, Tourism and Cooperative Development	 <p>Hon. John Raymond Ngala</p>

**County Executive of Kilifi  
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XIV.	CEC Member for Public Service Management, Devolution, Civic Education and Public Participation	 <p data-bbox="1066 696 1437 725">Hon. Clara Ningome Chonga</p>
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**b) Public participation, policies on communication, stakeholder engagement and whistle blowing.**

The Civic Education and Public Participation Unit in Kilifi County operates under a gazetted Act, the Civic Education and Citizen Participation Act 2020 amended. This Act, along with implemented strategies, provides the framework for promoting public participation across all departments and ensuring that the voices and opinions of residents are considered in decision-making processes. It is important to note that while the County focuses on promoting public participation and sensitising residents about government programs and projects, the county government has not come up with policies and framework on whistleblowing.

**c) Safeguards against unethical conduct and corruption**

To safeguard against unethical conduct and corruption the County has put in place the following measures:

- i. The internal audit has a work plan for carrying out audits in all the departments where reports are discussed with the management for corrective measures.
- ii. The Audit Committee receives the internal audit reports and also presents their recommendations to the management.
- iii. Staff training, seminars and workshops to ensure competency and efficiency in service delivery
- iv. The county has set up a channel and procedure in handling complaints from the citizens.
- v. The County has set up a cashless revenue collection system.

**d) Engagement with the County Assembly and the Senate**

The following are some of the engagements undertaken with the County Assembly during the financial year

- Approval of the 2024/2025 Executive budget supplementary estimates by the County Assembly
- Approval of the 2025/2026 Executive budget estimates by the County Assembly
- Discussion and recommendations on the Executive 2023/2024 Auditor General report by the County Assembly public Investment and Accounts Committee.
- Discussion and recommendations on the Executive 2022/2023 Auditor General report by the County Public Accounts & Investments Committee of the Senate.

**e) Risk management**

The County Government of Kilifi did not have a risk management framework in place in the financial year 2024/2025. The County however has a draft risk management policy which shall be finalised this year to assist in managing risks.

The formal processes established will ensure that:

- i. Roles of various stakeholders are clearly provided through the risk management policy.
- ii. Identification and mitigation of Risks will be undertaken by the risk champions through the registers.
- iii. Monitoring and evaluation through the various committees will be done periodically.

**f) Audit committee**

The County Government is required to establish the Audit Committee, as outlined in section 167(1) of the Public Finance Management Regulations 2015.

The committee members were competitively sourced, and consequently appointed by H.E the Governor with effect from 13<sup>th</sup> May 2024. The composition of the committee was of diverse skills

**County Executive of Kilifi**  
**Annual Report and Financial Statements**  
**for the year ended 30<sup>th</sup> June, 2025**

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as outlined in the Audit Committee guidelines for the Counties. In the membership of the committee is a nominee of the treasury who was appointed to sit in the Committee.

The term of the Audit Committee members is a period of three years in line with Section 4.3 of the gazette notice number 2690 of 15th April 2016, on the establishment of the Audit Committee guidelines.

The Committee operates with an approved charter that guides its functions and responsibilities.

**g) Compliance**

The County Government of Kilifi operates under various laws and regulations that governs it and ensures compliance with these laws. These include the following:

- i. Public Finance Management Act, 2012
- ii. Public Finance Management (County Governments) Regulations, 2015
- iii. Public Procurement and Asset Disposal Act, 2015
- iv. Public Procurement and Asset Disposal Regulations, 2020
- v. Public Audit Act, 2015
- vi. Kilifi County Climate Change Act, 2021
- vii. Kilifi County Environment (Regulation and Control) Act, 2016.
- viii. Kilifi County Solid Waste Management Act, 2019

The reports are submitted to the following levels and government offices as a way of compliance:

- i. The National Treasury
- ii. Office of the Auditor General
- iii. Controller of Budget
- iv. Commissioner of Revenue Allocation
- v. County Assembly
- vi. Public Procurement Regulatory Authority
- vii. National Environment Management Authority (NEMA)

**County Executive of Kilifi  
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**4. Foreword by CECM Finance and Economic Planning**

It is my pleasure to present this Annual Progress Report for Kilifi County Government, which reflects our continued commitment to service delivery, transparency, and accountability in line with the provisions of the County Governments Act, 2012. The Act mandates counties to provide accessible, efficient, and responsive services to citizens while promoting social and economic development. Kilifi County has continued to discharge its functions in areas such as health, agriculture, infrastructure, trade, water services, and early childhood education, among others, as provided for under the Fourth Schedule of the Constitution.

During the reporting period, the County Government recorded notable progress in budget execution and financial performance. Against an approved budget of Kshs.20.628 billion, which comprised of Kshs.11.44 billion (55 per cent) and Kshs.9.19 billion (45 per cent) allocation for development and recurrent programmes, respectively, this reflects both the County's prudent use of resources and the ongoing need to strengthen budget implementation to ensure resources are fully directed toward service delivery.

The County has also recorded commendable achievements in key projects in the reporting financial year. The Mariakani Mwijoo Phase 2 Water Project and other water project at Rabai and Sokoke has increased access to the net citizens while the Upgrading of Bitumen Standards of Kibao Cha Fundisa Road has enhanced accessibility and increase in agricultural productivity. Each of these projects demonstrates our commitment to delivering tangible benefits that align with the County Integrated Development Plan (CIDP).

On the matter of value for money, the County Government has prioritized efficiency in procurement, prudent financial management, and enhanced oversight of project implementation. This has ensured that every shilling spent contributes directly to improved services and better living standards for the people of Kilifi.

Despite these gains, the County has faced several implementation challenges, including delayed disbursements from the National Treasury, limited local revenue mobilization, capacity gaps in certain sectors, and the rising cost of projects due to inflationary pressures. Looking ahead, the County will allocate more funds for in the coming financial years, with priority given to projects in health, water, agriculture, and education. These priorities are in line with the County's aspirations as outlined in the CIDP.

To safeguard resources and ensure sustainability, the County has put in place risk management strategies such as strengthening internal audit systems, enhancing monitoring and evaluation

**County Executive of Kilifi**  
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**for the year ended 30<sup>th</sup> June, 2025**

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frameworks, adopting digital revenue collection platforms, and implementing strict procurement oversight. These measures are intended to reduce financial risks, curb wastage, and improve service delivery.

The County Government of Kilifi remains steadfast in its mission to deliver equitable, efficient, and sustainable development for all residents. I take this opportunity to thank the County Assembly, development partners, civil society organizations, and most importantly, the citizens of Kilifi, for their continued support and participation in the development process.

Functions of the County Government as per the County Government Act.

The county government shall be responsible for—

- a) County legislation in accordance with Article 185 of the Constitution;
- b) Exercising executive functions in accordance with Article 183 of the Constitution;
- c) Functions provided for in Article 186 and assigned in the Fourth Schedule of the Constitution;
- d) Any other function that may be transferred to county governments from the national government under Article 187 of the Constitution;
- e) Any functions agreed upon with other county governments under Article 189(2) of the Constitution; and \
- (f) Establishment and staffing of its public

**County Government's financing**

Article 202 of the Constitution of Kenya, 2010 provides that revenue raised nationally shall be shared equitably among the national and county governments. The division of revenue between the national and county governments is done through the Division of Revenue Act (DoRA) while the division of the county allocation between county governments is done through the County Allocation of Revenue Act (CARA).

In addition to the national share, Article 209 (3) of the Constitution of Kenya, 2010 gives powers to county governments to impose property rates, entertainment taxes and any other tax that it is authorised to impose by Act of Parliament. This revenue forms the county's own generated revenues.

The CARA allocation and the county government's own generated revenues are consolidated to form the county revenue annual budget which finances the annual expenditure.

**County Executive of Kilifi  
Annual Report and Financial Statements  
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**Financial Performance**

In the financial year ended 30<sup>th</sup> June 2025, the County Executive had an approved budget of Kshs. **20.628 billion** while the expenditure for the year ended June 2025 was Kshs **15.171 billion** which translates to **73.6%** of the total budget.

The County Executive received Kshs. **10.82 billion** of the Exchequer Release as at the end of the year which was **54%** of the total budgeted amount.



.....  
Hon. Peter Mwarogo

**CECM Finance, Economic Planning and Resource Mobilization  
County Government of Kilifi**

**County Executive of Kilifi  
Annual Report and Financial Statements  
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**5. Statement of Performance against County Predetermined Objectives**

**Strategic Development Objectives.**

The County Government of Kilifi has identified 28 key strategic development objectives. Broadly these development objectives have been identified through a participatory process that reviewed the development priorities of the county citizens, the Governors manifesto, the National Government Vision 2030, MTP 1V, SDGs, as well as regional frameworks such as East Africa Vision 2050 and Africa's Agenda 2063.

The strategic objectives are a synthesized product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of Kilifi County's CIDP (2023-2027) are:

1. To increase access to preventive and promotive health services
2. To increase access to Curative and Rehabilitative health services
3. To improve health administration and support services
4. To enhance access to quality vocational training and education
5. To enhance access to quality pre-primary education
6. To increase access to clean and safe water
7. To improve sanitation services
8. To improve environmental conservation and management
9. To improve public financial management
10. To improve Policy planning, coordination and M & E
11. To improve public service delivery
12. To enhance social and child protection services
13. To increase youth empowerment/employment
14. To enhance preservation of culture and heritage
15. To strengthen sports development
16. To enhance disaster risk management
17. To increase crop production
18. To increase livestock production
19. To increase fisheries production
20. To increase access to decent and affordable housing
21. To enhance land management and administration
22. To improve urban planning and development

**County Executive of Kilifi  
Annual Report and Financial Statements  
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23. To improve the County Road network
24. To increase energy access in the county
25. To enhance Trade development
26. To enhance Tourism development
27. To Promote and Strengthen Co-operatives
28. To enhance representation, oversight and Legislation

<b>Strategic Objectives as per CIDP</b>	<b>Targeted Outcome</b>	<b>performance/Progress made up since inception from the latest CIDP</b>	<b>Remarks (Explain the reasons underperformance/ Overperformance)</b>
To increase access to preventive and promotive health services	A community with reduced preventable diseases	% of persons diagnosed with HIV initiated on treatment and care and retained increased from 82% to 95%	Significant progress, but further efforts needed
		% of patients receiving ARVs virally suppressed increased from 12% to 87%	Improved, nearing target, continuous monitoring essential.
		% HIV+ pregnant mothers receiving preventive ARVs increased from 90% to 90%	Good progress, maintaining efforts crucial for sustained achievement.
		% of TB patients completing treatment increased from 78% to 90%	Slight improvement, need to enhance treatment adherence strategies.
		Proportion of general population testing positive for malaria remained at 4%	ongoing vigilance needed to maintain low rates.
		Proportion of pregnant women testing positive for malaria reduced from 4% to 2%	Significant decrease, continue targeted interventions.
		Proportion of children under five years testing positive for malaria receiving treatment increased from 70% to 73%	Progress made, focus on increasing coverage for targeted groups.
		Percentage of children under 1 year issued with Long Lasting Insecticide Treated	Increasing, but additional efforts needed to achieve planned target.

**County Executive of Kilifi  
Annual Report and Financial Statements  
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		Nets increased from 48% to 53%	
		Percentage of pregnant women issued with Long Lasting Insecticide Treated Nets increased from 58% to 65%	Strengthening distribution efforts to meet set goals.
		% of babies initiated on breastfeeding within 1 hour after birth increased from 90% to 92%	Good initiation rates, continue to promote breastfeeding practices.
		% of children under five years stunted reduced from 37% to 32%	Source survey
		% of children under five years that are underweight reduced from 13% to 6%	Positive trend, but focus needed on targeted nutritional support.
		% of population reached with mass drug administration (MDA) annually increased from 80% to 85%	Expanded coverage, continue to reach remote areas for MDA.
		Proportion of households with functional latrines increased from 75% to 80%	Incremental improvement, continue sanitation awareness campaigns.
		% of villages declared Open Defecation Free increased from 150,000 to 160,000	Progress in ODF declaration, aim for complete coverage in all villages.
		Cumulative no. of Community Health Units established increased from 420 to 433	Growing network, enhance capacity and functionality of CHUs.
		Number of hypertensive cases identified and managed increased from 270 to 85,000	Significant increase, need for continuous management and prevention.
		Number of cervical cancer cases screened and managed increased from 16,500 to 35,000	Expanded screening, continue to promote early detection.
		% of pregnant women attending 4 ANC visits	Increased attendance, encourage early and regular ANC visits.

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		increased from 55% to 60%	
		% deliveries conducted by skilled attendant increased from 84% to 88 %	Majority skilled deliveries, strengthen maternal health services.
		% of newborns with low birth weight decreased from 10.5% to 5%	Decrease in low birth weight, continue nutritional support efforts.
		% Fully immunized children increased from 76% to 79%	High immunization coverage, maintain vaccination campaigns.
		% of women of reproductive age receiving family planning increased from 48% to 51%	Increased access, support for family planning services essential.
	Reduced neonatal mortality	% of facility-based fresh stillbirths per 1,000 reduced from 44.3 to 9	Decreased stillbirth rates, focus on prenatal care enhancements.
To increase access to Curative and Rehabilitative health services	Reduced morbidity and mortality	Proportion of hospitals with functional operation theatres increased from 20% to 30 %	Surgical capacity improved, continue infrastructure upgrades.
		Number of functional dialysis beds increased by 1	Dialysis services expanded, need for additional resources.
		Number of facilities with lab diagnosis services increased from 8 to 15	Diagnostic capacity increased, continue to strengthen lab services.
		1600 integrated outreaches conducted in hard-to-reach areas	Expanded outreach, focus on equitable service distribution.
		300 health care workers were trained on referral system	Training ongoing, enhance referral coordination and skills.
		Number of functional ambulances increased from 7 to 10	Ambulance availability improved, ongoing fleet management needed.
To improve the County road network	Improved County	increased motorable and passable roads by paving 21 km of roads	Some supported under KISIP 2

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	Road network	In the FY 2023/24 we constructed 0 box culverts	Lack of budgetary allocation
		we constructed 10km of pedestrian walkways	Target Achieved
		gravelled 125 km of roads against a target of 120km	Additional allocation from supplementary budget
		1200km of roads were opened	Additional allocation from supplementary budget
		420 km of road gravelled	Ward development funding and additional allocation from supplementary
		constructed 40 road bumps	Target achieved
<b>TRADE, TOURISM AND COOPERATIVES DEVELOPMENT</b>			
To enhance Trade development	Enhanced trade development	24 trading spaces by purchase tents	Tents were supplied in several markets
		1 trade fairs and exhibitions were done	KWECOS Trade fair and exhibition
		No of SMEs accessing loans and loans disbursed ((53 - SMEs. Ksh 37,845,745)	Received half of the disbursement amount
		loan recovery amounted to Ksh. 1437343	Inadequate facilitation
		Amount of revenue collected as A-in-A on traders equipment was 1901358	Achieved
To enhance Tourism development	Enhanced tourism development	Organised 9 tourism trade fairs	Achieved
		Organised 6 marketing campaigns	Budgetary cuts
		1 website was created. The Kilifi County Tourism website is in place.	The Kilifi County Tourism website is in place, it needs constant updates on activities.
		The Kilifi County Tourism product packaged and branded	The Kilifi County Tourism product packaged and branded as "The Kenyan Riviera" and marketed in all platforms and events.
		5 No. of billboards erected	Achieved
		3 sports tourism held.	Budgetary cuts

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		Erected 100 Beach recreational benches erected for beach goers	Achieved
To Promote and Strengthen Co-operatives	Vibrant and self-sustaining Co-operatives	Cooperative policy and bill were developed	Kilifi County Cooperative Policy and Cooperative Bill at the County Assembly. Bill has been Published
		Registered 38 cooperative enterprises	C.S gave a directive stopping Sacco registrations for 3 months
		Restructured 4 viable cooperatives	Need for a County Revitalization Strategy
To increase access to clean and safe water	Increased access to clean and safe water	0 No. of boreholes were constructed	Not yet awarded delayed budget
		124 kilometers of pipelines constructed against a target of 130 km	Good partnership with donors.
		308 No. of storage tanks constructed	Plastic storage tanks also considered instead of only large capacity tanks constructed tanks
		6 water pans /earth dams were constructed	Not prioritized by communities.
To enhance access to quality vocational training and education	Enhanced access to quality vocational training and education	20 Number of vocational training centres equipped with motor vehicle tools and equipment	Successfully achieved
		13 Number vocational training centres equipped with building and technology workshop, tools and equipment	Improved budgetary allocation.
		Teacher pupil ratio reduced from 1:45 to 1:39	
		Transition rate increased from 70% to 90%	Remarkable improvement.
To enhance access to quality pre-primary education	Enhanced access to quality pre-primary education	406 No. of schools provided with teaching learning materials	Inadequate budgetary allocation

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To Increase energy access	Increased energy access	1500 households have access to clean energy for lighting	Successfully achieved
		44 solar streetlights, 19 solar floodlights, 4 electrical floodlights and 30 grids tied streetlights were installed.	Successfully achieved
		1 policy was developed namely; Energy licensing framework report completed awaiting operationalization	Successfully achieved
		1500 households have access to clean energy for lighting and cooking	Successfully achieved
To Reduce Gender Based Violence mitigation	Reduced Gender Based Violence mitigation	150 gender champions identified and trained	Successfully achieved
		One Gender and Development policy is at the county assembly, and the Anti GBV is assented	Successfully achieved
		1950 community members reached with Community dialogues against GBV	Successfully achieved
		3700 women, men, boys and girls reached with messages against GBV	Successfully achieved with the help of partners
To Increase youth empowerment	Increased youth empowerment	700 Youths Sensitized on AGPO	Successfully achieved with the help of partners
		1100 Youth trained on entrepreneurship	Successfully achieved with the help of partners
		100 youths sensitized on available opportunities at the sub-county level	Successfully achieved with the help of partners
To Enhanced preservation of culture and heritage	Enhanced preservation of culture and heritage	100 people visited the cultural sites. There was establishment of an eco-cultural heritage in Kaya Kauma and Rabai cultural village.	Successfully achieved with the help of partners
		2 cultural events were held	Successfully achieved

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To Increased crop production	Increased crop production		
		108243 farmers reached through extension	Farm Visits, group trainings, demonstrations and field days
		20 No. of field days held	In collaboration with partners
		3No. of acts/policies/strategies/regulations and action plans domesticated/developed S	Soil management guidelines, ATC regulations,
		6155 No. of farmers accessing Agricultural Mechanization services	services offered by private operators for the tractor drawn disc ploughs and walking tractor
		7785 No. of farmers accessing market	producers directly linked to buyers
		1 No. of value addition equipment purchased	Cashew cottage industry at Tezo
		3310 tons of Traditional High Value crops	Supply of delivery of vegetable seeds for kitchen gardens as well as irrigation schemes. With support from other partners
		168acres have been put under irrigation. 135 under irrigation schemes and 63 acres under farm ponds	Successfully achieved. This is due to adequate rainfall
		16632 No. of farmers reached through input subsidies	
		3 No. of water harvesting structures rehabilitated	One farm pond each in Chasimba, Mtepeni and Kibarani Wards
		75.1 tons of Maize seed, Cowpeas and green grams and horticultural crops Seeds procured and distributed to farmers	Successfully achieved.
		81812 farmers reached through extension services.	Successfully achieved. This is due to adequate rainfall

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		1543000 NO. of improved cassava cuttings procured and distributed to farmers	Successfully achieved.
		2758 No. of farmers accessing affordable financial services	local SACCOS and VSLA
To Increase Livestock production	Increased Livestock production	FMD 7000 doses, LSD 80,000	Limited budget
To Increase fisheries production	Increased fisheries production	66 Farmers adopting commercial aquaculture	Successfully achieved
		11.2 acres under aquaculture production	Successfully achieved
		340 farmers and farmers groups reached in marine fisheries production	Successfully achieved
		22 No. modern fishing vessel put in use	Successfully achieved
		3 No. of marine fisheries resources mapped, regulated and licensed	JCMAs
		106 No. groups supported in fisheries production	Project supported

## **6. Environmental and Sustainability Reporting**

This sector comprises the following sub sectors: Water Resources; Sustainable Solid Waste Management; Sustainable Forestry Conservation and Management; Sustainable Natural Resource Conservation and building resilience to climate change. The vision for the sector is a healthy environment for enhanced adaptive capacity and access to safe, adequate water. To support the vision is the mission which is to promote, conserve and protect the environment and improve access to water for sustainable development. The goal is to sustainably conserve and protect the environment, increase access to adequate, safe water for sustainable development.

