

		the transformers, yet this was yet to be done	as per the Kenya Power connection policy and procedure which requires a quotation to be issued and payment to be made before installation begins thereby meeting all the connection prerequisites	County which resulted to no value for money.	management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report;	of the report
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					2) The Office of the County Governor to prioritise completion of existing and stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3) The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle.	
2 7	Un-Remitted and Withheld Taxes	Kshs.51,845,674 arising from failure by the County	The County treasury	The Committee observed that the County	The Committee recommends that the County	Within 60 days

		Executive, the employer to deduct and withhold VAT and income tax as prescribed under tax procedures and rules. An analysis of funds the County lost Kshs.101,855,701 was deducted from employees, withheld and not submitted for the period July, 2017 to June, 2022. Management was in breach of the law.	contacted all the suppliers/Contractors whose taxes were not withheld, As per the attached compliance certificate, majority of them had filed returns and included the payments made by the county government. The County treasury is in communication with the Kenya revenue authority, public sector division to waive the amount that was declared and supported by the suppliers.	Executive failed to deduct and remit taxes as required by law, resulting in a principal tax liability of Kshs.153,701,376, with additional penalties and interest amounting to Kshs.49,928,668. Despite making partial payments of Kshs.50,000,000, a significant balance of Kshs.153,630,044 remains outstanding. Additionally, a loss of Kshs.51,845,674 was incurred due to failure to withhold VAT and income tax, indicating	Executive should immediately engage with KRA to establish a structured payment plan for settling the outstanding tax liabilities and avoiding further penalties. Additionally, stronger financial controls should be implemented to ensure timely deduction, withholding, and remittance of taxes in full compliance with tax regulations. Capacity-building programs should be introduced to train finance and procurement officers on tax compliance requirements, while internal accountability	after the adoption of the report.
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				weaknesses in financial controls and compliance oversight. This non-compliance not only violates tax regulations but also exposes the County Executive to legal and financial risks, including further penalties and possible legal action by the Kenya Revenue Authority (KRA).	measures should be enforced to identify responsible officers and prevent recurrence.	
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE						
28	Lack of Information Technology Systems Interface	Two internal systems namely Hospital Management Information System (HMIS)	The management stated that the integration between the two systems was underway when	The Committee observed that the management did not have a proper system	The Committee recommends that;- 1. The county Chief Executive Officer ensures that the system finalized and adopted and	Within 60 days after the adoption of the report.

		and County Pay (USSD) which are in operation have not been integrated or interfaced with each other to facilitate a common shared data base and better service delivery in executing the County Executive Mandate. Further, the Unstructured Supplementary Services (*718#) (USSD) usage and maintenance is obtained directly from the software developer without any formal service level agreement or patent ownership rights,	the introduction of a revolving fund in health services halted the process. With the enactment of Facility Improvement Financing Act 2023, where each health facility will collect and use its own revenue, the integration of the Hospital management System with revenue collection system was halted	to manage revenue collection.	provides a status report to the Auditor General within sixty (60) days from the adoption of this report; and 2. The Auditor General to verify that the County Executive has adopted the relevant system during the subsequent audit.	
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		The continued use of USSD undermines the full implementation of revenue collection which is more superior and meant to capture full revenue stream from mapping to payments including the collections obtained in each stream and targets.				
2 9	Lack of an Audit Committee	The term of the Audit Committee Members expired in October, 2023 after serving for three (3) years and a new committee	Management noted the audit observation and is the process of constituting County executive audit committee.	The Committee observed that the management lacks an audit committee.	The Committee recommend that an audit Committee be established pursuant to Regulation 167(1) of the Public Finance	Within 60 days after the adoption of the report.

		has not been appointed			Management (County Governments) Regulations, 2015	
30	Lack of Risk Management Policy	Management did not provide supporting documents, for audit review, as evidence of existence of a risk management policy to guide Management on risk assessment and formulation of risk mitigation strategies	Management noted the audit observation. Management has drafted the risk management policy which has been forwarded to the County Assembly for consideration and approval	The Committee observed that the management had drafted the risk management policy.	The Committee recommends that; - 1. The Office of the County Governor put in place a risk management policy and disaster recovery plan within sixty (60) days from the adoption of this report and submit the same to the Auditor General.	Within 60 days after the adoption of the report.