### **a) Sustainability strategy and profile**

The department of Water and environment, has been actively working on sustainability and environmental strategies to address various challenges, including climate change, access to water, forest conservation and sustainable natural resources management.

**Environmental Sustainability:** The CIDP for 2023-2027 focuses on providing an enabling environment for efficient resource utilization, industrial growth, and effective provision of essential services. Core values include environmental sustainability, inclusivity, and public participation.

**Climate Change Adaptation:** The Participatory Climate Risk Assessment (PCRA) identifies climate change hazards, their impacts, and proposes practical solutions for evidence-based climate change action planning. This includes strategies for climate-smart investments and reducing the impacts of climate change across sectors

#### **Environment Sector Profile**

Kilifi County's environment sector is heavily influenced by its climate and natural resources. Some key aspects include:

**Climate Risk Profile:** Kilifi's climate risk profile highlights the county's vulnerability to climate change, particularly in agriculture, livestock production, and fisheries. The profile provides analyses of vulnerability and ongoing climate change adaptation strategies

**Participatory Climate Risk Assessment:** The PCRA process involves community participation to identify climate hazards and propose solutions. This approach helps in formulating sector-specific strategies to strengthen community resilience against climate hazards

**Natural Resources Management:** The county's economy relies on climate-sensitive sectors, making sustainable management of natural resources crucial. Efforts are being made to promote climate-smart agriculture and other sustainable practices

The department is committed to addressing environmental challenges through comprehensive planning and community involvement, aiming for a sustainable and resilient future.

### **b) Environmental Performance**

The department of water and environment is making significant strides in improving its environmental performance, focus is on increased access to water, climate risk assessment, sustainable solid waste management and sustainable natural resource management.

#### **Climate Risk Assessment**

Kilifi County has conducted a Participatory Climate Risk Assessment (PCRA) to identify climate change hazards and propose practical solutions. This assessment helps in formulating sector-specific strategies to strengthen community resilience against climate hazards

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**Environmental Management**

Despite these efforts, Kilifi County's environmental management score is relatively low, with a score of 0.45 on the Environmental Management pillar. This indicates room for improvement in areas such as waste management, pollution control, and environment and forest conservation efforts.

**Renewable Energy Initiatives**

- **Solar Home Systems:** Installation of 300 solar home systems in households, particularly for vulnerable community members
- **Solar Street Lights:** Installation of 250 solar streetlights and 130 solar high masts in market centers to enhance security and business activities
- **Improved Cook stoves:** Distribution of 3,000 improved cookstoves to reduce deforestation and air pollution. Capacity building of 20 women groups on construction of improved cookstoves.
- **Briquette making machines:** Distribution of 7 briquette making machines to promote sustainable livelihoods and reduce deforestation.

**Key Policies and Regulations**

The County Assembly has enacted several laws and policies to promote environmental sustainability, including:

- Kilifi County Environment (Regulation & Control) Act, 2016
- Kilifi County Solid waste management Act, 2019
- Kilifi County Forest policy, 2016
- Kilifi County Forest conservation and management Act, 2019
- Kilifi County Climate Change Act, 2021
- Kilifi County Climate change (Amendment) Act, 2023
- Climate change policy, 2023

The challenge that exists is the full operationalization of the policies and regulations which is mainly the budgetary allocations to the sectors. Currently, the allocations are very low and hinders the implementation of the policies and regulation to realize the expected outcomes.

**c) Employee welfare**

The hiring process at the County Government of Kilifi is guided by policies emphasizing on among other aspects gender balance, stakeholder inclusion, and continual improvement. We promote Employee Welfare through skills enhancement, career development, and fair appraisal and reward systems. We are in compliant with OSHA to ensure a safe workplace at all times. Together, these efforts have created an environment where talent is nurtured and retained to sustain service delivery to the citizenry.

The hiring policies often include explicit objectives to maintain gender balance. Further, in all our recruitments we endeavour to give opportunities to youth, women, the marginalised and PWD. We also collaborate with among other stakeholders, hiring managers, human resource, senior leadership, and even potential future team members to ensure alignment and efficient decision-making. Our hiring policies are periodically reviewed and improved to reflect organizational goals and legal compliance, especially regarding gender equality and inclusion.

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The Employee skills development programs in place include classroom training, workshops, e-learning, mentoring, and cross-training to build a versatile workforce. These are tailored to individual and organizational needs and are regularly updated in response to market and technological changes.

The Performance appraisal systems involves Performance Contracting for levels of CECMs, Chief Officers and Directors while the rest of the workforce are on Staff Performance Appraisal System (SPAS). The County conducts end of year appraisals. Plans are underway to come up with a reward and sanctions policy for the County that will help in rewarding exemplary performance and restatement of performance to non-performers.

The County staff are provided with comprehensive medical cover and WIBA cover in compliance with the Occupational Safety and Health Act (OSHA) of 2007. In this the County promotes workplace safety, hygiene, emergency preparedness, and employee's health protection. Plans are underway to put in place OSH systems which will include among others, safety and health committees, conduct statutory periodic audits, train employees on safety and health matters as well as install fire extinguishers in all the County Government Structures as required by law.

**d) Marketplace practices-**

The County evaluates suppliers fairly for contracts by use of the standard supplier evaluation process. The entity formulates a project team that works with the supplier for better implementation of contracts. The entity signs Contracts with successful bidders that would be binding on both parties. The entity also endeavours to make payment to suppliers on a first in first out basis depending on availability of funds.

**Responsible ethical practices**

The County has put up measures on Anti-corruption such as posters at the entrance with messages like "THIS IS A NO CORRUPTION ZONE", training programmes for anti-corruption and legal approach to any corruption proceeds. The County Government employs end-to-end e-procurement to promote competition as well as ensuring suppliers' confidentiality. Suppliers are also encouraged to express their views.

Politicians are majorly involved at public participation in order to come up with the needed projects at the grassroots.

**Stewardship of goods**

The County endeavours to make payments on time. It provides access to information through its website to the interested consumers. The County also ensures privacy of suppliers' information.

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**e) Community Engagements**

In the 2024-2025 Financial year the County government undertook the following activities to promote community engagements:

**Kilifi Persons with Disabilities Act, 2022**

The Kilifi County has developed a disability act and has appointed and gazette the board. Though the board is not operational but the department through multi-sectoral approach developed terms of reference with Kilifi County disability network. The department through multi agencies has twined with The Accessibility Institute (TAI) to receive and distribute wheelchairs. The County through the department of Gender, Culture, Social Services, Sports, Youth Affairs, Disaster Management and Special Programs has purchased and distributed assistive, for the visual impaired and has translated the departmental services charter into brail for essay access of information on service delivery. In collaboration with the national council for persons with disability the department has launched a basic course for sign language interpretation to any willing county staff. The department is advocating for the Kilifi county budget processing to be disability responsive budgeting.

**Sensitization, Assessments and Registration for people with disability**

The department has sensitized, assessed, and registered 1200 (726 female and 474 male) through the URL, [www.ncpwd.ecitizen.go.ke](http://www.ncpwd.ecitizen.go.ke), where applications are submitted electronically. Upon submission, applications are reviewed, approval and a Disability Certificate is issued

**Distribution of sanitary towels**

During the year the County distributed sanitary towels to schools within the County. The distribution of sanitary towels in Kilifi County is critically important for several interrelated health, education, social, and economic reasons. Kilifi is one of Kenya's coastal counties that faces significant development challenges, especially in rural and marginalized areas. Here's why the distribution of sanitary towels is essential:

**Sports and social activities:**

During the financial year the County Government spent Kshs. 296,034,720 on sports and social activities.

The following are some of the major community undertaking which took place under the sports and social activities services during the financial year:

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S/No	Project	Project Status	Outcome/Impact
1.	Construction of Dabaso Social Hall	100% Complete and in use	Access to indoor meetings and Social Gatherings
2.	Construction of Vitengeni Social Hall	100% complete and in use	Access to indoor meetings and Social Gatherings
3.	Proposed boundary wall and Renovation of Hostel block	100% complete and not in use	Enhance Safety and security for GBV victims
4.	Boxing ring sheella arts promotion	100% Complete. The facility in use.	Secured ring and control of spectators
5.	Levelling and installation of Goals at Maereni primary football pitch	90% Complete. The facility not in use.	Access to standard football ground and nurture talents

**Health care Services**

During the financial year the County Government spent Kshs. 4,136,720,278 on health care Services.

The following are some of the major community undertaking which took place under the health care services during the financial year:

S/No	Project	Project Status	Outcome/Impact
1.	Construction of funeral home at Malindi hospital	75% complete	Enhance access to quality mortuary services. Improve funeral services at Malindi hospital.

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2.	Medical Supply Store at Rabai Sub-County Hospital	40% complete	Enhance access to health Products. improve storage of health commodities at Rabai.
3.	Purchase of hospital beds	100% complete and in use	Increase access to inpatient services

**Education and ICT Services**

During the financial year the County Government spent Kshs. 1,609,905,096 under Education and ICT. The major area of activities included the following:

S/No	Project	Project Location	Outcome/Impact
1	Construction of 4no. Door pit latrine at Ziro ECDE	Kambe ribe	Increased access to sanitation to ECD students a Ziro ECD
2	Construction of 2No. ECDE Classrooms at Mnazimumwenga Primary School	Mwanamwinga	Increased access to ECD students at Mnazimumwenga ECD
3	Construction of 2 no. ECDE Classroom and 4no. Door toilets at Mwareni pre ECDE	Mariakani	Increased access to ECD students at Mwareni ECD
4	Construction of 2 no. ECDE classroom at Chanjalo	Adu	Increased access to ECD students at Chanjalo ECD
5	Construction of 2 no. ECDE classroom at Dhololo bula	Adu	Increased access to ECD students at Dhololo bula ECD
6	Construction of 2 no. classroom and 2 door toilets at Kuchi	Jaribuni	Increased access to ECD students at Kuchi ECD

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7	Construction of 2 no. ECDE classrooms at Basi primary school	Kibarani	Increased access to ECD students at Basi ECD
8	Construction of 2 no. classroom of Roka VTC	Matsangoni	Increased access to VTC students at Roka VTC

**Water, Environment, Forestry, Natural Resources and Solid Waste Management**

During the financial year the County Government spent Kshs. 2,664,453,322 under Water, Environment, Forestry Natural Resources and Solid Waste Management. The major area of activities included the following:

S/No	Project	Project Location	Outcome/Impact
1.	Construction of 5000 CM Reinforced Concrete tank at Mtepeni	Mtepeni Ward	Increased water storage thus improving access to fresh water to Mtepeni and Shimo La Tewa
2.	Construction of Silala Ganze Water Pipeline Rising Main	Ganze Ward	Improved water supply to Bamba and Ganze wards
3.	Completion of Bwagamoyo Mkapuni Water Pipeline	Mwawesa Ward	Increased access to fresh water
4.	Construction of 250CM GRP tank at Mlimaseti	Shella Ward	Increased access to fresh water
5.	Construction of Kithengwani Danicha water pipeline	Ganze Ward	Increased access to fresh water
6.	Construction of Dulukiza water pan	Sokoke Ward	Increased access to fresh water to cattle and domestic usage.

**f) Staff training and development**

The County spent Kshs. **20,375,835.35** on staff training and development under both structured and unstructured programmes.

## **7. Management Discussion and Analysis**

### **Compliance with statutory requirements.**

The county has endeavoured to comply with the statutory requirements in all areas. The statutory payments are made on time while the reports are also submitted as required.

### **Major risks facing the organisation**

The County Government of Kilifi, like many devolved units in Kenya, plays a central role in providing essential services such as healthcare, infrastructure, education, and economic development. However, despite the progress made under devolution, the county continues to grapple with a range of risks that threaten effective service delivery, accountability, and sustainable growth. These risks stem from economic, social, and environmental factors, and if not addressed, they may undermine both public trust and development outcomes.

#### **i. Resource and revenue mobilization constraints.**

The county's overreliance on national government transfers exposes it to fiscal shocks whenever disbursements are delayed or reduced. Additionally, limited capacity to expand local revenue collection hampers the implementation of planned projects and programs.

#### **ii. Environmental and climate change risks**

Rising sea levels, droughts, and flooding threaten livelihoods, food security, and infrastructure. The county must invest in disaster preparedness and climate adaptation strategies to mitigate these vulnerabilities.

#### **iii. Social risks**

High poverty and unemployment levels further complicate service delivery. A large proportion of the youth remain unemployed, fuelling insecurity, drug abuse, and social unrest. At the same time recurring disease outbreaks place extra strain on the county's limited resources.

#### **iv. Unpredictable and unreliable weather pattern**

Most of the farmers in Kilifi County depend on rainfall. The rainfall patterns have of late been very unpredictable in most cases causing a big loss to farmers due to drought or even floods. This leads to further constraints to County resources in assisting the community.

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**Future developments**

In the coming financial year 2025/2026 the County has budgeted to spend Kshs. 19,876,512,948. This amount comprises Kshs. 10,479,029,518 for Recurrent and Kshs. 9,397,483,429 for development expenditures. Among the projects which have been earmarked from the year include the following:

<b>No.</b>	<b>Project</b>	<b>Amount (Kshs.)</b>
1	Supply and delivery of Maize seed in all wards	50,400,000
2	Construction of Kilifi County Office Complex	150,000,000
3	Construction of Palakumi Mwijo Pipeline Phase 111 at Mwanamwinga ward	40,000,000
4	Upgrading of St Lukes Hospital	310,000,000
5	Purchase of 7NO. ambulances	42,000,000
6	Upgrading to bitumen standard of Kijiwetanga to Jacaranda Hotel (Phase III)	50,000,000
7	Upgrading to bitumen standard of Kizingo to Jacaranda Hotel (Phase II)	50,000,000
8	Bitumen Standard from Mnarani to Majajani	40,000,000
9	Construction of Kilifi County Stadium	200,000,000
10	Completion of Phase 1 and renovation of Old Mariakani Market	85,000,000
11	Completion of Bamba Market	60,300,000

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**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 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; (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.

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.

**County Executive of Kilifi  
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for the year ended 30<sup>th</sup> June, 2025**

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**Approval of the financial statements**

The Kilifi County's financial statements were approved and signed by the CECM for Finance on 25/11/  
2025



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**Hon. Peter Mwarogo**

**CECM Finance, Economic Planning and Resource Mobilization  
County Government of Kilifi**

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF KILIFI FOR THE YEAR ENDED 30 JUNE, 2025**

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### **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 Kilifi set out on pages 1 to 49, which comprise of the statement of financial

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

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 County Executive of Kilifi 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 Expenditure on Basic Wages of Temporary Employees**

The statement of financial performance reflects employee costs totalling Kshs.4,979,294,985 as disclosed in Note 8 to the financial statements. Included in the expenditure is an amount of Kshs.218,214,371 in respect of basic wages of temporary employees out of which an amount of Kshs.6,194,308 was in respect of eight (8) months' salary arrears paid to twenty-seven (27) casual workers engaged under the River Safety Programme between July, 2024 and February, 2025 and an amount of Kshs.90,697,563 was in respect of three (3) months' contract for two thousand and thirty (2030) casual workers engaged under Kazi Mashinani initiative. All the workers were recruited using one (1) appointment letter from the Kilifi Public Service Board. However, particular tasks undertaken by each casual labourer for each day paid, specific areas (trading centres, public institutions, markets, schools and roadsides) where the tasks were undertaken, proper supervision, evidence of the distribution of working tools and accountability of the tools upon the lapse of the programme was not provided for audit verification. The payment vouchers were supported by unsigned list of recipients of the wages.