					2. The Auditor General to closely monitor the development, documentation and communication of these policies within the county entity in the subsequent audit cycles.	
3 1	Weaknesses in the Legal Department	The Office of the County Attorney did not prepare and submit annual reports to the Governor and the County Assembly The county was defended by	Management noted the audit observation. However, the reason for engaging external legal experts is due to high backlog of	The Committee observed that the management failed to prepare and submit annual reports to the Governor and	The Committee recommends that The Office of the County Attorney should ensure compliance with legal and governance requirements by	Within 60 days after the adoption of the report.

		external lawyers despite having a fully-fledged office Case files were manually kept The effectiveness of the system in place to evaluate the status and outcomes of litigations could not be confirmed.	pending legal cases.	the County Assembly, undermining transparency and accountability in legal affairs. Despite having a fully-fledged legal office, the county engaged external lawyers, which may have led to unnecessary expenditure and inefficiencies in legal representation	preparing and submitting annual reports to the Governor and the County Assembly as mandated. To optimize resources and reduce legal costs, the county should prioritize the use of its internal legal team for representation and only engage external lawyers when necessary and justifiable	
3 2	Lack of Logbooks and Vehicle Status	Forty-two (42) motor vehicle and fifteen (15) motor cycle logbooks respectively not provided for verification.	The management responded that the vehicles inherited from the defunct local authority and the National	The Committee observed that the management had not fully acquired the logbooks of the	The Committee recommends that the management to ensure they acquire required logbooks. In addition, the Auditor General to	Within 60 days after adoption of the report.

		Further, an updated status report detailing the condition of the vehicles was not provided for audit.	government. Official handover of the vehicles is yet to be done through Intergovernmental Relations Technical Committee (IGRTC).	various vehicles.	update the Committee in the subsequent cycle.	
33	Failure to Adhere to Vote Control Guidelines on Subsistence Allowance	Kshs.10,281,796 relating to domestic travel and subsistence was paid as reimbursement or claims for expenditure incurred without adhering to vote control procedures and without application and approval for imprest vide Imprests warrants.	Management noted the audit finding. However, this arises due the lengthy funds requisition process.	The Committee noted that the management was in breach of the Public Finance Management Act 2012.	The Committee recommends that the management should adhere to the imprest guidelines pursuant to the PFM Act 2012.	Continuous

3 4	Irregularly Leasing of the Medical Equipment (MES)	In the nine (9) years that the MES Programme has been in operation, the County Executive has cumulatively paid lease rentals amount of Kshs.1,139,829,968.	Procurement and award of Managed Equipment Services(MES) lease rental contracts was undertaken by the National Government (Ministry of Health and National Treasury). National Government is the custodian of the information on amounts of annual lease rentals. Lots 3 and 4 of the MES equipment comprised of laboratory	The Committee observed that the management has cumulatively paid Kshs.1,139,829,968 in lease rentals for the Managed Equipment Services (MES) program over nine years without a clear basis for the annual payments. Additionally, there was no asset register to track the delivered MES equipment, and inspection and	The Committee recommends that the management should establish a clear framework for determining lease rental amounts and ensure that all payments are supported by valid documentation, including inspection and acceptance certificates. A comprehensive asset register should be maintained to track all leased equipment, ensuring proper record-keeping and accountability.	Within 60 days after adoption of the report.
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			equipment. It was omitted in the agreement signed between the County Governments and the Ministry of Health. The Equipment has not been delivered to date. ICU equipment in lot six were not supplied to Nyandarua County. This lot was a reserve of Level 5 facilities and Nyandarua had no gazetted level 5 hospital. then. JM hospital was gazetted as level 5 hospital and no	acceptance certificates were not provided for audit review, raising concerns about accountability and transparency. Furthermore, essential equipment under Lots 3 and 4 was not supplied despite the county constructing laboratories to accommodate them, while ICU equipment under Lot 6 was also not delivered, as		
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			equipment has been supplied.	the county lacked a Level 5 hospital. The absence of these critical records and undelivered equipment casts doubt on whether the county received value for money on the MES program.		
3 5	Summary of Non-current Assets Register	An updated non-current asset register. Was not provided for audit. In addition, these assets were not tagged and property was recorded in both manual and automated registers and were therefore	Management has procured Asset management system and is in the process of tagging all County assets. Once the process is complete, we shall have an updated asset register	The Committee observed that the County Executive: - 1) had not updated their Fixed Assets Register; 2) had not adopted the report of the Inter-Governmental	The Committee recommends that the; - 1. County executive should expedite the process of updating and presenting their Fixed Assets Register in the format	Within 60 days after the adoption of the report.

		prone to misplacement and loss.		Relations Technical Committee on assets and liabilities inherited from the defunct local authorities. This has affected the correct statement of the assets and liabilities.	prescribed by the Public Sector Accounting Standards Board before the transition to accrual basis of accounting and provide a status update to the OAG within 60 days of adoption of this report; 2. County should adopt and implement the report of the Inter- Government al Technical Relations Committee (IGTRC) on assets and	
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					liabilities from defunct Local Authorities and submit a status update to the Office of the Auditor General within 60 days of adoption of this Report; and 3. Office of the Auditor General should progressively review and report on the matter in the subsequent Financial Years.	
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REPORT OF THE SENATE COUNTY PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE AUDITOR GENERAL ON AUDITED FINANCIAL STATEMENTS OF NYERI COUNTY EXECUTIVE FOR THE FINANCIAL YEAR 2023/2024.

QUALIFIED OPINION

SUMMARY OF UNRESOLVED ISSUES						
No	Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations	Timeline
	REPORT ON FINANCIAL STATEMENTS					
	Receipts and Payments Outside the Financial Reporting Period	Receipts and payments totalling to Kshs.1,514,891,784 and Kshs.1,528,872,371 respectively, related to the month of July, 2024 and were therefore outside the reporting period	- The County Treasury had posted all payments into the IFMIS system as at 30th June 2024. - The requisitions which were approved by the OCOB on Friday, 28th June 2024 were presented to	The Committee notes that receipts and payments outside the reporting period indicates a potential issue with the accuracy of financial reporting and adherence to the prescribed accounting period.	The National Treasury should ensure timely release of funds to county governments in line with the cash disbursement schedules approved by the Senate	Continuous

			CBK in July 2024.			
	Irregular Charge of Bank Accounts	- Management paid recurrent expenditure amounting to Kshs.292,401,605 from development bank account. - Further, development expenditure amounting to Kshs.108,053,672 were paid from recurrent bank account.	The expenditure was within the budgeted line items.	There is fiscal indiscipline.	The Committee recommends that the County Executive complies with 154 (2) of the Public Finance Management Act, 2012, requires respective Accounting Officers and County Treasury to approve between programs or sub-votes in the budget for a financial year.	Continuous
	Irregularity of Voided Payments	Analysis of the Integrated Financial Management System (IFMIS) payments revealed that seven hundred and twenty-two (722) transactions with a value of Kshs.527,252,503 were	The County Treasury requests for voiding rights from the National Treasury explaining the reasons to void and the same is done only when	Management has not provided justifiable reasons for voided transactions whose commitments were done.	1. The Committee requests the Controller of Budget to liaise with the Auditor General to confirm whether the payments were	60 Days from the date of adoption of this report.

		voided during the year across various financial statement components • Out of the voided transactions, payment details revealed that ten (10) transactions amounting to Kshs.3,920,866 were later paid.	its fully authorized by the CECM Finance.		canceled after the approval and there was no notification or due process and provide a status update to the Senate within 60 days of adoption of this report. 2. The Office of the County Governor undertakes administrative action against the accounting officers, particularly approvers 1 and 2 and the then County Chief Officer in charge of Finance for voiding payments without approval and diverting funds. 3. Within six months of adoption	
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					of this report the CS National Treasury to ensure IFMIS reconfiguration with CBK system to avoid cases of IFMIS approvers voiding and diverting funds to other activities not initially approved. 4. The Committee recommends that the EACC should expedite investigations on the matter in line with the Controller of Budget Act.	
	Staff Sharing Bank Account	- Analysis of staff payroll data revealed that there were three (3) bank account numbers shared by six (6) staff members. - The total amount paid to the officers for a period	In case of discrepancy of the recipient account, the bank uses the other identifiers to process the payment	The corrections to be confirmed in the subsequent audit cycle	The Committee recommends that the Accounting Officer immediately stops salary payments to the six (6) staff	60 Days from the date of adoption of this report.