In the circumstances, the accuracy and completeness of the expenditure on basic wages of temporary employees totalling Kshs.218,214,371 could not be confirmed.

#### **2. Use of Goods and Services**

The statement of financial performance reflects expenditure on use of goods and services totalling Kshs.3,874,716,593 as disclosed in Note 9 to the financial statements. Review of records revealed the following:

## **2.1 Inaccuracies in Expenditure on Utilities, Supplies and Services**

Included in the expenditure is an amount of Kshs.144,183,632 in respect of utilities, supplies and services out of which an expenditure of Kshs.40,000,000 was paid to the Kenya Power and Lighting Company for power bills incurred in respect of sixty-one (61) accounts. However, an undetermined amount in respect of bills incurred by various County Government entities were omitted in the expenditure and payable in the financial statements.

In addition, expenditure totalling Kshs.65,740,097 on rentals of produced assets did not include rent payable. Further, the corresponding lease agreements were not provided.

## **2.2 Omitted and Unsupported Expenditure**

The Receiver of Revenue's statement of revenue and disbursements reflects total disbursements and other charges of Kshs.1,382,739,289 which includes an amount of Kshs.44,352,180 paid to a service provider at the rate of Kshs.3,696,015 per month. However, the amount was deducted directly from the bank account and was not supported by payment vouchers or any authorization and was not included in the expenditure on use of goods and services. In addition, the statement of financial position reflects cash and cash equivalents balance of Kshs.372,648,989 as disclosed in Note 20 to the financial statements. The balance includes a deposits bank account balance of Kshs.26,386,567 which recorded payments totalling Kshs.135,482,754 but whose payment records were not provided for verification.

## **2.3 Irregular and unsupported Procurement of Hospital Beds and Mattresses**

Review of records revealed that an amount of Kshs.7,702,800 was paid in respect of supply and delivery of beds and mattresses. However, the procurement was done using request for quotations contrary to Regulation 91 (1) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that a procuring entity that procures using the request for quotations method pursuant to section 105 of the Act, shall be subject to the procurement threshold in the Second Schedule. The Second Schedule which limits the maximum expenditure under request for quotations method for goods at Kshs.3,000,000. In addition, the supporting documents for the expenditure were not provided.

In the circumstances, the accuracy and completeness of the expenditure on use of goods and services totalling Kshs.3,874,716,593 could not be confirmed.

## **3. Inaccuracies in Depreciation and Amortization Expense**

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects depreciation and amortization expense totalling Kshs.37,277,389. However, Note 25 to the financial statements on property, plant and equipment reflects a depreciation expense totalling Kshs.51,622,921 resulting to a variance of Kshs.14,345,532. This was attributed to depreciation of computers and ICT equipment which had been omitted. Further, the depreciation policy was not provided.

In the circumstances, the accuracy and completeness of depreciation and amortization expense totalling Kshs.37,277,389 could not be confirmed.

#### **4. Misclassified Expenditure on Other Grants and Subsidies**

The statement of financial performance and as disclosed in Note 12 to the financial statements reflects expenditure totalling Kshs.105,280,795 in respect of other grants and subsidies. The expenditure relates to emergency relief and refugee assistance which was in respect of supply of relief food and items paid to seven (7) local traders which should have been charged to County Emergency Fund under the relevant rules and regulations. During the year under review, the County Emergency Fund incurred an expenditure totalling Kshs.307,109,754 on drought, flood and M-pox related expenses.

In the circumstances, the accuracy and completeness of expenditure on other grants and subsidies totalling Kshs.105,280,795 could not be confirmed.

#### **5. Unsupported Receivables from Non-Exchange Transactions Balance**

The statement of financial position and as disclosed in Note 22 to the financial statements reflects receivables from non-exchange transactions balance of Kshs.4,625,151,859. Included in this balance is loss of cash and receivables from Kenya Revenue Authority (KRA) amounts of Kshs.43,240,740 and Kshs.41,496,123 respectively. Management indicated that the cash loss arose from fraud in 2016 and that the matter was before the courts while the KRA receivable related to taxes erroneously deducted and subject to recovery proceedings in court. However, no supporting documentation or evidence of progress made to recover the amounts was provided.

In the circumstances, the accuracy, completeness and recoverability of receivables from non-exchange transactions balance of Kshs.84,736,863 could not be confirmed.

#### **6. Unsupported Trade and Other Payables Balance**

The statement of financial position and as disclosed in Note 31 to the financial statements reflects a balance of Kshs.11,928,765,229 in respect of trade and other payables. The balance includes trade payables of Kshs.10,753,258,977 and employee payables balance of Kshs.1,175,506,252. The trade and other payables recorded an increase of Kshs.5,740,699,993 from the opening balance of Kshs.6,188,065,236. However, a reconciliation supporting the movement including the opening balance, amount paid for the previous year balance and payables balance for the year under review was not provided.

In addition, the trade payables balance of Kshs.10,753,258,977 schedule omitted critical details such as Local Purchase Order/Local Service Order numbers, suppliers' invoices, delivery notes numbers and dates, date the contracts were signed, among other supporting documentation. Further, the report on pending bills verification at the departments level in line with County Executive's letter dated 29 August, 2025 was not provided.

In the circumstances, the accuracy, completeness and existence of trade and other payables balance of Kshs.11,928,765,229 could not be confirmed.

## **7. Unsupported Refundable Deposits and Prepayments**

The statement of financial position and as disclosed in Note 32 to the financial statements reflects refundable deposits and prepayments balance of Kshs.125,388,855 which was a decrease of Kshs.59,381,194 from a balance of Kshs.184,770,049 reported as at 1 July, 2024. However, the reported balance was not supported by a deposit/retention register. In addition, Note 20 to the financial statements on cash and cash equivalents reflects a balance of Kshs.26,386,567 held in the County deposit bank account resulting to an unexplained variance of Kshs.99,002,288.

In the circumstances, the accuracy, completeness and existence of refundable deposits and prepayments balance of Kshs.125,388,855 could not be confirmed.

## **8. Integrated Financial Management Information System Data Analysis**

The statement of comparison of budget and actual amounts reflects total actual expenditure amount of Kshs.16,054,661,204 comprising of recurrent expenses of Kshs.13,958,832,230 and development expenses of Kshs.2,095,828,974. However, analysis of related Integrated Financial Management Information System (IFMIS) data revealed the following issues:

### **8.1. Voided Payments**

Six hundred and fifty-one (651) transactions with a total amount of Kshs.3,209,425,315 were voided during the year under review. Management indicated the reason for voiding to be charging wrong account, wrong figure and end year cleaning of the system on unpaid transactions. However, the requisition indicating payee, authority for voiding, reason, actual payee paid and documentation were not provided.

### **8.2. Payments not Supported by Line-Item Budget Provisions**

Review of the payment details revealed that six thousand four hundred and thirty-nine (6,439) transactions amounting to Kshs.15,055,925,863 were paid but the specific line items had not been budgeted for in the respective appropriation account. Management attributed this to certain budget realignments and virements effected within some vote heads to cater for emerging operational priorities. However, details indicating account/expenditure code applied in respect to each amount and how it was reflected in the financial statements and reconciliations of the realignments and virements was not provided.

### **8.3. Inaccuracies in Local Purchase/Service Orders**

Review of the Local Purchase/Service Orders (LPOs) data revealed that one hundred and eighty-one (181) LPOs were raised without corresponding amounts. Further, copies of the LPOs and schedule providing their status as at the close of the year was not

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provided. In addition, fifty-four (54) invoices billed and processed with amounts of Kshs.705,017,581 had amounts greater than the corresponding LPOs/LSOs.

#### **8.4. Inaccuracies in Payment Details**

Review of the system payment reports processed against the payments made revealed that there were two thousand six hundred and fifty-three (2,653) transactions amounting to Kshs.5,370,870,345 paid but not captured in payment details as at 30 June, 2025. Management attributed the variances to timing and system synchronization between processing module and the financial reporting module and that the discrepancies had been reconciled and all transactions fully accounted for. However, the reconciliations between the two (2) modules was not provided. Further, four hundred and ninety (490) transactions amounting to Kshs.1,884,115,772 in system payments had variance of Kshs.1,500,760,757 in payment details. Management attributed the variance to unpaid tax amounts that had been appropriately recognized and disclosed under trade payables. However, the reconciliation of the variance was not provided.

In the circumstances the accuracy and completeness of actual expenditure amounting to Kshs.16,072,685,204 could not be confirmed.

#### **9. Unsupported Expenditure on Computers**

The department of Health purchased one hundred and twenty-six (126) computers and Uninterruptible Power Supply (UPS) for Malindi and Kilifi Sub-County Hospitals at a cost of Kshs.25,132,116. The department indicated that the computers were distributed to Kilifi Referral Hospital and Malindi Sub County Hospital. Kilifi referral Hospital was indicated as having received thirty-two (32) of these computers and UPSs while Malindi Sub County Hospital received ninety-four (94) computers and UPSs. Management indicated that the computers were for use by the two hospitals to run the County Hospital Management Information System (CHMIS) which had been commissioned to manage the hospitals' operations. However, during the financial year 2023/2024, an amount of Kshs.31,644,827 was incurred for supply, delivery, training and commissioning of the CHMIS for which computers and other ICT equipment were supplied to the same Hospitals. The procurement of the one hundred and twenty-six (126) new computers was not justified. Further, review of the intended recipients' corresponding property, plant and equipment balance did not include additions of the new computers.

In the circumstances, the accuracy, completeness and existence of the expenditure totalling Kshs.25,132,116 could not be confirmed.

#### **10. Unsupported Expenditure on Construction of Roads**

The statement of financial position and as disclosed in Note 25 to the financial statements reflects total non-current assets balance of Kshs.2,044,206,054 relating to property, plant and equipment. Included in this balance is an amount of Kshs.1,163,369,580 relating to construction of roads. Review of project files revealed that expenditure was not supported by site hand over minutes, inspection minutes, certificate of measured works and monitoring and evaluation reports.

In addition, during the year under review, an amount of Kshs.210,626,681 was incurred under the Equalization Fund out of which a total of Kshs.71,390,077 was in respect of roads. However, neither the integrated report for the expenditure nor the Kilifi roads register (County Roads) were provided for audit review. As a result, the details such as the road number, name and length in kilometres done could not be confirmed.

In the circumstances, the accuracy and completeness of the expenditure amounting to Kshs.1,163,369,580 relating to the construction of roads could not be confirmed.

#### **11. Unsupported Expenditure on Construction Works of Water Projects**

The statement of financial position and as disclosed in Note 25 to the financial statements reflects total non-current assets balance of Kshs.2,044,206,054 relating to property, plant and equipment. Included in this balance is an amount of Kshs.89,763,018 on infrastructure assets and an amount of Kshs.538,558,789 on work in progress. Review of records revealed that Kshs.292,535,043 was incurred in respect of construction of water pipelines, water pans and tanks and other water projects. However, the project status report to confirm the status of all water projects earmarked for implementation in the year was not provided while evidence that the companies and firms contracted to provide the services were licensed to operate as Qualified Water Resource Contractors for the year 2025 by the Ministry of Water and Irrigation was not provided.

In addition, an amount of Kshs.210,626,681 was incurred under the Equalization Fund out of which a total of Kshs.100,675,784 was spent on water projects. However, Water and Sanitation Development Project had also undertaken similar projects in Kilifi County which included pipeline construction and rehabilitation, sanitation and hygiene initiatives, institutional and technical capacity building of the Water Service Providers (WSPs) and project funding and management. These activities were funded by various partners, including the Government of Kenya (GoK), development agencies like the World Bank (IDA), the European Union (EU), and other international organizations. Management did not provide the integrated reports for the expenditure.

Further, the justification for implementation of this water related projects directly when there are competent WSPs was not provided.

In the circumstances, the accuracy and completeness of the expenditure amounting to Kshs.292,535,043 relating to the construction of roads could not be confirmed.

#### **12. Non-Compliance with Transitional IPSAS Reporting Template**

The Public Sector Accounting Standards Board (PSASB) guideline on the first-time adoption of IPSAS Accrual required entities transitioning from IPSAS (Cash Basis) to IPSAS (Accrual Basis) to disclose whether the financial statements were Transitional IPSAS Statements or were prepared in accordance with the Accrual Basis of Accounting under the IPSAS. This disclosure was required to appear in the cover page of the annual report and the financial statements. However, the cover page did not clearly indicate that these were transitional financial statements. Instead, it was presented as both

Transitional financial statements and prepared in accordance with the Accrual Basis of Accounting under the IPSAS.

Further, Management did not disclose in Note 2 to the financial statements the specific transitional provisions applied, nor steps being taken towards full compliance with IPSAS Accrual.

In addition, the entity did not indicate the elements of the financial statements that had not been recognized as result of taking advantage of the transition provisions outlined in IPSAS 33 - First -Time Adoption of Accrual Basis IPSAS.

In the circumstances, the omission affected disclosure and the fair presentation of the financial statements and limits the ability of stakeholders to assess the Executive's progress towards full compliance with IPSAS Accrual.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Kilifi 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**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.20,628,457,366 and Kshs.15,363,111,418 respectively resulting to an under-funding of Kshs.5,265,345,948 or 26% of the budget.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the residents of Kilifi County.

My opinion is not modified in respect of this matter.

### **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**

### **1. Unresolved Prior Year Matters**

In the prior years' audit reports, 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. Review of the status during the audit of County Executive in 2024/2025 revealed that twenty three (23) issues remained unresolved as detailed in **Appendix I** as at 30 June, 2025.

### **2. Late Exchequer Releases**

The statement of financial performance and as disclosed in Note 5 to the financial statements reflects revenue from transfers from County Revenue Fund (CRF) totalling Kshs.15,363,111,418. However, review of records provided for audit revealed that exchequer releases totalling Kshs.4,540,414,996 were received after 30 June, 2025.

Delays in release of exchequer affected the implementation of planned activities and programs.

## **Other Information**

Management is responsible for the Other Information set out on page iii to xxxvii which comprise of Key Entity Information and Management, Governance statement, Foreword by CECM Finance and Economic Planning, Statement of Performance against County Predetermined Objectives, Environmental and Sustainability Reporting, Management Discussion and Analysis and the 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 County Executive's 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. I have nothing to report in this regard.

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 Procurement of Insurance Services**

Management engaged an insurance firm to provide medical Insurance at a cost of Kshs.398,331,861 per year through a contract signed on 27 January, 2023 to run from 1 March, 2023 to 29 February, 2024 with an option of renewing the contract by the client subject to an internal performance review by the clients representative and a notice to renew shall be served to the service provider not later than one (1) month preceding the end date.

A new contract agreement was signed on 1 March, 2024 for a period of one (1) year until 28 February, 2025 with an option of renewal by the client subject to an internal performance review by the clients representative and a notice to renew shall be served to the service provider not later than one (1) month preceding the end date. The contract was again renewed for a period of two (2) months from 4 March, 2025 to 4 May, 2025 at a cost of Kshs.79,666,373 through an addendum agreement dated 25 February, 2025. However, based on the contract sum for the last two (2) years, the prorated cost for two (2) months is Kshs.66,388,643 resulting to an unexplained variance of Kshs.13,277,730. This was contrary to Section 139(2) (a) of the Public Procurement and Asset Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer of a procuring entity, on the recommendation of an evaluation committee, may approve a variation of contract which shall be accompanied by a certificate from the tenderer making a justification for such cost extension of contract period.

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

### **2. Irregular Procurement of Construction Works**

Management through an undated Memorandum of Understanding with the ACK Diocese of Mombasa agreed to an intention to intervene and offer support in aid of the revival of the dilapidated St. Luke's Hospital after it failed to comply with mandatory requirements for its registration as a hospital. The project had been allocated Kshs.300,000,000 which was to be raised as a grant from the Chinese Government through The National Treasury to renovate and reconstruct the new infrastructure at St. Luke's Mission Hospital. The project was to be implemented subject to acquisition of the private hospital. Review of records revealed that the County Executive awarded a contract for the construction and completion of a 30-bed maternity wing with an operating theatre at a contract sum of Kshs.83,433,000 on 24 December, 2024 for a contract period of one (1) year ending 24 December, 2025. The County Executive Committee in a meeting on 29 April, 2025 approved the purchase of land and infrastructure at the Hospital several months after the contract was awarded. However, the justification of awarding the contract before the process of acquiring the private hospital was concluded was not provided.

In addition, the MOU signed did not provide for purchase of the Hospital and no further information was provided to indicate the reason for the change from mutual cooperation to purchase. This was contrary to Section 149 (1) of the Public Finance Management Act, 2015 which states 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.”

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

### **3. Delay in Implementation of Water Projects**

Review of report on implementation of contracts awarded by the County Executive indicated that the Management awarded contracts amounting to Kshs.62,990,880 to thirteen (13) contractors in respect to civil works. However, the contract agreements were signed before the lapse of fourteen (14) days from the dates of notification to the winning tenderer. This was contrary to Section 135 (3) of the Public Procurement and Asset Disposal Act, 2015 which provide that written contract shall be entered into within the period specified in the notification but not before fourteen days have elapsed following the giving of that notification provided that a contract shall be signed within the tender validity period.

Further, included in the contracts was Kshs.42,992,507 relating to nine (9) projects which were awarded in November and December, 2024. However, at the time of audit in May 2025, no works had been certified and the contractors were not on site. This was contrary to Regulation 40 (3) of the Public Procurement and Asset Disposal Regulations, 2020 which states that the Head of user department shall submit an Annual Department Procurement Plan to the Accounting Officer prior to the commencement of the financial year and shall be implemented in accordance with the timelines set out therein.