		of six (6) months from January, 2024 to 30 June, 2024 was Kshs.681,442.			involved, conduct an investigation, take disciplinary action against those responsible, and ensure each employee has a unique bank account for salary payments and the EACC take keen interest on the matter for a fraud investigation.	
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Emphasis of Matter

1	Budgetary Control and Performance	The statement of comparison of budget and actual amounts (Recurrent and Development Combined) reflects final total receipts budget of Kshs.8,126,687,855 and actual amount of Kshs.7,253,744,913 resulting to a shortfall of Kshs.872,942,942 or 11%. Further, the statement of comparison of budget and	As observed from the Financial Statements for the fiscal year under review, the County had approved budget estimates of Ksh.8.13 billion and managed to spend Ksh.7.25	The Committee noted that delays in receiving exchequer releases from the National Treasury and under-collection of own source revenue hindered optimal program implementation and	1. The National Treasury should ensure the timely release of funds to county governments in line with the cash disbursement schedules approved by the Senate; and	Continuous
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		actual amounts reflects final budget of Kshs.1,544,858,532 for acquisition of assets out of which projects with a budgetary allocation of Kshs.81,770,578 were not implemented as at 30 June, 2024.	billion and this amounts to under expenditure. •	effective budget execution.	2. The County executive puts in place measures to enhance its own generated revenue to meet its revenue target and address revenue shortfalls.	
2	Delayed Exchequer Disbursements	The statement of receipts and payments reflects transfers from CRF totalling Kshs.7,253,744,913 as detailed in Note 1 to the financial statements. However, during the year under review, the audit of the exchequer disbursements for the County Executive revealed that a total of Kshs.6,159,044,124 was not received on time.	The stated role of exchequer disbursement is the National Treasury mandate which has always delayed release of exchequer on set timelines leading to delay in implementation of the planned Programs and projects.	The Committee noted that the County Executive experienced delayed exchequer releases by the National Treasury thereby hampering their budget implementation.	The Committee recommends that the National Treasury should ensure the timely release of funds to county governments in line with the cash disbursement schedules approved by the Senate.	Continuous
3	Pending Bills	The financial statements reflect pending accounts payables of Kshs.141,137,831 as disclosed	The pending bill amount of Kshs. 141,137,831 was	The County Executive had not settled pending bills	The Committee recommends that:	60 Days from the date of

		in Note 20.1 of other important disclosures and detailed under Annex 2. The pending bills are comprised of recurrent and development balances of Kshs.120,719,911 and Kshs.20,417,919 respectively.	provided in the financial statement however, the amount was subject to verification by the pending bill verification committee that confirmed the pending bill figure to be Kshs. 192,269,444 comprising of Kshs 141,137,831 for general suppliers and Kshs 51,131,613 for staff payables.	at the time of the audit	1. all County Governments pay verified pending bills amounting to less than Ksh. 1 billion by the end of this financial year and those above Ksh.1 billion by the end of the financial year 2024/2025; and 2. that- i. pursuant to the provisions of Regulation 41(2) & (3) of the Public Finance Management (County Governments) Regulations, 2015, County Governments prepare and submit to the Controller of Budget, a payment	adoption of this report.
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					plan, prioritizing payment of pending bills as a first charge on the County Revenue Fund, failure to which the subsequent quarter budget releases will not be done; ii. the Controller of Budget takes into consideration the efforts made by a county government to clear inherited pending bills when approving exchequer releases; iii. County Governments shall only pay pending Bills contained in their respective procurement plans pursuant to	
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					Regulation 50 (2) & (3) of the Public Finance Management (County Governments) Regulations; iv. Supplement ary budgets for county governments are prepared in the 3rd Quarter to curb instances of arbitrary re-allocations out of the approved budget estimates; v. County governments, in consultation with the Controller of Budget, to provide a budget for completion of all existing projects
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					and that initiation of new projects to cease until completion of the existing projects; and vi. County governments shall conduct public participation while formulating supplementary budgets, failure to which the Controller of Budget (CoB) shall not approve the supplementary budgets.	
	REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES					
	1. Regularity of Human Resource Management Practices					
	Expenditure on Employee Cost Beyond Legal Limit	The statement of receipts and payments reflects compensation of employees' balance of Kshs.3,981,766,676 as	The County wage bill constituted 47.5% of the	The Committee observed that the County Executive's wage bill during the	1. the management should provide to the Auditor	Continuous