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

### **4. Irregular Expenditure on Certified Seeds**

The County Executive incurred an expenditure totalling Kshs.66,447,080 made to various suppliers for various agricultural inputs and certified seeds. Review of the procurement and payment records revealed that the authority and justification for free distribution of agricultural inputs and certified seeds was not provided. This was contrary to Section 149 (1) of the Public Finance Management Acts, 2015 which 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 authorised; and effective, efficient, economical and transparent.

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

### **5. Long Outstanding Trade Payables**

The statement of financial position reflects trade and other payables balance of Kshs.11,928,765,229 as disclosed in Note 31 to the financial statements. Included in this balance is Kshs.532,970,566 that has remained outstanding dating back to the year 2015.

Failure to settle the outstanding payables is contrary to Regulation 150 of the Public Procurement and Asset Disposal Regulations, 2020 which provide for prompt payment for performed contracts. Further, failure to settle bills during the year to which they relate adversely affects budget provisions for the subsequent year as they form a first charge.

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

## **6. Irregular Payment of Legal Expenses**

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects expenditure on use of goods and services totalling Kshs.3,874,716,593 which includes Kshs.299,749,326 in respect of other operating expenses. Review of supporting documents revealed that the expenditure on other operating expenses included legal fees paid to five (5) private legal practitioners amounting to Kshs.21,954,854 to defend lawsuits filed against various departments. The legal representatives were given instructions to act on behalf of the County without approval by the executive committee.

In addition, the office of the County Attorney had four (4) legal officers who were advocates of the High Court but were not deployed to represent the County. No justification was provided for outsourcing of the services. This was contrary to Section 7(c) of the Office of the County Attorney Act, 2020 which provide that the County Attorney on the instructions of the County Government, represent the County Executive in court or in any other legal proceedings to which the County Executive is a party, other than criminal proceedings.

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

## **7. Irregular Expenditure on Use of Goods and Services**

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects expenditure on use of goods and services totalling Kshs.3,874,716,593. Review of records on expenditure on use of goods and services revealed that expenditure totalling Kshs.429,678,412 or 62% out of total expenditure of Kshs.693,443,561 in respect of printing, advertising, and information supplies and services was incurred in the last quarter of the financial year. Evidence that the expenditure was in the procurement plan was not provided.

Even though, expenditure totalling Kshs.505,292,577 or 73% out of the total expenditure of Kshs.693,443,561 was charged on printing, advertising, and information supplies and services, the expenditure was incurred on event management services. Evidence that the expenditure was in the procurement plan was not provided. The expenditure of Kshs.505,292,577 was therefore incorrectly reported under printing, advertising, and information supplies and services.

This was contrary to Section 45 (3) (a) of Public Procurement and Asset Disposal Act, 2015, on corporate decisions and segregation of duties which provide that all

procurement process shall be within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an annual procurement plan;

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

#### **8. Implementation of Projects not Included in the Annual Development Plan**

The Annual Procurement Plan included fifty-eight (58) projects earmarked for implementation in the year under review with an estimated cost of Kshs.819,059,040. However, these projects were not included in the Annual Development Plan. This was contrary to Section 126 of the Public Finance Management Act, 2012 which states that “every County Government shall prepare a development plan in accordance with Article 220(2) of the Constitution, that includes strategic priorities for the medium term that reflects the County Government’s priorities and plans; a description of how the County Government is responding to changes in the financial and economic environment; programmes to be delivered with details for each programme of the strategic priorities to which the programme will contribute, the services or goods to be provided, measurable indicators of performance where feasible and the budget allocated to the programme; payments to be made on behalf of the County Government, including details of any grants, benefits and subsidies that are to be paid; a description of significant capital developments”.

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

#### **9. Non -Adherence to Staff Establishment**

Comparison of payroll and establishment records revealed that the staff establishment had a total of four thousand four hundred and twenty-one (4,421) members while the payroll had five thousand two hundred and twenty-nine (5,229) active staff resulting to a variance of eight hundred and eight (808) staff. In addition, the staff register did not include information on deployment of staff to departments. This was contrary to Paragraph B.2 (1) and (2) of Human Resource Policies and Procedures Manual for the Public Service, 2016 which provides that every Ministry/State Department shall prepare human resource plans that are based on comprehensive job analysis and shall be reviewed every year to address emerging issues and needs.

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

#### **10. Non-Compliance with the Law on a Third of the Basic Salary**

Review of the Integrated Personnel and Payroll Database (IPPD) and the Human Resources Information System (HRIS) revealed that thirty-three (33) staff members earned net salaries below a third of their basic salaries. This was contrary to Section 19 (3) of the Employment Act, 2007 which provides that the total amount of all deductions made by an employer from the wages of his employee at any one time, shall not exceed two-thirds of such wages.

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

### **11. Irregular Expenditure on Domestic Travel and Subsistence**

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects expenditure on use of goods and services totalling Kshs.3,874,716,593 which includes domestic travel and subsistence amount of Kshs.78,184,190. Review of support documents revealed that payments amounting to Kshs.3,592,558 were paid in form of claims. However, the payments were not supported with prior approval by the Accounting Officers. In addition, an amount of Kshs.6,165,182 was paid as temporary imprest but was not supported with the relevant documents including imprest warrants, payment vouchers, motor vehicle work tickets or bus tickets or boarding pass, attendance registers, signed payment schedules and signed reports of the meetings.

This was contrary to Regulations 91 (1) and (2) of the Public Finance Management (County Governments) Regulations, 2015 which provides that an the Accounting Officer may authorize an officers to hold and operate an imprest and the officer shall make formal application for the imprest through an imprest warrant.

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

### **12. Non-Compliance with Law on Staff Ethnic Composition**

Review of the payroll revealed that out of a total of five thousand two hundred and fifty-six (5,256) employees, four thousand one hundred and nine (4,109) were from the dominant ethnic community representing 78% of the total work force. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provided that no public establishment shall have more than one third of its staff from the same ethnic community.

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

### **13. Non-Compliance with Law on Affirmative Action**

Review of the payroll revealed that out of a total of five thousand two hundred and fifty-six (5,256) employees, only 37 were persons with disability representing less than 1% of the total workforce. This was contrary to Section 13 of Persons with Disabilities Act, 2003 which provide that the Council shall endeavor to secure the reservation of five percent of all casual, emergency and contractual positions in employment in the public and private sectors for persons with disability.

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. Ineffective Internal Audit Function and Audit Committee**

Review of the internal audit workplan indicated that the internal audit function had issued various Internal audit reports but they had not been adopted by the audit committee. Further, the Internal Audit Department had an authorized staff establishment of twelve (12) staff but only eight (8) were in post resulting to under staffing of four (4) staff. The audit Committee did not carry out annual review of the independence, performance and competency of the internal audit unit.

In addition, personal files for the internal audit unit staff were not provided for audit and therefore staff qualification and competence could not be confirmed. Review of records also indicated that the audit committee was appointed in May, 2024 and held two meetings. However, the minutes of the first meeting had not yet been approved as a true record of the proceedings.

In the circumstances, the effectiveness of internal controls, risk management and governance could not be confirmed.

#### **2. Lack of Risk Management Plan**

Review of minutes of the audit committee meeting held on 11 December, 2024 indicated that a risk management unit had been set up and risk management plan put in place. However, the staffing arrangements of the risk management unit and an approved risk management plan were not provided for audit.

In the circumstances, the effectiveness of internal controls, risk management and governance 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 Government'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 County Executive's 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

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

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, SBS  
AUDITOR-GENERAL

Nairobi

15 December, 2025

## APPENDICES

### Appendix I: Unresolved Prior Year Matters

No.	Audit Issue
1	Inaccurate statement of comparison of budget and actual amounts
2	Inaccurate transfers from county revenue fund (crf)
3	Inaccurate and unsupported payments on compensation of employees
4	Long outstanding and unsupported imprests and advances balance
5	Inaccurate and long outstanding deposits and retentions balance
6	Inaccurate and unsupported pending bills balance
7	Unsupported payments on emergency relief and refugee assistance
8	Unsupported payments on construction and civil works
9	Budgetary control and performance
10	Unresolved prior year matters
11	Non-compliance with national cohesion and integration
12	Failure to adhere to a third rule on basic pay
13	Irregular payment of training expenses
14	Irregular procurement of works on construction of roads
15	Irregular procurement of consultancy services
16	Irregular payments to the council of governors
17	Failure to mobilize resources for construction of county aggregation and industrial
18	Irregular payments for construction of Mtwapa law courts
19	Failure to fully implement county integrated hospital management information
20	Irregular advance payment for supply and delivery of computed tomography (CT)
21	Dormant incinerator and x-ray machine
22	Irregular payments on other current transfers, grants and subsidies
23	Failure to act on internal audit reports

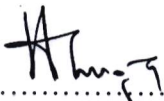


**County Executive of Kilifi  
Annual Report and Financial Statements  
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**10. Statement of Financial Performance for the Financial year ended 30<sup>th</sup> June, 2025**

Description	Notes	Period ended
		Jun-25
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from CRF	5	15,363,111,418
Miscellaneous Revenue	6	-
<b>Revenue from exchange transactions</b>		
Other income	7	-
<b>Total revenue</b>		<b>15,363,111,418</b>
<b>Expenses</b>		
Employee costs	8	4,979,294,985
Use of goods and services	9	3,874,716,593
Transfers to other Government Entities	10	4,369,598,353
Depreciation and amortization expense	11	37,277,389
Other Grants and Subsidies	12	105,280,795
Finance costs	13	-
Social Benefits	14	629,941,504
<b>Total expenses</b>		<b>13,996,109,618</b>
Gain/(loss) on sale of assets	15	-
Gain/Loss on Foreign Exchange	16	-
Gain/Loss on fair value of investments	17	-
Impairment loss	18	-
<b>Surplus/Deficit for the year</b>		<b>1,367,001,800</b>
Taxation	19	-
<b>Net Surplus/Deficit</b>		<b>1,367,001,800</b>

The Financial Statements set out on pages 1 to 5 were signed by:



.....  
**Hezekiah Nguma Mwarua**  
Chief Officer Finance



.....  
**Bonaventure F.M. Mwakio**  
Director Accounting Services  
ICPAK M/No. 3346

**County Executive of Kilifi  
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**11. Statement of Financial Position as at 30<sup>th</sup> June, 2025**

Description	Notes	Period Ended June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	20	372,648,989	187,896,198
Receivables from Exchange Transactions	21	333,690,033	74,532,579
Receivables from Non-Exchange Transactions	22	4,625,151,859	84,736,863
<b>Total Current Assets</b>		<b>5,331,490,881</b>	<b>347,165,640</b>
<b>Non-Current Assets</b>			
Receivables from Exchange Transactions	21(b)	-	-
Non- Current portion of investments	24	-	-
Property, Plant and Equipment	25	2,044,206,054	-
Right of Use Assets	26	-	-
Intangible Assets and Goodwill	27	-	-
Investment Property	28	-	-
Biological Assets	29	-	-
Tangible Natural Resources	30	-	-
<b>Total Non- Current Assets</b>		<b>2,044,206,054</b>	<b>-</b>
<b>Total Assets (A)</b>		<b>7,375,696,934</b>	<b>347,165,640</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	31	11,928,765,229	6,188,065,236
Refundable deposits and prepayments	32	125,388,855	184,770,049
Current Provision	33	-	-
Lease Liabilities	34	-	-
Deferred Income	35	-	-
Employee Benefit Obligation	36	-	-
Current Portion of Borrowings	37	-	-
<b>Total Current Liabilities</b>		<b>12,054,154,084</b>	<b>6,372,835,285</b>
<b>Non-Current Liabilities</b>			
Non-Current Provisions	33	-	-
Lease Liabilities	34	-	-
Deferred Income	35	-	-
Non-Current Employee Benefit Obligation	36	-	-

**County Executive of Kilifi  
Annual Report and Financial Statements  
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Borrowings – Non-Current Portion	37	-	-
Service Concession Liability	38	-	-
<b>Total Non- Current Liabilities</b>		-	-
<b>Total Liabilities (B)</b>		<b>12,054,154,084</b>	<b>6,372,835,285</b>
<b>Net Assets (A-B)</b>		<b>(4,678,457,150)</b>	<b>(6,025,669,645)</b>
<b>Represented by:</b>			
Reserves		-	-
Accumulated Surplus		(4,678,457,150)	(6,025,669,645)
Capital Fund		-	-
<b>Net Assets</b>		<b>(4,678,457,150)</b>	<b>(6,025,669,645)</b>

The financial statements set out on pages 1 to 5 were signed by:



.....  
**Hezekiah Nguma Mwarua**  
**Chief Officer Finance**



.....  
**Bonaventure F.M. Mwakio**  
**Director Accounting Services**  
**ICPAK M/No. 3346.**

**County Executive of Kilifi**  
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**12. Statement of Changes in Net Assets for the Financial year ended 30<sup>th</sup> June, 2025**

Description	Accumulated Surplus	Reserves	Capital Fund	Total
<b>As at 30<sup>th</sup> June 2024 (cash basis)</b>	<b>92,440,790</b>			<b>92,440,790</b>
<b>Adjusted for</b>	-			-
Opening Pending bill not in previous financial statements	(6,188,065,236)			(6,188,065,236)
Prepayment	69,129,276			69,129,276
Recurrent Transaction which bounced after closing the financial statements	654,318			654,318
<b>Adjustment to transactions recorded as deposits in previous financial statements</b>				-
County Government of Kilifi Donation Account-1060279268120	635			635
CGK Cash Transfer Programme Account-1283242303	151,232			151,232
Winnie Wakati Luwali( Excess refund)	19,340			19,340
<b>As at July 1, 2024</b>	<b>(6,025,669,645)</b>	-	-	<b>(6,025,669,645)</b>
Surplus/ deficit for the period	1,367,001,800			1,367,001,800
Returns to CRF	(19,713,705)			(19,713,705)
Refund of imprest deposited in ROR	(75,600)			
Additions during the period		-	-	-
Other changes (specify)		-	-	-
<b>As at 30<sup>th</sup> June 2025</b>	<b>(4,678,457,150)</b>	-	-	<b>(4,678,381,550)</b>

County Executive of Kilifi  
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13. Statement of Cash Flows for the Financial year ended 30<sup>th</sup> June, 2025

Description	Notes	Period ended June 2025
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from CRF		10,785,196,423
Miscellaneous Revenue		-
Other income		-
<b>Total receipts</b>		<b>10,785,196,423</b>
<b>Payments</b>		
Employee costs		4,424,200,195
Use of goods and services		2,269,657,741
Transfers to other Government Entities		-
Other Grants and Subsidies		1,680,736,933
Finance costs		-
Social Benefits		465,570,478
<b>Total payments</b>		<b>8,840,165,347</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>1,945,031,076</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE		(1,603,505,747)
Purchase Intangible assets		-
Proceeds from sale of PPE		
Proceeds from sale of Biological Assets		-
Purchase of investments		-
Sale of investments		-
Refund of Deposit and Retention		(137,058,834)
<b>Net cash flows from/(used in) investing activities</b>		<b>(1,740,564,581)</b>
<b>Cash flows from financing activities</b>		
Returns to CRF		(19,713,705)
Proceeds from borrowings		-
Repayment of borrowings		-
<b>Net cash flows from financing Activities</b>		<b>(19,713,705)</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>184,752,790</b>
Cash and cash equivalents as at Period Start	11	187,896,198
<b>Cash and cash equivalents as at Period End</b>	<b>11</b>	<b>372,648,988</b>

County Executive of Kilifi  
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14. Statement of Comparison of Budget and Actual Amounts for the Financial year ended 30<sup>th</sup> June, 2025

A) Recurrent and Development budgets Combined

Revenue/expens e 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
<b>Revenues</b>						
Opening balance (Non-refundable special purpose accounts)				-	-	
Transfers from CRF	20,049,410,954	579,046,412	20,628,457,366	15,363,111,418	5,265,345,948	74%
<b>Total revenues</b>	<b>20,049,410,954</b>	<b>579,046,412</b>	<b>20,628,457,366</b>	<b>15,363,111,418</b>	<b>5,265,345,948</b>	<b>74%</b>
			-			
<b>Expenses</b>						
Employee costs	4,184,390,754	1,021,478,550	5,205,869,304	4,979,294,985	226,574,319	96%
Use of goods and services	3,914,338,136	1,711,797,695	5,626,135,831	3,874,716,593	1,751,419,238	69%
Transfer to other Government entities		268,135,808	268,135,808	4,369,598,353	(4,101,462,545)	1630%
Other Grants and Subsidies	2,457,214,151	2,326,934,353	4,784,148,504	105,280,795	4,678,867,709	2%
Social Benefits	50,000,000	-	50,000,000	629,941,504	(579,941,504)	1260%
<b>Total</b>	<b>10,605,943,041</b>	<b>5,328,346,406</b>	<b>15,934,289,447</b>	<b>13,958,832,230</b>	<b>1,975,457,217</b>	<b>88%</b>
<b>Capital items</b>						
Acquisition of PPE	9,443,467,913	(4,749,299,994)	4,694,167,919	2,095,828,974	2,598,338,945	45%
<b>Total expenses Development</b>	<b>9,443,467,913</b>	<b>(4,749,299,994)</b>	<b>4,694,167,919</b>	<b>2,095,828,974</b>	<b>2,598,338,945</b>	<b>45%</b>
<b>Total Expenses</b>	<b>20,049,410,954</b>	<b>579,046,412</b>	<b>20,628,457,366</b>	<b>16,054,661,204</b>	<b>4,573,796,162</b>	<b>78%</b>
<b>Surplus/ deficit</b>	-	-	-	(691,549,785)		

Reconciliation table

	Operating	Financing	Investing	Total
<i>Actual amounts on comparable basis presented in the budget and actual comparative statement</i>	(691,549,785.5)	-	-	(691,549,785.5)
<i>Basis difference</i>	-	-	-	-
<i>Timing differences</i>	-	-	-	-
<i>Entity differences</i>	-	-	-	-
<i>Classification differences</i>	(19,713,704.9)	-	-	(19,713,704.9)
<i>Actual in the statement of cashflows</i>	(711,263,490.4)	-	-	(711,263,490.4)

**County Executive of Kilifi  
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**15. Notes to the Financial Statements**

**1. General Information**

Kilifi County Executive Entity is established by and derives its authority and accountability from The Constitution of Kenya 2010.