		disclosed in Note 3 to the financial statements, which translates to fifty-five (55) percent of the County Executive total revenue of Kshs.7,253,744,913	expected revenue in the approved budget for the FY 2023-2024 as opposed to the actual receipts indicated in the review which is still above the stipulated 35%.	FY 2023/2024 stood at 47.5% of its total receipts which was above the threshold of 35%.	General and the Senate the measures it will put in place to contain the high wage bill within sixty (60) days of the adoption of this report; 2. the management should strictly adhere to the provision of paragraph 25(1)(b) of the PFM Act (county government) regulations, 2015 which stipulate that the county wage bill should not exceed 35 per cent of the	
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					county total revenue; and 3. the county executive puts in place measures to enhance its own source revenue collection in order to address the wage bill gap.	
	Unremitted Payroll Deductions	The statement of assets and liabilities reflects a balance of Kshs.138,401,547 in respect deposits and retention as disclosed in Note 15 to the financial statements out of which an amount of Kshs.104,619,139 relates to a deposit account balance which includes payroll deductions of Kshs.7,736,275. The payroll deductions relate to Central Organisations of Trade Unions, Kenya Society of	The County Government exercises prudence by processing the payroll in full and remitting all the monies to the relevant institutions.	The deductions have not been remitted to the respective institutions or refunded back to the employees over the last three (3) years.	1. Surcharge of the officer(s) who deducted pensions money from the staff and failed to remit it to the relevant pensions fund.	Continuous

		Physiotherapy, Kenya Association of Livestock, NECCO Sacco and Xplico Insurance among others.				
	Non-Compliance to the Law on Staff Ethnic Diversity	Review of employee records for the County Executive showed that the dominant ethnic community employed as at 30 June, 2024 constitutes 94% (3,330) out of the total population of 3,558 employees.	The County Government inherited staff from the National Government and the former local authorities over 95% were from the dominant local community	There was no ethnic diversity among employees of county executives as employees were mainly drawn from the dominant community in the county	1. The county executive should work progressively towards attaining the requirement of the provisions of Section 65(1)(e) of the County Government Act on ethnic inclusivity. 2. The Standing Committee on National Cohesion and Regional Integration to explore legal amendments to ensure	Continuous

					progressive compliance with section 65(1)(e) of the County Government Act, 2012.	
	Non-Compliance with a Third of Basic Salary Rule	Review of payroll data for the year ended 30 June, 2024 revealed that a total of 214 employees were paid a net salary that is less than a third of their basic pay in the month of June, 2024. The excessive deductions resulted from Management allowing the staff to incur loans and other liabilities whose repayments deduction put the officers at the risk of pecuniary embarrassment	Introduction of Housing Levy Fund with effect from 1 st July 2023 - The Affordable Housing Act mandates every individual who has an income in the Country to pay the housing levy. Employed residents should pay 1.5% of their monthly gross salary, while their employer matches and contributes	The Committee observed that 214 county employees were earning less than a third of their basic pay contrary to section 19(3) of the Employment Act 2007.	1) The County Executive should provide to the Auditor General within sixty (60) Days after the adoption of this report a plan of the measures put in place to mitigate on the issue of non-compliance with the one third of basic salary rule as well as comply with the requirements of Section 19 (3) of	Continuous •