**2. Statement of Compliance and Basis of Preparation**

**Statement of Compliance**

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The county has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st year financial statements are transitional financial statements.

The county will be on full compliance on accrual in the third year that is FY 2026/2027 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 28<sup>th</sup> 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 Kilifi County Executive. The accounting policies adopted have been consistently applied to all the years presented.

**County Executive of Kilifi  
Annual Report and Financial Statements  
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**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

A 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 to the 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.

Kilifi County Executive 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.

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**Notes to the financial statements**

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 relative to the business-as-usual scenario of 143 MtCO<sub>2</sub>eq. Entity's 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.

**County Executive of Kilifi  
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**Notes to the financial statements**

**3. 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 4<sup>th</sup> July 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.

**County Executive of Kilifi  
Annual Report and Financial Statements  
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**Notes to the financial statements (Continued)**

**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 *page 5* 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. 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

**County Executive of Kilifi  
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**Notes to the financial statements**

**e) Right of use asset**

The right-of-use assets comprise 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.

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**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.

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**Notes to the financial statements (Continued)**

**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.

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**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

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**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.

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**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.

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**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, Directors and senior managers.*

**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.

**County Executive of Kilifi  
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**Notes to the financial statements**

**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 Financial year ended 30<sup>th</sup> June, 2025

**County Executive of Kilifi  
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**Notes to the Financial Statements (Continued)**

**4. 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. Additional disclosure of these estimates of provisions is included. 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.

County Executive of Kilifi  
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Notes to the financial statements (continued)

5. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers for Financial year ended Jun-25
	Kshs	Kshs	Kshs
Recurrent	8,812,655,139		8,812,655,139
Development	3,806,734,865		3,806,734,865
Special purpose transfers	2,743,721,414		2,743,721,414
<b>Total</b>	<b>15,363,111,418</b>	-	<b>15,363,111,418</b>

6. Miscellaneous Revenue

Nature of Revenue	For the Financial year ended June 2025
	Kshs
In kind grants and donations	
Refunds & Reimbursements	
Revenues not classified anywhere else	
<b>Total</b>	-

7. Other Incomes

Description	Financial year ended June-24
	Kshs
Insurance recoveries	
Sale of tender documents	
Services concession income	
Other incomes not specified elsewhere	
<b>Total other income</b>	-

8. Employee Costs

Description	Financial year ended Jun-25
	Kshs
Basic salaries of permanent employees	2,416,493,182
Basic wages of temporary employees	218,214,371
Personal allowances – part of salary	1,844,545,981
Pension and other social security contributions	387,814,863
Employer contributions to compulsory national social security schemes	
Employer contributions to compulsory national health insurance schemes	
Other social benefit schemes	112,226,588
Other personnel costs	-
<b>Employee costs</b>	<b>4,979,294,985</b>

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Notes to the financial statements (continued)

9. Use of Goods and Services

Description	Financial year ended
	Jun-25
	Kshs
Utilities, supplies and services	144,183,632
Communication, supplies and services	11,322,091
Domestic travel and subsistence	78,184,190
Foreign travel and subsistence	71,782,524
Printing, advertising, and information supplies & services	693,443,561
Rentals of produced assets	65,740,097
Training expenses	20,910,473
Hospitality supplies and services	500,556,932
Insurance costs	510,045,845
Specialized materials and services	1,194,670,165
Other operating expenses <i>including bank Charges</i>	299,749,326
Office and general supplies and services	120,863,896
Fuel Oil and Lubricants	79,861,379
Routine maintenance – vehicles and other transport equipment	35,039,004
Routine maintenance – other assets	45,863,476
Creditors	-
Research, Feasibility Studies, Project Preparation and Design, Project Supervision	2,500,000
<b>Total</b>	<b>3,874,716,593</b>

10. Transfers to Other Government Entities

Description	Financial year ended
	Jun-25
	Kshs
Transfers to other County Government entities	4,369,598,353
Transfers to self-reporting projects	
Transfers to car loan and mortgage schemes	
Transfer to Emergency Fund	-
<b>Total</b>	<b>4,369,598,353</b>

11. Depreciation and Amortization Expense

Description	Financial year ended
	Jun-25
	Kshs
Buildings	140,764
Motor Vehicles, Including Motorcycles	3,477,824
Construction of Roads	29,829,989
Infrastructure Assets	-
Office Equipment, Furniture, And Fittings	3,828,812
Specialized Equipments	-
<b>Total</b>	<b>37,277,389</b>

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Notes to the financial statements (continued)

12. Other Grants and Subsidies

Description	Financial year ended
	Jun-25
	Kshs
Membership dues and subscriptions to international organizations	-
Scholarships and other educational benefits	-
Emergency relief and refugee assistance	105,280,795
Grants to small businesses, cooperatives, and self employed	-
Other Current Transfers, Grants and Subsidies	-
Other Capital Grants and Trans	-
Other Grants	-
<b>Total Grants and Subsidies</b>	<b>105,280,795</b>

13. Finance Costs

Description	Financial year ended
	Jun-25
	Kshs
Interest Payments on Guaranteed Debt Taken over by Govt	
Interest on Domestic Borrowings (Non-Govt)	
Interest on Borrowings from Other Government Units	
Interest on bank overdrafts	
Interest on loans from commercial banks	
<b>Total finance costs</b>	<b>-</b>

14. Social Benefits

Description	Financial year ended
	Jun-25
	Kshs
Transfers to the elderly	
Transfers to orphans	
Transfers to the physically challenged	
Certified Seeds	629,941,504
<b>Total social benefit expenses</b>	<b>629,941,504</b>

15. Gain/Loss on Sale of Assets

Description	Financial year ended
	Jun-25
	Kshs
Property, plant and equipment	
Intangible assets	
Other assets not capitalised	
<b>Total gain on sale of assets</b>	<b>-</b>

County Executive of Kilifi  
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Notes to the financial statements (continued)

16. Gain/Loss on Foreign Exchange

Description	Financial year ended
	Jun-25
	Kshs
Gain or loss on foreign exchange transactions	
Gain or loss on balances in foreign exchanges	
<b>Total</b>	-

17. Gain/Loss on Fair Value Investments

Description	Financial year ended
	Jun-25
	Kshs
Investments at Fair Value	
<b>Total Gain</b>	-

18. Impairment Loss

Description	Financial year ended
	Jun-25
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<b>Total Impairment Loss</b>	-

19. Taxation

Description	Financial year ended
	Jun-25
	Kshs
Current income tax charge	
Tax charged on rental income	
Tax charged on interest income	
Original and reversal of temporary differences	
<b>Income tax expense reported in the statement of financial performance</b>	-

20. Cash and Cash Equivalents

Description	Financial year ended	Opening Statement
	Jun-25	1st July 2024
	Kshs	Kshs
Recurrent Account	95,960,181	654,433
Development Account	211,395,362	1,771
Deposits Account	26,386,567	163,445,400
Special Purpose Accounts	37,596,833	23,642,726
Other operating commercial accounts ( <i>Specify</i> )	1,310,047	151,867
<b>Total</b>	<b>372,648,989</b>	<b>187,896,198</b>

**County Executive of Kilifi  
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Notes to the financial statements (continued)

**(a) Detailed Analysis of the Cash and Cash Equivalents**

		Financial year ended <i>Jun-25</i>	Opening Statement <i>1st July 2024</i>
Financial Institution	Account number	Kshs	Kshs
Kilifi County Recurrent	1000170239	95,960,181	654,433
Kilifi County Development	1000170198	211,395,362	1,771
Kilifi County Deposit Account	1000357339	26,386,567	161,869,321
The County Government of Kilifi-Project Retention Deposit Account	0028950001	-	1,576,079
		<b>26,386,567</b>	<b>163,445,400</b>
Kilifi County Kenya Devolution S Pr	1000371684	250	250
Kilifi County Water and Sanitation	1000394889	14,840	14,839
Kilifi County- Agri. Sec. Dev. Supp.	1000366378		
Kilifi County Kenya Urban Supp Prog	1000396628	2	-
Kilifi County Ths Universal Health	1000403853		-
Kilifi County Wb And Danida Grant	1000268492	32,670,000	19,057,501
<i>Kilifi County-Nat. Agri.&amp; Rur. Inc</i>	1000366389		-
Kilifi County Village Poly Grant	1000368508	57,955	57,955
Kilifi County Primary Health Care	1000559958	439,011	97,405
<i>Kilifi County Nat Agri Value Chain</i>	1000713698	4,414,776	4,414,776
		<b>37,596,833</b>	<b>23,642,725</b>
<b>Special Purpose Accounts</b>			
Kilifi County Government - Standing Imprest Account Fin-Mgt	01141465788001		-
<i>County Government Of Kilifi Donation Account</i>	1060279268120	1,160,723	635
CGK Cash Transfer Programme Account	1283242303	149,324	151,232
<b>Commercial Bank Accounts</b>		<b>1,310,047</b>	<b>151,867</b>
<b>Total</b>		<b>395,923,409</b>	<b>187,896,196</b>

**21. Receivables from Exchange Transactions**

Description	Financial year ended June 2025	Opening Statement <i>1st July 2024</i>
	Kshs	Kshs
<b>Total receivables</b>		
Other exchange debtors ( <i>Specify</i> )		
Less: impairment allowance		
<b>Total receivables</b>		
a) Current receivables	332,184,237	69,129,276
Government Outstanding Imprest	1,505,796	5,403,303
b) Non-current receivables		
<b>Total Receivables (a+b)</b>	<b>333,690,033</b>	<b>74,532,579</b>

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Notes to the financial statements (continued)

**Reconciliation for Impairment Allowance on Receivables from Exchange Transactions**

<b>Impairment allowance</b>	<b>Financial year ended June 2025</b>
	<b>Kshs</b>
At the beginning of the period.	0
Additional allowance during the period	
Recovered during the period	(0)
Written off during the period.	(0)
At the end of the period.	(0)

**22. Receivables from Non-Exchange Transactions**

<b>Description</b>	<b>Financial year ended June 2025</b>	<b>Opening Statement 1st July 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Receivables from County Revenue Fund	4,540,414,996	-
Loss of Cash	43,240,740	43,240,740
Kenya Revenue Authority	41,496,123	41,496,123
<b>Total receivables from non- exchange transactions</b>	<b>4,625,151,859</b>	<b>84,736,863</b>

**Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions**

<b>Description</b>	<b>Financial year ended June 25</b>
	<b>KShs</b>
At the beginning of the period	-
Additional provisions during the period	-
Less: Recovered during the period	-
Less: Written off during the period	-
At the end of the period	-

**23. Inventories**

<b>Description</b>	<b>Financial year ended Jun-25</b>	<b>Opening Statement 1st July 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Spare parts		
Goods held for distribution		
Less: allowance for impairment		
<b>Total</b>	<b>-</b>	<b>-</b>

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Notes to the financial statements (continued)

24. Investments

Description	Financial year ended June 25	Opening Statement 1st July 2024
	Kshs	Kshs
<b>a) Investment in Treasury bills and bonds</b>		
Financial institution		
CBK		
Sub- total	-	-
<b>b) Investment with Financial Institutions/ Banks</b>		
Bank x		
Bank y		
Sub- total	-	-
<b>c) Equity investments (specify)</b>		
Equity/ shares in Entity xxx		
Sub- total	-	-
Grand total	-	-
<b>Analysed as:</b>		
Current portion of Investment		
Non-current portion of investment		

d) Movement of Equity Investments

	Financial year ended June 2025
	Kshs
At the beginning of the period	
Purchase of investments in the period	
Sale of investments during the period	
Increase /(decrease ) in fair value of investments	
At the end of the period	-

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**a) Shareholding in other entities**

For investments in equity share listed under note 24 above, list down the equity investments under the following categories.

Name of Entity where investment is held	No of shares				Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding				
	%	%	%		Kshs	Kshs	Kshs
Entity A							
Entity B							
Entity C							

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25. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Construction of Roads	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Specialized Equipemts	Work in Progress	Total
<b>Depreciation Rate</b>		<b>2%</b>	<b>12.50%</b>	<b>2.50%</b>		<b>12.50%</b>	<b>30%</b>			
<b>Cost</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Opening Bal as 1<sup>st</sup> July 2024</b>										-
Additions	-	7,038,196	27,822,588	1,193,199,569	89,763,018	30,630,495	47,818,440	160,997,879	538,558,789	<b>2,095,828,974</b>
Disposals										-
Transfer/Adjustments										-
<b>As At 30th June, 2025</b>	-	<b>7,038,196</b>	<b>27,822,588</b>	<b>1,193,199,569</b>	<b>89,763,018</b>	<b>30,630,495</b>	<b>47,818,440</b>	<b>160,997,879</b>	<b>538,558,789</b>	<b>2,095,828,974</b>
<b>Depreciation And Impairment</b>										
Depreciation		140,764	3,477,824	29,829,989	-	3,828,812	14,345,532	-	-	<b>51,622,921</b>
Disposals										-
Impairment										-
Transfer/Adjustment										-
<b>As At 30th June, 2025</b>	-	<b>140,764</b>	<b>3,477,824</b>	<b>29,829,989</b>	-	<b>3,828,812</b>	<b>14,345,532</b>		-	<b>51,622,921</b>
<b>Net Book Values</b>										
<b>Opening Bal as at 1<sup>st</sup> July 2025</b>										-
<b>As At 30th June, 2025</b>	-	<b>6,897,432</b>	<b>24,344,765</b>	<b>1,163,369,580</b>	<b>89,763,018</b>	<b>26,801,683</b>	<b>33,472,908</b>	<b>160,997,879</b>	<b>538,558,789</b>	<b>2,044,206,054</b>

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**25 (b) Property, Plant and Equipment at Cost**

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	7,038,196	140,764	6,897,432
Motor Vehicles, Including Motorcycles	27,822,588	3,477,824	24,344,765
Construction of Roads	1,193,199,569	29,829,989	1,163,369,580
Infrastructure Assets	89,763,018	-	89,763,018
Computers & ICT Equipment	47,818,440	14,345,532	33,472,908
Office Equipment, Furniture, And Fittings	30,630,495	3,828,812	26,801,683
Specialized Equipments	160,997,879	-	160,997,879
Work in Progress	538,558,789	-	538,558,789
<b>Total</b>	<b>2,095,828,974</b>	<b>51,622,921</b>	<b>2,044,206,054</b>

Property plant and Equipment includes the following assets that are fully depreciated:

	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment, Furniture And Fittings	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**26. Right- of-use assets**

	Buildings	Motor vehicles	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs
<b>Cost</b>				
As at 1 July 2024				0
Additions				0
<b>As at 30 June 2025</b>	-	-	-	0
<b>Accumulated Depreciation</b>				
As at 1 July 2024	-	-	-	0
Charge for the year				0
<b>As at 30 June 2025</b>	-	-	-	0
<b>Carrying Amount</b>				
<b>As at 30 June 2025</b>	-	-	-	0

**County Executive of Kilifi  
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Notes to the financial statements (continued)

**27. Intangible Assets and goodwill**

Description	Financial year ended Jun-25
	KShs
<b>Cost/Opening balance at the beginning of the /Period</b>	
Additions	
Disposal	(0)
<b>At end of the Period</b>	<b>(0)</b>
Additions–internal development	-
Less: Disposal	-
<b>At end of the Period</b>	<b>(0)</b>
<b>Amortization and impairment</b>	
<b>At beginning of the Period</b>	-
Amortization	
<b>At end of the Period</b>	-
Impairment loss	-
<b>At end of the Period</b>	-
<b>NBV</b>	<b>(0)</b>

**28. Investment Property**

Description	Financial year ended June 2025
	Kshs
<b>Cost/Opening balance at the beginning of the period</b>	
Additions	
Disposal during the period	
Depreciation	
Impairment	-
<b>At end of the period</b>	<b>-</b>

(This note applies to investment property held at cost. For investment property held at fair value, changes in fair value should go through the statement of financial performance).

**29. Biological Assets**

Description	Financial year ended Jun-25	Opening Statement 1st July 2024
	Kshs	Kshs
Specify	-	-
Specify	-	-
<b>Total</b>	-	-

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Notes to the financial statements (continued)

**30. Tangible Natural Resources**

	Sub- soil assets	Water	Wildlife	Total
	Kshs	Kshs	Kshs	Kshs
<b>Cost</b>				
As at 1 July 2024				0
Additions	-	-	-	0
<b>As at 30 June 2025</b>	-	-	-	0
<b>Accumulated Depreciation</b>				
As at 1 July 2024	-	-	-	0
Charge for the year				0
<b>As at 30 June 2025</b>	-	-	-	0
<b>Carrying Amount</b>				
<b>As at 30 June 2025</b>	-	-	-	0

**31. Trade and Other Payables**

Description	Financial year ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Trade payables	10,753,258,977	5,899,119,942
Payments received in advance		
Employee payables	1,175,506,252	288,945,294
Third-party payments		
Other payables		
Adjustments		-
<b>Total trade and other payables</b>	<b>11,928,765,229</b>	<b>6,188,065,236</b>

**32. Refundable Deposits and Prepayments**

Description	Financial year ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Customer deposits	125,388,855	184,770,049
Prepayments		
Other deposits	-	-
<b>Total deposits</b>	<b>125,388,855</b>	<b>184,770,049</b>

**County Executive of Kilifi  
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Notes to the financial statements (continued)

**33. Provisions**

Description	Leave provision	Gratuity Provision	Other provision		Total
	Kshs	Kshs	Kshs		Kshs
<b>Balance b/f</b>					0
Additional provisions					0
Provision utilised					0
Change due to discount and time value for money					0
<b>Total provisions period end</b>	-	-	-		0
Current Provisions					0
Non-Current Provisions					0

**34. Lease Liabilities**

Description	Financial year ended Jun 25	Opening Statement 1st July 2024
	Kshs	Kshs
<b>Balance at the beginning of the period</b>		
Discount interest on lease liability	0	0
Paid during the period		(0)
<b>At end of the period</b>	0	-

Analysed as	Financial year ended June 2025	Opening Statement 1st July 2024
Current lease		
Non-Current lease		
<b>Total Lease period end</b>	-	-

**35. Deferred Income**

Description	Financial year ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
National Government	-	-
International Funders	-	-
Public Contributions and Donations	-	-
<b>Total Deferred Income</b>	-	-

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The deferred income movement is as follows:

	National government	International funders	Public contributions and donations		Total
	Kshs	Kshs	Kshs		Kshs
Balance Brought Forward	-	-	-		0
Additions for the Period	-	-	-		0
Transfers To Capital Fund		-	-		0
Transfers To Income Statement	-	-	-		0
Other Transfers	-	-	-		0
Balance Carried Forward	-	-	-		0

Analysed as:

Description	Amount
Current	-
Non- Current	-

**36. Employee Benefit Obligations**

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits		Financial year ended Mar 2025	Opening Statement 1st July 2024
	Kshs	Kshs	Kshs		Kshs	Kshs
Current Benefit Obligation					0	
Non-Current Benefit Obligation					0	
<b>Total Employee Benefits Obligation</b>	-	-	-		0	0

	Financial year ended June 2025	Opening Statement 1st July 2024
Discount Rates	0%	0%
Future Salary Increases	0%	0%
Future Pension Increases	0%	0%
Mortality (Pre- Retirement)	0%	0%
Mortality (Post- Retirement)	0%	0%
Withdrawals	0	0
Ill Health	0	0
Retirement	period	period

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**Notes to the financial statements (continued)**

**Recognition of Retirement Benefit Asset/ Liability**

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

	<b>Financial year ended June 2025</b>	<b>Opening Statement 1st July 2024</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	0	-
Actuarial gains/ losses arising from changes in financial assumptions	0	-
Actuarial gains and losses arising from experience adjustments	0	-
Others (specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
<b>Remeasurement of the net defined benefit liability (asset)</b>	<b>-</b>	<b>-</b>

b) Amounts recognised in the Statement of Financial Position

	<b>Financial year ended June 2025</b>	<b>Opening Statement 1st July 2024</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Present value of defined benefit obligations(a)		
Fair value of plan assets(b)		
Funded status(=a-b)		
Restrictions on asset recognised		
Others		
Net asset or liability arising from defined benefit obligation		

**37. Borrowings**

<b>Description</b>	<b>Financial year ended June 2025</b>
<b>a) External borrowings</b>	
Balance at beginning of the period	
External borrowings during the period	
Repayments of during the period	
<b>Balance at end of the period</b>	<b>-</b>
<b>b) Domestic borrowings</b>	
Balance at beginning of the period	
Domestic borrowings during the period	
Repayments during the period	
<b>Balance at end of the Period</b>	<b>-</b>
<b>Balance at end of the period- domestic and External borrowings c = (a+b)</b>	<b>-</b>

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**Notes to the financial statements (continued)**

The analyses of both external and domestic borrowings are as follows:

	Financial year ended Jun-25	Opening Statement 1st July 2024
	Kshs	Kshs
<b>External Borrowings</b>		
Dollar Denominated Loan From 'X Organisation'		
Sterling Pound Denominated Loan From 'Y Organisation'		
Euro Denominated Loan from Z Organisation'		
<b>Domestic Borrowings</b>		
Kenya Shilling Loan From KCB		
Kenya Shilling Loan from Barclays Bank		
Kenya Shilling Loan from Consolidated Bank		
<b>Total /Balance at end of The Period</b>	-	-

Description	Financial year ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)		
Long Term Borrowings		
<b>Total</b>	-	-

**38. Service Concession Arrangements Liability**

Description	Financial year ended Jun-25	Opening Statement 1st July 2024
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
<b>Net carrying amount</b>	-	-
Service concession liability at beginning of the period	-	-
Less: Service concession revenue recognized	-	-
Service concession liability at end of the period	-	-

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Notes to the financial statements (continued)

**39. Cash Generated from Operations**

	<b>Financial year ended Jun 2025</b>
<b>Surplus for the year before tax</b>	1,367,001,800
<b>Adjusted for:</b>	
Depreciation	37,277,389
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
<b>Working capital adjustments</b>	
Increase in inventory	-
Increase in receivables ( Exchange)	-
Increase in receivables ( Non-Exchange)	-
Increase in deferred income	-
Increase in payables	-
Increase in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>1,404,279,189</b>

**40. Segment Information**

**41. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

	<i>Financial year ended Jun 2025</i>
	<b>Kshs</b>
<b>Contingent Assets</b>	
Insurance Reimbursements	-
Assets Arising from Determination Of Court Cases	-
Reimbursable Indemnities and Guarantees	-
Receivables From Other Government Entities	-
Others (Specify)	-
<b>Total</b>	<b>-</b>

**Contingent Liabilities**

	<i>Financial year ended Jun 2025</i>
	<b>Kshs</b>
<b>Contingent Liabilities</b>	
Court Case against the County Government of Kilifi	1,386,271,359
Bank Guarantees in Favour of Subsidiary	-
Contingent Liabilities arising from Contracts Including PPPs	-
Others (Specify)	-
<b>Total</b>	<b>1,386,271,359</b>

**County Executive of Kilifi  
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**Notes to the Financial Statements (Continued)**

**42. Capital Commitments**

<b>Capital Commitments</b>	<i>Financial year ended Jun 2025</i>
	<b>Kshs</b>
Authorised for	-
Authorised and Contracted for	-
<b>Total</b>	<b>-</b>

**43. Events after the Reporting Period**

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

**44. Ultimate And Holding Entity**

The Entity ultimate parent is the Government of Kenya.

**45. Currency**

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

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16. Appendices

Appendix I: Statement of Financial Performance for Each Quarter

Description	Notes	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
		Kshs	Kshs	Kshs	Kshs	Kshs
<b>Revenue from non-exchange transactions</b>						
Transfers from CRF	5	1,501,452,089	3,175,295,632	2,466,565,683	8,182,298,014	15,325,611,418
<b>Total revenue</b>		<b>1,501,452,089</b>	<b>3,175,295,632</b>	<b>2,466,565,683</b>	<b>8,182,298,014</b>	<b>15,325,611,418</b>
						-
<b>Expenses</b>						-
Employee costs	6	828,484,221	937,377,575	1,380,131,759	1,677,699,685	4,823,693,239
Use of goods and services	7	205,094,354	504,075,085	658,227,907	1,953,911,969	3,321,309,315
Transfers to other Government Entities	8	-	-	-	-	-
Depreciation and amortization expense	9	37,277,389				37,277,389
Other Grants and Subsidies	10	150,000,000	1,037,330,314	317,374,583	2,864,893,456	4,369,598,353
<b>Total expenses</b>		<b>1,220,855,963</b>	<b>2,478,782,974</b>	<b>2,355,734,249</b>	<b>6,496,505,110</b>	<b>12,551,878,295</b>
Taxation	19	-				-
<b>Net Surplus/Deficit</b>		<b>280,596,126</b>	<b>696,512,658</b>	<b>110,831,434</b>	<b>1,685,792,904</b>	<b>2,773,733,123</b>

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

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Date expect the issue to be resolved)</b>
<b>2021-2022</b>				
Inaccuracies in the Financial Statements				
1.1	Variance between County Revenue Fund and County Executive transfers	Detailed explanations to observation given in the Audit response	Resolved	N/A
1.2	Variance between County Executive and County Assembly transfers	Detailed explanations to observation given in the Audit response	Resolved	N/A
2.1	Unsupported Bank Balances	Detailed explanations to observation given in the Audit response	Resolved	N/A
2.2	Unsupported Prior Year Adjustment	Detailed explanations to observation given in the Audit response	Resolved	N/A
2.3	Variance in Bank Balances brought forward	Detailed explanations to observation given in the Audit response	Resolved	N/A
3.0	Unsupported Accounts Payables-Deposits and Retentions	Detailed explanations to observation given in the Audit response	Resolved	N/A
4.1	Hospitality Supplies and Services. Payment vouchers and supporting documents were not provided for audit.	Detailed explanations to observation given in the Audit response	Resolved	N/A
4.2	Legal Services Expenses.	Detailed explanations to observation given in the Audit response	Not Resolved	2024-2025

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Date expect the issue to be resolved)</b>
	Details of the legal matters handled were not provided for audit and the engagement of legal consultant was contrary to Section 16 of the Office of the County Attorney Act, 2020			
4.3	Routine Maintenance of Other Assets. development expenditure wrongly charged to the recurrent budget. Amount was not disclosed as pending bills in the prior year. The expenditure lacked survey reports.	Detailed explanations to observation given in the Audit response	Resolved	2024-2025
5.0	Pending Bills which had an unexplained and unreconciled variance	Detailed explanations to observation given in the Audit response	Resolved	N/A
6.0	Unsupported Cash Requests for Exchequer releases	Detailed explanations to observation given in the Audit response	Resolved	N/A
Other Matters				
1.0	Budgetary Control and Performance. An under-funding of Kshs.3,411,894,514 or 23% and an under-expenditure of Kshs.3,483,138,831 or 23% of the budget.	Detailed explanations to observation given in the Audit response	Resolved	N/A
2.0	Unsupported Supplementary Budget and Unexplained Variances	Detailed explanations to observation given in the Audit response	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Date expect the issue to be resolved)
3.0	Unexplained Budgetary Variances and Re-allocations	Detailed explanations to observation given in the Audit response	Resolved	2024-2025
<b>Report On Lawfulness and Effectiveness in Use of Public Resources</b>				
1.0	Irregular payment of allowances to hired police officers	Detailed explanations to observation given in the Audit response	Resolved	2024-2025
2.0	Unexplained Expenditure on Emergency Relief	Detailed explanations to observation given in the Audit response	Resolved	2024-2025
3.0	Doubtful Legal Fees for Drafting of Revenue Collection Agreement	Detailed explanations to observation given in the Audit response	Not Resolved	2024-2025
4.0	Anomalies in Outsourced Revenue Collections	Detailed explanations to observation given in the Audit response	Resolved	2024-2025
<b>Report on effectiveness of internal control, Risk management and Governance</b>				
1.1	Irregular staff recruitment	Detailed explanations to observation given in the Audit response	Resolved	N/A
1.2	Non-Compliance with the Law on Staff Ethnic Composition	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
2.0	Failure to Provide Housing Benefit to the Deputy Governor	Detailed explanations to observation given in the Audit response	Not Resolved	2024-2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Date expect the issue to be resolved)
2022-2023				
<b>Basis for Qualified Opinion</b>				
1.0	Inaccuracy in Receipts Amount and Opening Balance	Detailed explanations to observation given in the Audit response	Resolved	2024-2025
2.0	Unsupported Payments on Emergency Relief and Refugee Assistance	Detailed explanations to observation given in the Audit response	Resolved	2024-2025
3.0	Unsupported Payments on Cash Transfer Programme	Detailed explanations to observation given in the Audit response	Resolved	2024-2025
4.0	Unsupported Purchase of Boats	Detailed explanations to observation given in the Audit response	Resolved	2024-2025
5.0	Inaccurate and Excessive Period of Withheld Deposits and Retentions Balance	Detailed explanations to observation given in the Audit response	Resolved	2024-2025
6.0	Inaccuracies in Acquisition of Assets	Detailed explanations to observation given in the Audit response	Resolved	2024-2025
7.0	Long Outstanding Other Accounts Receivables	Detailed explanations to observation given in the Audit response	Not Resolved	2024-2025
<b>Emphasis of Matters</b>				
1.0	Budgetary Control and Performance	Detailed explanations to observation given in the Audit response	Not Resolved	2024-2025

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Date expect the issue to be resolved)</b>
2.0	Outstanding Pending Bills	Detailed explanations to observation given in the Audit response	Not Resolved	2024-2025
<b>Report on Lawfulness and Effectiveness In use of Public Resources</b>				
1.0	Payment of Salaries Outside the Integrated Personnel and Payroll Database (IPPD)	Detailed explanations to observation given in the Audit response	Resolved	2024-2025
2.0	Failure to Comply with Two Thirds Deductions Rule	Detailed explanations to observation given in the Audit response	Not Resolved	2024-2025
3.0	Failure to Observe Ethnic Diversity	Detailed explanations to observation given in the Audit response	Not Resolved	2024-2025
4.0	Irregular Procurement of Certified Seeds, Breeding Stock and Live Animals	Detailed explanations to observation given in the Audit response	Resolved	2024-2025
5.0	Delay in Construction of Kilifi County Hospital Phase 2	Detailed explanations to observation given in the Audit response	Resolved	
6.0	Delayed Payment of Certificates	Detailed explanations to observation given in the Audit response	Not Resolved	2024-2025
7.0	Unserviceable Motor Vehicles and Equipment	Detailed explanations to observation given in the Audit response	Not Resolved	2024-2025
8.0	Failure to Account for Long Outstanding Imprests	Detailed explanations to observation given in the Audit response	Resolved	2024-2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Date expect the issue to be resolved)
9.0	Irregular Payments to the Council of Governors	Detailed explanations to observation given in the Audit response	Not Resolved	2024-2025
<b>Report on Effectiveness of Internal Controls, Risk Management and Governance</b>				
1.0	Lack of Risk Management Policy	Detailed explanations to observation given in the Audit response	Not Resolved	2024-2025
2.0	Failure to have a County Public Service Board	Detailed explanations to observation given in the Audit response	Resolved	
<b>2023-2024</b>				
<b>Basis for Qualified Opinion</b>				
1.0	Inaccurate Statement of Comparison of Budget and Actual Amounts	Detailed explanations to observation given in the Audit response	Resolved	N/A
2.0	Inaccurate Transfers from County Revenue Fund	Detailed explanations to observation given in the Audit response	Resolved	N/A
3.0	Inaccurate and unsupported payments on compensation of Employees	Detailed explanations to observation given in the Audit response	Resolved	N/A
4.0	Long outstanding and unsupported imprests and advances balance	Detailed explanations to observation given in the Audit response	Not Resolved	2025/2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Date expect the issue to be resolved)
5.0	Inaccurate and long outstanding deposits and retentions balance	Detailed explanations to observation given in the Audit response	Not Resolved	2025/2026
6.0	Inaccurate and unsupported pending bills balance	Detailed explanations to observation given in the Audit response	Resolved	N/A
7.0	Unsupported Payments on Emergency Relief and Refugee Assistance	Detailed explanations to observation given in the Audit response	Resolved	N/A
8.0	Unsupported payments on construction and Civic Works	Detailed explanations to observation given in the Audit response	Resolved	N/A
<b>Emphasis of Matters</b>				
1.0	Budgetary Control and Performance	Detailed explanations to observation given in the Audit response	Not Resolved	2025/2026
<b>Report on Lawfulness and Effectiveness In use of Public Resources</b>				
1.a	Failure to observe Ethnic diversity	Detailed explanations to observation given in the Audit response	Not Resolved	2025/2026
1.b	Failure to adhere to a third rule on basic pay	Detailed explanations to observation given in the Audit response	Not Resolved	2025/2026
1.c	Irregular promotion of staff	Detailed explanations to observation given in the Audit response	Resolved	N/A
1.d	Irregular retention of employees beyond retirement age	Detailed explanations to observation given in the Audit response	Resolved	N/A

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Date expect the issue to be resolved)</b>
2.0	Irregular payment of training expenses	Detailed explanations to observation given in the Audit response	Not Resolved	2025/2026
3.0	Irregular Payments on Legal Services	Detailed explanations to observation given in the Audit response	Not Resolved	2025/2026
4.0	Irregular Procurement of Works on Construction of Roads	Detailed explanations to observation given in the Audit response	Resolved	N/A
5.0	Irregular Procurement of Consultancy Services	Detailed explanations to observation given in the Audit response	Resolved	N/A
6.0	Irregular Payments on Procurement of Internet Services	Detailed explanations to observation given in the Audit response	Not Resolved	2025/2026
7.0	Irregular Payments to the Council of Governors	Detailed explanations to observation given in the Audit response	Not Resolved	2025/2026
8. i	Failure to Mobilize Resources for Construction of County Aggregation and Industrial Park	Detailed explanations to observation given in the Audit response	Not Resolved	2025/2026
8. ii	Irregular Payments for Construction of Mtwapa Law Courts	Detailed explanations to observation given in the Audit response	Not Resolved	2025/2026
9. i	Failure to Fully Implement County Integrated Hospital Management Information System	Detailed explanations to observation given in the Audit response	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Date expect the issue to be resolved)
9. ii	Irregular Advance Payment for Supply and Delivery of Computed Tomography (CT) Scan Machine	Detailed explanations to observation given in the Audit response	Resolved	N/A
9. iii	Dormant Incinerator and X-Ray Machine	Detailed explanations to observation given in the Audit response	Resolved	N/A
10.0	Irregular Payments on Other Current Transfers, Grants and Subsidies	Detailed explanations to observation given in the Audit response	Resolved	N/A
11.0	Unserviceable Motor Vehicles and Equipment	Detailed explanations to observation given in the Audit response	Not Resolved	2025/2026
12.0	Irregular Payments on Office Furniture and General Equipment	Detailed explanations to observation given in the Audit response	Resolved	N/A
<b>Report on Effectiveness of Internal Controls, Risk Management and Governance</b>				
1.0	Failure to Act on Internal Audit Reports	Detailed explanations to observation given in the Audit response	Not Resolved	2025/2026



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Hezekiah Nguma Mwarua  
Chief Officer – Finance  
25/11/2025