			1.5% of each employee		the Employment Act 2007. 2) The county should configure their IPPD system such that it is able to lock out commitments beyond the accepted thresholds; and 3) The Auditor General should continue monitoring the issue in subsequent financial years.	
	e Failure to Meet Recruitment Thresholds for Persons with Disabilities	Review of payroll for June, 2024, showed that Management recruited a total of one hundred and fifty-five (155) employees but there was no person living with disability.	The County is committed to fostering a diverse and representative workforce and leadership structure. The affirmative action measures aim to	Management was in breach of the Manual and the matter not properly addressed	The county executive should work progressively towards attaining the requirement of the provisions of Section B.23(2) of the Human Resource Policies	Continuous

			promote the inclusion of persons living with disabilities (PWDs)		and Procedures Manual for the Public Service, 2016	
	Salaries Paid Outside the IPPD Payroll	Review of records provided for audit showed that Management operated two payroll systems namely; a manual (Excel format) payroll system and the Integrated Payroll and Personnel Database (IPPD) system	The allocation of Personal Numbers is a function of state department of Public Service and Human Capital development. Waiting to pay employees only when they acquire payroll numbers would translate into newly employed staff remaining unpaid for a longer period of time affecting their productivity.	The Committee noted that County Executive made payments of salaries for some of its employees outside the Integrated Personnel and Payroll Database (IPPD) System.	1. The Senate notes that the process of issuance of Personal File numbers is inefficient in counties and therefore directs the National Government (State Department of Public Service) in conjunction in the Council of Governors (CoG) to prescribe and design an efficient human resource management system to be used by counties;	60 days from the date of adoption of this report

				2. The County Governor should ensure that casual workers are engaged in line with the relevant laws and the approved staff establishment and provide a status update to the Auditor General within 60 days of adoption of this report; 3. Pursuant to Article 235 of the Constitution of Kenya, the Committee directs that the Cabinet Secretary (CS), Ministry of Public Service, Youth and Gender Affairs to develop regulations to provide guidance
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					and clarity to county governments on engagement of casual employees, contracted workers, acting positions and a platform for management of county human resources; and the Auditor General to monitor the matter in the subsequent audit cycle.	
	g Failure to Adhere to the Effectiveness of Implementation of Audit Recommendations	Management has not submitted a report on how it has addressed the Senate and County Assembly recommendations on the Auditor-General audit reports	The County Government of Nyeri has always implemented all the Senate and County Assembly resolution raised/ passed.	Without an implementation report, it is unclear whether audit recommendations have been acted upon or ignored, potentially allowing continued mismanagement of public funds.	The Committee recommends that the County Executive complies with section 53 of the Public Audit Act, 2015 by taking action on the issues raised by the Auditor General and submits a	Continuous

					report to the Office of the Auditor General within sixty (60) days of the adoption of this report.	
	I Non-Compliance with the Law on Development Expenditure	Development related expenditure on the acquisition of assets was Kshs.1,544,858,532 or 19% of the total budget allocation.	In adherence to the legal provision, the County approved budget estimates were Ksh.8,126,687,855 out of which Kshs. 2,735,425,020 was for Development Expenditure and this translates to 33.7%.	This violation reflects a broader pattern of fiscal indiscipline that undermines devolution framework.	The Committee recommends that the County Executive complies with section 107(2)(b) of the Public Finance Management Act, 2012 by taking action on the issues raised by the Auditor General and submits a report to the Office of the Auditor General within sixty (60) days of the adoption of this report.	Continuous

i	High Cost of Electricity for Street Lights	The total electricity bills for the pre-existing street lights paid in the financial year amounted to Kshs.76,744,35	Street lighting is a County Government function as highlighted in the Fourth schedule of the Constitution of Kenya 2010. As captured in the budget, the County's leadership is committed to establishing street lighting infrastructure to ensure that residents are served equitably.	Not addressed	1. The County Executive adheres the requirement of article 201 (d) and article 232 (1) (b) on effective use of resources. 2. Management should opt for solar powered street lights that would be cheaper since there will be no power bills payment on a monthly basis.	Continuous
j	Use of Asbestos for Roofing of the County Rental Houses	County owns four hundred and ninety-five (495) houses out of which one hundred and twenty-eight (128) have asbestos roofs	Whereas the Environmental Management and Co-Ordination (Waste Management) Regulations 2006,	The continued existence of asbestos roofs in county rental houses contravenes the Government directive issued in 2006 banning the use	The County Executive adheres the requirement of Environmental Management and Co-Ordination (Waste	Continuous

			Fourth Schedule considers wastes containing asbestos in the form of dust or fibers as hazardous, it is worth noting as per NEMA National Guidelines on Safe Management and Disposal of Asbestos, 2013 that “when left intact and undisturbed, asbestos materials do not pose a health risk	of asbestos due to its harmful health effects, particularly its link to respiratory diseases	Management) Regulations 2006	
	Irregular Payments to the Council of Governors	An amount of Kshs.8,000,000 was paid to the Council of Governors during the year under review	The amount of Kshs 8,000,000 paid to the Council of Governors was in respect of Ksh 6,000,000 paid	The Committee observed that the payments to the Council of Governors (COG) were not supported by any law.	1) The irregular payments to the Council of Governors (COG) be stopped and further	60 days from the date of adoption of this report

			towards County Contribution for Intergovernmental Relations (Ksh 2,000,000 for two financial years i.e. FY 2022/2023 & FY 2023/2024,		recommends the surcharge of any Governor, in their capacity as Chief Executive Officer, who continues to make the irregular contribution. 2) The EACC to recover any further irregular contribution within 60 days of adoption of this report.	
	Motor Vehicle Assessment Reports for Insurance	Payment of Kshs.39,729,202 was made for comprehensive insurance cover for County Executive vehicles	The motor vehicles are assessed and valued before they are insured. The insured vehicles were functional at the time of	assessment/valuation reports of the insured motor vehicles, and logbooks were not provided for review	The Committee recommends that the County executives expedite updating of valuation roll in accordance with Section 3 of the	60 days from the date of adoption of this report

		However, the motor vehicle assessment/valuation reports of the insured motor vehicles, and logbooks were not provided for review	insurance, but were grounded in the course of the year. The log books and valuation reports are availed		Valuation for Rating Act CAP 266 so as to reflect current market values for optimal revenue collection and comply with the guidelines of the Public Sector Accounting Sector Boards of reporting in the FY 2023/2024.	
	Debt Management Statement Timelines	Total stock of debt indicated in the statement is as at 30 June, 2022, while the Public Finance Management Act of 2012 states that the balances should be as at the date of the statement (February, 2023).	The County Medium Term Debt Management Strategy Paper, February 2023 entails the County's debt management strategy for the Medium-Term Expenditure Framework for	Not addressed	The Committee recommends that the County Executive complies with Section 123(1) of the Public Finance Management Act of 2012 by taking action on the issues raised by the Auditor General and submits a	60 days from the date of adoption of this report

			the period 2023/24-2025/26.		report to the Office of the Auditor General within sixty (60) days of the adoption of this report.	
	Performance of County Budget and Economic Forum (CBEF)	Nyeri County Budget and Economic Forum (CBEF) was constituted as per the law. However, the Committees were not actively involved in matters relating to budgeting and financial management	Nyeri County Budget and Economic Forum (CBEF) was constituted as per the law. I confirm that the Committee is actively involved in matters relating to budgeting and financial management	Not addressed	1. The Committee recommends that the County Executive complies with Section 209 (2) of PFM Regulations, 2015 by taking action on the issues raised by the Auditor General and submits a report to the Office of the Auditor General within sixty (60) days of the adoption of this report.	60 days from the date of adoption of this report

					2. Nyeri County Budget and Economic Forum should hold meetings and engage to support the budget making process.	
	Lack of Approved Building Plans	Projects have been ongoing without approved Bills of quantities, structural and architectural plans (designs).	To mitigate the risk of poorly constructed buildings, the approved plans & BQs are done by qualified, registered and in good standing County Engineers and Architects who are also involved in supervision of the projects to ensure that constructions meet the required standards.	there is no evidence that the approved plans & BQs are done by qualified, registered and in good standing County Engineers and Architects	The Committee recommends that the County Executive should expedite development of a building Plan and should submit to the Auditor General for verification within sixty (60) days of the adoption of this report.	60 days from the date of adoption of this report

	Idle Medical Equipment at Narumoru Level 4 Hospital	Air conditioning and equipping of the two surgery theatres is complete but not in use.	The hospital is being operationalized in phases where over thirty (30) officers including nurses and other staff were recently posted to the facility	Not addressed	The County Executive should fast track the posting of a trained medical surgeon in the said medical facility to operationalize the theatres and complies with the provisions of Section 149 (1) of Public Finance Management Act, 2012	60 days from the date of adoption of this report
	Failure to Submit Financial Statements for Donor Funded Projects	The County Executive of Nyeri had two (2) ongoing donor funded projects whose financial statements have not been submitted for audit	According the NAVCDP financial Reporting manual the County Project Accountant is required to prepare the following:	The at the time of audit financial statements for the projects have not been submitted for audit review	1. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit	60 days from the date of adoption of this report