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Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Rehabilitation and restoration of Sabaki primary school and its surrounding landscape due to extreme soil erosion in Sabaki ward, Magarini Sub-county	Rehabilitation and restoration of Sabaki primary school and its surrounding landscape due to extreme soil erosion in Sabaki ward, Magarini Sub-county	Ensure soil erosion is controlled	1. Construction of gabions 2. Building terraces 3. Sabaki primary school landscaping 4. Tree planting in the gulleys, school and communities. 5. Installation of roof water harvesting/underground infrastructure in Sabaki primary school. 6. Agriculture extension services to neighbouring communities on smart agriculture.				12,807,615	IDA	County Government of Kilifi
Rehabilitation of Murengi-Benesi water pan in Majajani (1750 household) in Mnarani ward, Kilifi North Sub-county	Rehabilitation of Murengi-Benesi water pan in Majajani (1750 household) in Mnarani ward, Kilifi North Sub-county	Ensure there enough water house holds	1. Construction of spillway 2. Dam perimeter fencing 3. water tank for storage, 4. Installation of solar panels for pumping and lighting, 5. Construction of a toilet, 6. excavation of side well, 7. Construction of cattle trough, 8.				0	IDA	County Government of Kilifi

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			construction of a tree nursery shade for tree nursery establishment.						
		Ensure there enough water house holds	1. Construction of spillway 2. Dam perimeter fencing 3. water tank for storage, 4. Installation of solar panels for pumping and lighting, 5. Construction of a toilet 6. excavation of side well, 7. Construction of cattle trough, 8. construction of a tree nursery shade for tree nursery establishment.					IDA	County Government of Kilifi
Rehabilitation of Kobero earth pan in Kanagoni A2 village in Adu ward, Magarini subcounty	Rehabilitation of Kobero earth pan in Kanagoni A2 village in Adu ward, Magarini subcounty		1. Construction of spillway 2. Dam perimeter fencing 3. water tank for storage, 4. Installation of solar panels for pumping and lighting, 5. Construction of a toilet 6. excavation of side well, 7. Construction of cattle trough, 8. construction of a tree nursery shade for tree nursery establishment.				0		
Rehabilitation of Bakebuku water pan in Magarini ward, Magarini sub-county	Rehabilitation of Bakebuku water pan in Magarini ward, Magarini sub-county	Ensure there enough water house holds	1. Construction of spillway 2. Dam perimeter fencing 3. water tank for storage, 4. Installation of solar panels for pumping and lighting, 5. Construction of a toilet, 6. excavation of side well, 7. Construction of cattle trough, 8. construction of a tree nursery shade for tree nursery establishment.				0	IDA	County Government of Kilifi

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Installation of water harvesting structures in 22 ECD schools in Jilore ward, Malindi Subcounty	Installation of water harvesting structures in 22 ECD schools in Jilore ward, Malindi Subcounty	Ensure there enough water in schools	1. Procurement of 10,000litre water tanks (one each school) 2. Installation of gutters and water tank accessories, 3. Construction of a plinth				20,296,474	IDA	County Government of Kilifi
Establishment of a commercial tree nursery at Mbarakachembe Primary School for assorted seedlings for community tree growing program in Watamu ward, Kilifi North subcounty	Establishment of a commercial tree nursery at Mbarakachembe Primary School for assorted seedlings for community tree growing program in Watamu ward, Kilifi North subcounty	Ensure there is forest cover	1. Construction of a nursery shade/store, 2. Perimeter fencing of half an acre, 3. Drilling of a borehole, 4. Purchase of a storage water tank, 5. Purchase of tree nursery equipment, 6. Initial supply of certified seeds.				8,474,010	IDA	County Government of Kilifi
Construction of water pan at Dera- Kwa Kashuru in Kibarani ward, Kilifi North Sub-county	Construction of water pan at Dera- Kwa Kashuru in Kibarani ward, Kilifi North Sub-county	Ensure there enough water house holds	1. Survey and design, 2. Construction of the water pan, 3. Construction of perimeter fencing, 4. Installation of a storage tank, 5. Installation of solar panels for pumping & lighting, 6. construction of a toilet, 7. Excavation of a side well,				0	CGK	County Government of Kilifi

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			8. Construction of a cattle trough, 9. construction of a tree nursery shade/store for tree nursery establishment.						
Roof water harvesting structures for promotion of kitchen gardening at household level targeting 100 vulnerable household (PWDs, female headed family, elderly headed household, young female headed family) in Dabaso ward, Kilifi North sub-county		Ensure there enough water households and there is food security	1. Identification of 100 vulnerable households in Dabaso ward. 2. Purchase of 100 water tanks (10,000litres each), 3. Installation of gutters and water tanks accessories, 4. Construction of the plinth, 5. Training beneficiaries on kitchen gardening.				24,042,189	IDA	County Government of Kilifi
Supply and delivery of indigenous tree seedlings		Ensure there is forest cover	Supply and delivery of indigenous tree seedlings				2,999,999	IDA	County Government of Kilifi
Supply and delivery and commissioning of traditional beehives		Apiculture farmers livelihood improved	Supply and delivery and commissioning of traditional beehives				2,998,560	IDA	County Government of Kilifi
Supply and delivery and commissioning of traditional beehives		Apiculture farmers livelihood improved	Supply and delivery and commissioning of traditional beehives				2,997,600	IDA	County Government of Kilifi
Supply and delivery and commissioning of traditional beehives		Apiculture farmers	Supply and delivery and commissioning of traditional beehives				2,995,200	IDA	County Government of Kilifi

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		livelihood improved							
Supply and delivery and of PPEs for Apiculture		Apiculture farmers livelihood improved	Supply and delivery and of PPEs for Apiculture				2,998,700	IDA	County Government of Kilifi
Proposed Kaya Mudzi Muvya rehabilitation of nursery accessories		Ensure there is forest cover	Supply and delivery of nursery accessories				2,999,996	IDA	County Government of Kilifi
Proposed solarization of Miami Borehole		Ensure there is water for house hold for domestic use	Construction of Miami borehole In Malindi				2,999,940	IDA	County Government of Kilifi
Proposed drilling and equipping of Mtangani Borehole		Ensure there is water for house hold for domestic use	Construction of Mtangani borehole in Malindi				4,971,680	IDA	County Government of Kilifi
Proposed water harvesting structures for 4 schools at Kilifi North Subcounty		Ensure there is water for house hold for domestic use	Water Harvesting structure delivered and constructed				4,999,672	IDA	County Government of Kilifi
Proposed water harvesting structures for 4 schools at Magarini Subcounty		Ensure there is water for house hold for domestic use	Water Harvesting structure delivered and constructed				4,999,672	IDA	County Government of Kilifi
Climate Smart agriculture – On farm ponds for 10 household individual farmer level in Bamba ward, Ganze subcounty.		Ensure there is food security	1. Excavation of the farm pond 2. Laying of the dam liner, 3. construction of a silt trap, 4. Agricultural extension				0	IDA	County Government of Kilifi

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		Ensure there is water for house hold for domestic use	<ol style="list-style-type: none"> <li>1. Construction of spillway</li> <li>2. Dam perimeter fencing</li> <li>3. water tank for storage,</li> <li>4. Installation of solar panels for pumping and lighting,</li> <li>5. Construction of a toilet,</li> <li>6. Excavation of side well,</li> <li>7. Construction of cattle trough,</li> <li>8. construction of a tree nursery shade for tree nursery establishment.</li> </ol>					IDA	County Government of Kilifi
Rehabilitation of Kwa Karisa Hare - (Mirihini) water pan in Ganze ward Ganze subcounty.							0		
Upscaling restoration of Kaya Mudzi muvya by planting 100,000 indigenous seedlings in Rabai Kisurutini ward, Rabai sub-county		Improvement of forest cover	<ol style="list-style-type: none"> <li>1. Procurement of 100,000 seedlings of indigenous tree species.</li> <li>2. Establishment of an indigenous tree nursery for continued restoration program</li> </ol>				18,891,022	IDA	County Government of Kilifi

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Appendix VII: Disaster Expenditure Reporting Template

Column I Programme	Column II Sub-programme	Column III Disaster Type	Column IV Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Column V Expenditure item	Column VI Amount (Kshs.)	Column VII Comments
Disaster risk management	Disaster preparedness, mitigation, response and recovery	Drought	-Drought risk planning and management -Humanitarian assistance -relief food distribution to affected persons	2640299	28,376,138	Funds to be increased to 70million
		Floods	-Floods risk planning and management -Humanitarian assistance -relief food and non-food items distribution to affected persons	2640299	24,864,273	Funds to be increased to 40million
		Fires	-Disaster risk planning and management -Purchase of fire and rescue equipment -Humanitarian assistance -relief food and non-food items distribution to affected persons	2640299	13,995,433	Funds to be increased to 30million
		strong winds, human-wild life conflict and other emerging emergencies	-Disaster risk planning and management -Humanitarian assistance -relief food and non-food items distribution to affected persons	2640299	13,995,433	Funds to be increased to 50million
	Beach safety	sea emergencies	-Disaster risk planning and management -Purchase of sea safety and response equipment -Humanitarian assistance -relief food and non-food items distribution to affected persons	2640299	13,995,433	Funds to be increased to 50million
	Disaster risk and governance Advocacy		General administration	2640299	2,045,400	Fund to be increased to 5million
Special program	Social protection	Social protection to vulnerable persons	Cash transfers to elderly and orphans and vulnerable children	2640299	25,890,000	Funds to be increased to 60million

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Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land	-	1,394,446	-	-	1,394,446
Buildings and structures	-	360,322,943	-	-	360,322,943
Transport equipment	-	63,044,864	-	-	63,044,864
Office equipment, furniture and fittings	-	127,848,791	-	-	127,848,791
ICT Equipment	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-
Biological assets	-	-	-	-	-
Infrastructure Assets- Roads, Rails	-	2,196,436,026	-	-	2,196,436,026
Heritage and cultural assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Specialized Equipment	-	254,433,650	-	-	254,433,650
Work in Progress	-	-	-	-	-
<b>Total</b>	-	<b>3,003,480,719</b>	-	-	<b>3,003,480,719</b>

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**APPENDIX IX: CONTINGENT LIABILITIES REGISTER'**

	NATURE OF CONTINGENT LIABILITY	PAYABLE TO	CURRENCY	ESTIMATED AMOUNT KSHS	EXPECTED DATE OF PAYMENT	REMARKS
1	PETITION NO 19 OF 2013 MAMDUH MOHAMED TAIB VS KILIFI COUNTY COUNCIL Dispute with regards to payment of rates on agricultural land Petition dismissed with costs on 26th February 2016. Petitioner appealed however it was settled amicably in terms of classification of the property rates	Lewa & Associates Advocates	KSHS.	16,862,200.00		Petition dismissed with costs on 26th February 2016. Petitioner appealed however it was settled amicably in terms of classification of the property rates
2	MLD HC JR 1 OF 2014 REPUBLIC VS COUNTY SECRETARY AND OTHERS AND SALAH HOLDINGS COMPANY LIMITED. Tender award for the upgrading and operation of a slaughter house at uwanja wa ndege rabai sub county	Madzayo mrima advocates	KSHS.	3,840,000.00		25.02.2014 court dismissed the application.
3	MLD ELC 43 OF 2014 RUEBEN MULWA KIOKO VS COUNTY GOVERNMENT OF KILIFI AND OTHERS Cancellation of approved development plans and enforcement order dated 5th march 2014	Madzayo mrima advocates	KSHS.	13,000,000.00		

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4	INDUSTRIAL COURT CAUSE 164 OF 2014 GEORGE C GUNGA AND 44 OTHERS VS COUNTY GOVERNMENT OF KILIFI COUNTY SECRETARY AND RAINDROPS LIMITED Absorption of former employees of municipal council of malindi. Compensation of claimants for unpaid overtime. Replacement of revenue officers due to a tender awarded to a revenue collection company	Robinson Malombo Advocates	KSHS.	1,200,000.00		
5	KLF SRMCC 45 OF 2013 DANIEL JOLA SAFARI VS TOWN COUNCIL OF KILIFI Road traffic accident on 14th february 2012 by motor vehicle KBQ 124D	Madzayo mrima advocates	KSHS.	119,422.00		Settled out of court after negotiations from 3rd March 2014 on the compensation for the injuries suffered by plaintiff to the sum of KES 112,390 on 18th April 2014
6	ELC NO 278 OF 2016 PREMLAL RAMNATH GUPTA -VS- CGK & ANOTHER Claim of ownership on land known as Kilifi/TOWNSHIP/Block IV/37 Claim of trespass on land Known as KILIFI/TOWNSHIP/ BLOCK IV/37	Munyao Muthama Kashindi	KSHS.	10,000,000.00		
7	KALOLENI SRMCC NO 17 OF 2007 ENOS AYUB VS TOWN COUNCIL OF MARIAKANI AND ANOTHER 7TH April 2007 Order of injunction restraining the defendant from demolishing the plaintiff's houses on plot 91 at uwanja wa ndege	Madzayo mrima and company advocates		8,500,000.00		Judgment 5th December 2018
8	MLD HCC 147 OF 2010 TOWN COUNCIL OF KILIFI VS ISAAC JUMA OBILA T/A LAVINGTON MILK BAR 6th December 2010 Recovery of plot numbers 5054/ 771 5054/772 5054/773 obtained fraudulently by the defendant	Madzayo mrima and Company advocates	KSHS.	1,500,000.00		Judgment 2nd May 2017 delivered 12th May 2017

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9	MLD HIGH COURT CIVIL CASE 94 OF 2006 COUNTY COUNCIL OF KILIFI VS THE ATTORNEY GENERAL 16TH NOVEMBER 2006 Rent arrears for houses at Kilifi town and Kaloleni township	Madzayo mrima and Company advocates	KSHS.	5,790,000.00		Consent with AG in August 2015
10	MLD ELC 81 OF 2014 CLIFTON BAY VS COUNTY GOVERNMENT OF KILIFI Claim for special damages of kes 240,320 declaration that the plaintiff is the lawful owner of Kilifi Madeteni 410 and 414	Munyao muthama Kashindi advocates	KSHS.	170,248,320.00		Dismissed for want of prosecution 25th July 2018
11	MLD ELC 224 OF 2014 LAMU BREEZE INVESTMENTS VS COUNTY COUNCIL OF KILIFI Declaration that consolidation of plot number 10159 and 10160 and the certificate of consolidation issued null and void	Madzayo mrima Advocates		10,000,000.00		Judgment 22nd November 2019. Awaiting hearing of appeal.
12	MLD HC CIVIL MISC CASE 8 OF 2014 COUNTY GOVERNMENT OF KILIFI VS GLADYS KALAMA AND ANOTHER An order for stay of execution of the order issued in KLN CMCC 152 OF 2013	Muturi Gakuo kibaara advocates	KSHS.	500,000.00		Ruling delivered 31st July 2014
13	MLD CMCC 165 OF 2014 LIVE LINK HOLDINGS VS COUNTY GOVERNMENT OF KILIFI AND OTHERS 13TH JUNE 2014 Advert on 26th May 2014 inviting bids from qualified	Madzayo Mrima Advocates letter of instructions	KSHS.	5,000,000.00		

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14	MOMBASA HC PET.56/2013 Consolidated with ELC 51/2014,KELVIN MUMBA KAJIWE & ANO -VS- IBRAHIM MUSA & 4 OTHERS 20th June 2003 Damages on the footing of aggravated or exemplary damages Cancellation and or revocation of the title deeds for parcel of land known as Mazeras mgumo patsa /600 Mazeras mgumo patsa 601	Madzayo Mrima Advocates	KSHS.	11,780,000.00		Dismissed on 20th July 2022
15	MALINDI RMCC 169/2007,FRITZ HAUSER VS MCM 30th May 2007 Outstanding Rates	Kithi & Co. Advocates		144,917.00		
16	MALINDI ELRC NO.788OF 2017, TIMOTHY MALINGI VS COUNTY GOVERNMENT OF KILIFIEMPLOYMENT CLAIM	Munyao muthama Kashindi Advocates	KSHS.			Pending ruling to the Respondent's Notice of Preliminary Objection dated 18.09.2017
17	Malindi Civil Appeal No. 126 of 2018, Oscar Mumo Nzanah vs Tsangwa Ngala Chome and Others Appeal against the judgment in ELC Case No. 243 of 2014 at Malindi previously MSA HCCC No. 95 of 2011 Tsangwa Ngala Chome vs Town Council of Mariakani	Muturi Gakuo & Kibara Advocates	KSHS.	1,500,000.00		Appeal was heard virtually on 07.06.2023
18	Mariakani Civil Suit No. 113 of 2018, Shadrack Nyanje & 9 Others vs Peter Msuko & 3 Others Suit seeking to restrain the Defendants from demolishing stalls at Mtwapa.	John Bwire & Associates Advocates	KSHS.	1,000,000.00		In a judgement dated 16.02.2022 the suit was dismissed.
19	Kilifi Civil Suit No. 376 of 2018, Ali Shida Chai & 6 Others vs Chief Officer, Education & ICT & Another Suit seeking to restrain replacement of Kibarani Ward Scholarship Committee	John Bwire & Associates Advocates		750,000.00		Defence Hearing was on 19.09.2023

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20	Malindi ELRC Pet. No. 21 of 2021, Boniface S. Katana & 10 Others vs Director NEMA & 2 Others Seeking restraining orders over the dump site at Mtwapa against the Defendant	John Bwire & Associates Advocates	KSHS.	7,500,000.00		In a judgement dated 25.09.2020 the suit was dismissed
21	Mombasa Kadhis Court SUCC. Cause No. 143 of 2014, In the matter of the estate of Omar Mohamed (Deceased) vs Swaleh Faraj Suit seeking compensation of Kshs. 300,000,0000 plus costs for land lost	John Bwire & Associates Advocates	KSHS.	10,000,000.00		Mentioned on 29.09.2021 to confirm compliance
22	Malindi ELC Pet. No. 22 of 2017, Fredrick Ndune Japhet & Others vs County Government of Kilifi & 2 Others Seeking orders that the subject suit property was compulsorily acquired.	Madzayo Mrima & Jadi Advocates	KSHS.	2,000,000.00		Matter stood over generally on 23.07.2018.
23	Kilifi SPMCC No. 633 of 2019, Dickson Mwatsuma vs KURA & Another Claim seeking damages for unfair termination.	Muthee Kihiko Soni & Associates LLP		2,500,000.00		Matter came up for hearing on 30.05.2023
24	Kilifi Chief Magistrate's Court ELRC No. 38 of 2021 Bungo Chirao Alphonse-vs- The County Government of Kilifi. 11th June, 2021 This is an employment matter where the claimant claims unfair termination and prays for damages for unlawful dismissal.	County Attorney	KSHS.	297,000.00		Mention for Submission On 14th December, 2023
25	Kilifi Chief Magistrate's Court ELRC No. 37 of 2021 Anthony Kirao This is an employment matter where the Claimant claims unfair termination and Mweni-vs- The County Government of Kilifi. 11th June, 2021	County Attorney	KSHS.	264,000.00		Mention for Submission On 14th December, 2023

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26	Kilifi Senior Magistrate's Court Civil Suit No. 22 of 2021 Joymac Kenya Limited- vs- County Government of Kilifi 16th March, 2021 This is a contractual matter, where the Plaintiff claims general damages for breach of contract.	County Attorney	KSHS.	3,959,138.00		Mention for Submission on 10th January, 2024
27	Spmcc No. E007 Of 2023 Klf Neville Amugada Keiza -Vs- Lisper Wanjiru Karithii T/A Bianva Investments And 2. County Government Of Kilifi 16th Jan 2023 In The Matter The Plaintiff Seeks An Order Restraining County Government Kilifi of From Paying For Some Tenders Until The 1st Defendant Pays The Applicant All The Money Accruing To Him Out Of An Agreement They Entered With The 1st Defendant Before The Financing Of The Tender	County Attorney		3,580,120.00		
28	David Wanyoike Muigai T/ABemu Guest House- Vs- Tembo Pub C/O Rosemary Manene, Kickoff Pub C/O Samson Maina, County Government of Kilifi And Nema 14th December 2022 Matter On Noise Pollution Emanating From A Pub. -Application Dated 14.12.2023 Seeking An Injunction Restraining The Defendants To Stop Playing Loud Music And An Order Directing Cgk Department Of Environment And Nema To Enforce All Law Pertaining To Noise Pollution And Vibration Emanating From The Pub	County Attorney	KSHS.	382,000.00		Inter Parte Hearing on 11th December, 2023

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29	Malindi Civil Suit no. 206 OF 2009 Janet Nderitu T/A Elite School of Careers -Versus- Municipal Council of Malindi for contract to provide computer training facilities to the Defendant's members of staff for a period of 4 months. Defendant failed to pay the agreed sum when it was due.		KSHS.	259,860.00		judgment was entered on 27th July, 2009 in favour of the Plaintiff. Certificate of Cost issued on 11th August, 20
30	Malindi HCCC no. 9 of 2005 Mohamed Hassan Sheikh -Versus- Municipal Council of Malindi Claim of Kshs. 9.6 million and damages and counter claim in the amount of Kshs. 560.000/=	Khaminwa and Khaminwa Advocates	KSHS.	1,568,125.00		Judgment was entered for the Plaintiff on 18th May, 2006
31	MISC Civil Case No. 497 of 2007 - Watamu Residents Association -Versus- Municipal Council of Malindi Application for Advocate/Client Bill of Costs.	Mtalaki Mwashimba & Company Advocates	KSHS.	7,575,060.00		Bill of Costs was taxed on 15th November, 2012
32	Mombasa HCC no. 103 of 2016 - County Government of Kilifi -Versus- O.M Robinson & Company Advocates County Government of Kilifi -Versus- O.M Robinson & Company Advocates Claim against O.M Robinson & Co. for payment of monies from recovery of land rates from Agricultural Development Corporation	John Bwire & Associates Advocates	KSHS.	1,314,752.00		Matter was to come up for mention on 25th October, 2018 when ruling in HCCC no. 631 of 2016 would be delivered
33	Malindi SRMCC no. 36 of 2008 Municipal Council of Malindi -Versus- Augustino Rico Claim for arrears of land rates	Machuka & Company Advocates		597,038.00		Matter was fixed for dismissal for want of prosecution on 28th January, 2014
34	Malindi Civil case no. 39 of 2010 Jackson Karisa -Versus- Municipal Council of Malindi Breach of Contract after construction of classroom at Ganda Polytechnic	No representation	KSHS.	942,131.00		Matter was settled. Defendant paid the claimed amount.
35	Ben Ochieng & Co. Advocates -vs- Municipal Council of Malindi Application for Bill of Costs of Taxation	Muli & Ole Kina Advocates	KSHS.	7,737,197.00		Matter was settled. Bill of costs was paid as taxed.

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36	MLD ELRC no. 62 of 2017 Julius Amon Mwanda - vs- CGK Claim for salary arrears amounting to Kshs. 171,181.40/=	John Bwire & Associates Advocate	KSHS.	207,040.95		Matter was scheduled for delivery of ruling on 24th October, 2019 on issue of costs
37	NRB MISC APPL no.139 of 2014 Republic -vs- Capital Markets Authority NRB APPL no.92 of 2014 Vania Investment Pool Ltd -vs- Capital Markets Authority	Steve Kithi & Co. Advocates		2,039,920.00		
38	PMCC No. 95 of 2015 Kleen Homes Security Services LTD versus Chief Officer Medical Services & 3 Others	Lewa & Associates Advocates	KSHS.	300,000.00		
39	Malindi HCC No. 29 of 2016 Epcobuilders Ltd vs The County Government of Kilifi Plaintiff seeking special damages for loss of profit, general damages for loss of business opportunity, cost of obtaining tender security, cost of obtaining performance guarantee and interest on all the items	John Bwire & Associates Advocates	KSHS.	89,938,164.00		Matter withdrawn by consent of both parties
40	Kifi SRMCC No. 400 of 2010 No pleadings on file therefore unable to tell nature of claim	Madzayo Mrima & Jadi Advocates	KSHS.	161,920.00		waiting response to our letter dated 21st December 2015
41	Malindi ELC No. 9 of 2016 The County Government of Kilifi vs Daniel Ricci The Plaintiff is seeking an order of declaration against the Defendant that the suit property known as Kilifi/Chemebe Kibabamshe/427 is public land vested in the Plaintiff to hold in trust of the constituents of Kilifi County A permanent injunction do issue restraining the Defendant from demolishing or in any way interfere with the public use, access and occupation of the fish depot built on the 60 meter reserve land adjoining land known as Chembe/kibabamshe/427	John Bwire & Associates Advocates		30,000,00		Awaiting feedback on our letter dated 19/09/2023 from the client department.

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42	Malindi HCC No. 26 of 2016 Digital Savanna Ltd vs The County Government of Kilifi Plaintiff is seeking an award of Kshs. 7,079,147.00/=	Madzayo Mrima & Jadi Advocates	KSHS.	7,079,147.00		
43	Malindi CMCC No. 30 of 2017 Simeon Peter Menza T/A Grenza Enterprises vs The County Government of Kilifi Plaintiff is seeking an order that the Defendant pays him the sum of Kshs. 3,497,000.00/= in respect of goods supplied.	John Bwire Associates & Advocates	KSHS.	3,497,000.00		Matter was dismissed for want of prosecution on 21/03/2022
44	Malindi Court of Appeal Civil Appeal No. 47 of 2013 Sheikh Ali Taib vs The Kilifi County Council & another Appeal against judgment in Malindi HCC No. 72 of 2008	Madzayo Mrima & Jadi Advocates	KSHS.	1,763,200.00		
45	Malindi Appeal Case No. 66 of 2015 consolidated with elc 36 of 2015, Amir Ahmed & Amne Faud Washow vs Katana Chai & 196 Others Appeal against judgement delivered on 06.05.2020.	Madzayo Mrima & Jadi Advocates		5,000,000.00		Minutes of the Kadzuhoni Land Committee meetings were forwarded to the County Attorney on 18.02.2022
46	MSA HCC NO. 91 OF 2017, ANAIDA INVESTMENTS LTD VS COUNTY GOVERNMENT OF KILIFI 29.09.2017 Suit seeking that the plaintiff be allowed to pay kshs.120 per ton instead of Kshs. 1000 as enacted in the Finance Act.	Munyao Muthama & Kashindi Advocates	KSHS.	2,000,000.00		Letter instructing the firm dated 19.10.2017
47	MALINDI HC MISC. APPLN. NO. 8 OF 2017, KILONZO & AZIZ CO. ADVOCATES VS COUNTY GOVERNMENT OF KILIFI & ANOTHER Taxation of Advocate-client bill of costs Kshs. 494,324.5.72	Kibara Advocates		600,000.00		Letter instructing the firm to negotiate dated 29.04.2019
48	MOMBASA CIVIL SUIT NO. 154 OF 2012, BIMBITA MGALA NZUMBA & 47 OTHERS VS FREEDOM LTD & 14 OTHERS Suit seeking to stop construction on the subject property.	Martin Tindi & Co. Advocates		1,000,000.00		Letter from the firm updating the county dated 22.09.2017

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49	MALINDI ELRC CASE NO. 76 OF 2017, FIKIRI FREDRICK YAA VS COUNTY GOVERNMENT OF KILIFI Claim for 3,806,559.75 for unfair dismissal.	Munyao Muthama & Kashindi Advocates		70,000,000.00		Ruling dated 21.06.2022 allowing the claimant to amend the pleadings.
50	MSA KADHI'S COURT SUCC. CAUSE NO. 143 OF 2014, IN THE MATTER OF THE ESTATE OF OMAR MOHAMED (DECEASED) VS SWAHA FARAJ (suing on behalf of the estate of SAID FARAJ Suit seeking orders to restrain the Defendants from interfering with subject property.	John Bwire & Associates Advocates		1,000,000.00		Instruction letter dated 21.03.2018
51	MALINDI ELC PET. NO. 8 OF 2018, ACK VS ADJUDICATION OFFICER, KILIFI & 10 OTHERS 23.03.2018 Suit seeking to injunct the defendants from interfering with the subject property	Muturi Gakuo & Kibara Advocates	KSHS.	2,500,000.00		Letter requesting for witness to sign statements.
52	MLD HC MISC. TAXATION 1 OF 2018, KITHI & CO. ADVOCATES VS COUNTY GOVERNMENT OF KILIFI Taxation of advocate client bill of costs dated 16.01.2018 for Kshs. 50,000,000	Munyao Muthama & Kashindi Advocates	KSHS.	22,000,000.00		Ruling dated 03.03.2020 awarding Kshs. 21,464,245
53	MLD MISC CAUSE No. 4/2021 Alfred Sifa Dena v County Government of Kilifi 12/11/2021 Claimant filed a judicial review seeking orders to stop the ongoing disciplinary proceedings as well as an order for the payment of outstanding salaries which he claims were unpaid from	O.M Robinson & Co. Advocates	KSHS.	552,019.00		
54	Civil Appln No. 81/2019 In the Matter of Taxation between Adv & Client between JJ Chesaro Co. Adv Vs County Government of Kilifi 1/9/2023 Recovery of costs after representing the County Government	J.J Chesaro Advocates	KSHS.	589,926.56		vide a letter written on 21/3/2022, the County Attorney wrote to the Chief Officer, in the office of the Governor instructing payment to be effected

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55	MALNDI HC PET NO E2 OF 2020PROGRESS WELFARE ASSOCIATION MALINDI VS CGK 17/9/2020 Conservatory orders to stop the CGK from constructing the Barclays mtangani road in mld	Munyao. Muthama & Kashindi Advocates	KSHS.	39,578,897.50		Application for conservatory orders dismissed. Awaiting fixing of main petition hearing
56	MLD ELC No. E033 of 2023 Abdulrahman Mohamed Al Amin & Another vs CGK & 2 Others Defendants from subdividing the parcel of land known as Plot no.553 (original no.284/5) Section II MN and issuing the same under a settlement scheme	Soni & associate Advocates		7,710,000.00		Matter came up for inter partes
57	MLD ELC PET NO.20 of 2023 GLADYS RIZIKI NYAMAWI & 9 OTHERS VS MINISTRY OF LANDS & PHYSICAL PLANNING & OTHERS The Petitioners claim against the Respondents for an Injunction restraining them from proceeding with the process of allocations and issuance of titles on land parcels in Maweni/Mtwapa, Kilifi County, under Maweni settlement scheme initiative	Doreen Kieti Advocates for Petitioners	KSHS.	13,347,500.00		preserve the suit property as Conservatory Order to restrain the respondents from proceeding allocation, and issuance of Titles.
58	MLD ELC No. E040 of 2023 Abdullahi Durkane Athur & Another vs Le Pleidi Investments Matter involving application for registration on CGK/P/MLD/349/2023 for approval for consideration.	Soni & Associates LLP		7,710,00		Appeal filed by Plaintiff Appeal no. 33 of 2023
59	MLD ELC PET. E013 OF 2023 EDUARDO ZINNA VS MAWASCO & 4 Others The Petitioner filed a Petition restraining the Malindi Water and Sewerage Company Limited from trespassing in the guise of enforcing the provisions of the Water Act.	Muthee Kihiko & Ass LLP		38,500,000.00		Awaiting update from the Advocates on record.

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60	Salama Roads Bridge Construction Co. Ltd Vs KIMAWACO Co. LTD A breach of contract being claimed by the Plaintiffs for the construction of 12 ablution blocks to the sum of 15,557,336/=.	Muthee Kihiko Associates LLP	KSHS.	1,650,327.00		Notice of change of Advocates filed No pleadings filed on behalf
61	SGA KENYA LIMITED SGA MOMBASA LTD Vs OFFICE OF THE GOVERNOR OF THE COUNTY GOVERNMENT OF KILIFI & ANOTHER The Plaintiff demanded payment of the outsatndig sumof Kshs 4,136,482.21/= and an interest at commercial rate of 24% per annum from 1st July 2022 till payment is full for provision of security services at the Governor's residence.	O.M ROBINSON & COMPANY ADVOCATES	KSHS.	30,000.00		Hearing will be on 13th August,2024
62	Kilifi SPMCC ELC No. E045 of 2024 John Karissa Kadenge & 2 others vs CGk & another Land matter alleging wrong subdivision and sale of land without Plaintiff's Consent	O.M. Robinson & Co. Advocates	KSHS.	6,000,000.00		Parties exploring an out of court settlement
63	NBI HCCONST.PET No. E474 of 2023 Legal Advise Center T/A Kituo cha Sheria vs Director General of National Intelligence Service & 5 Others This is a constitutional petition as against the County Govrnment with regards to failure to protect the innocent elderly women in Kilifi County from attacks from members of the public on allegations that they are witches	Lumatete Muchai & Co. Advocates	KSHS.	3,866,666.00		Awaiting inquiry report made by KNCHR between 1/4/2024 to 20/4/2024
64	Nairobi ELRC No. E6464 of 2020KMPDU vs COG & 96 Others Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	340,261,610.00		Matter fixed for mention on 13th August, 2024 to confirm status of negotiations, filing of submissions and to take a ruling date

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65	Malindi HCC Misc. Application No. E059 of 2023 Paul Munyao & 3 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal		168,033.72		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
66	Malindi HCC Misc. Application No. E061 of 2023 Paul Munyao & 3 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	600,645.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
67	Malindi HCC Misc. Application No. E062 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	32,454,453.34		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
68	alindi HCC Misc. Application No. E063 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	3,351,550.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
69	alindi HCC Misc. Application No. E064 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	3,448,800.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
70	alindi HCC Misc. Application No. E065 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal		3,391,639.66		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
71	alindi HCC Misc. Application No. E068 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal		3,751,997.45		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
72	alindi HCC Misc. Application No. E067 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	2,651,665.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
73	alindi HCC Misc. Application No. E068 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	2,344,575.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing

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74	alindi HCC Misc. Application No. E069 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	2,032.37		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
75	alindi HCC Misc. Application No. E072 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	186,020.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
76	alindi HCC Misc. Application No. E073 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal		167,670.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
77	alindi HCC Misc. Application No. E074 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	1,029,335.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
78	alindi HCC Misc. Application No. E075 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	221,975.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
79	alindi HCC Misc. Application No. E076 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	193,125.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
80	alindi HCC Misc. Application No. E078 of 2023 Paul Munyao & 3 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	183,975.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
81	alindi HCC Misc. Application No. E078 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	2,202,920.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
82	alindi HCC Misc. Application No. E079 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	267,498,059.50		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing

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83	alindi HCC Misc. Application No. E080 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	4,756,760.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
84	alindi HCC Misc. Application No. E082 of 2023 Paul Munyao & 2 Others vs CGK Taxation of bill of costs dated 29th June 2023	Internal	KSHS.	819,800.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
85	MISC. APPLN. E060 of 2023, Munyao Muthama & Kashindi Advocates vs County Government of Kilifi	Internal	KSHS.	2,398,191.78		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
86	MISC. APPLN. E083 of 2023, Munyao Muthama & Kashindi Advocates vs County Government of Kilifi	Advocate-Client Bill of Costs	KSHS.	3,425,235.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
87	MISC. APPLN. E071 of 2023, Munyao Muthama & Kashindi Advocates vs County Government of Kilifi	Advocate-Client Bill of Costs	KSHS.	175,200.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
88	ISC. APPLN. E070 of 2023, Munyao Muthama & Kashindi Advocates vs County Government of Kilifi	Advocate-Client Bill of Costs	KSHS.	128,992,127.56		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
89	ISC. APPLN. E080 of 2023, Munyao Muthama & Kashindi Advocates vs County Government of Kilifi	Advocate-Client Bill of Costs	KSHS.	9,409,120.00		Memorandum of appearance filed in court. Matter is yet to be fixed for hearing
90	MLD ELC Case No.E82 of 2022, Stephen Muturi Wang'ondu vs Tito Shutu & Others Case seeking that the Defendants demolish walls constructed on Potion No.4162	Malombo Advocates	KSHS.	29,000,000.00		
	<b>TOTAL</b>			<b>1,386,271,359.39</b>		