			Monthly expenditure returns Quarterly Interim Financial Reports (IFRs)		in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report; 2. The Institute of Certified Public Accountants of Kenya (ICPAK) undertakes disciplinary procedure (s) under section 32 and 33 of Accountants Act CAP 531 and provide a status update to	
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					the Senate within 60 days of adoption of this report.	
	REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE					
	1 Failure to Maintain an Updated Fixed Assets Register	Management is relying on an outdated register that cannot be verified	The County Treasury has been using a schedule of assets acquired after devolution and an asset verification report for the assets inherited from the defunct Local Authorities and National Government devolved units awaiting directions on hand over/take over from the Inter-Governmental Relations Technical	the county did not maintain an accurate fixed asset register; and does not have a fixed asset register management policy.	1. County should expedite the process of updating and presenting their Fixed Assets Register in the format prescribed by the Public Sector Accounting Standards Board before the transition to accrual basis of accounting and provide a status update to the OAG within 60 days of adoption of this report; 2. County should adopt and	60 days from the date of adoption of this report.

			Committee (IGRTC).		implement the report of the Inter-Governmental Technical Relations Committee (IGTRC) on assets and liabilities from defunct Local Authorities and submit a status update to the Office of the Auditor General within 60 days of adoption of this Report; and 3. Office of the Auditor General should progressively review and report on the matter in the subsequent Financial Years.	
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2	Failure to Implement Risk Management Policy	Risk Management Policy is in place but has not been implemented	The County Government had planned to conduct training of all Chief Officers and Directors on the risk management process in order to develop County Risk Register	The committee noted that the county executive does not have a risk management policy framework in place. The committee further observed that lack of risk prevention mechanism may expose the entity to various forms of risks.	The Committee recommends that the County Executive should expedite development of a Risk Management Policy and ICT Policy and should submit to the Auditor General for verification.	60 days from the date of adoption of this report.
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REPORT OF THE SENATE COUNTY PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE AUDITOR GENERAL ON AUDITED FINANCIAL STATEMENTS OF SAMBURU COUNTY EXECUTIVE FOR THE FINANCIAL YEAR 2023/24.

Basis of Qualified Opinion

SUMMARY OF UNRESOLVED ISSUES						
N o	Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations	Timelin es
REPORT ON FINANCIAL STATEMENTS						
1	Unconfirm ed Cash and Cash Equivalents	The statement of assets and liabilities and Note 13A to the financial statements reflects cash and cash equivalents balance of Kshs.142,476,191. However, bank reconciliations for one (1) bank account reflects receipts in cash book not recorded in the bank statement totaling to Kshs.102,198,283. No	These are receipts that relate to inter entity transfers. The bank reconciliations have been checked and efforts are underway to reconcile the accounts	The Committee observed that the accounting officer did provide evidence to support the issue raised	The Committee recommends that; - 1. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the	Within 60 days after adoptio n of the report.

		explanation was provided on why the receipts had not been banked as at 30 June, 2024. In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.142,476,191 could not be confirmed.			auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report; 2. The Institute of Certified Public Accountants of Kenya (ICPAK) undertakes disciplinary procedure (s) under section 32 and 33 of Accountants Act CAP 531 and provide a status update to the Senate within 60 days of	
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					adoption of this report. 3. The Committee advised the Head of Treasury to be diligent and adhere to the provided accounting standards .	
OTHER MATTERS						
2	Budgetary Control and Performance	The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounting to Kshs.6,977,942,770 and Kshs.5,724,353,308 respectively, resulting to an under-funding of Kshs.1,253,589,462 or 18% of the budget. Further, the County Executive spent an amount of Kshs.5,666,818,805 against actual receipts of Kshs.5,724,353,308 resulting	The receipts budget was not segregated into departmental budgets and therefore, the amount of Ksh.6,977,942,770 includes receipt budget for both County executive and County Assembly. The receipt budget for County Executive and County	The Committee observed that; - g) the county entities did not receive exchequer releases from the National Treasury on time. h) the Committee noted	The Committee recommends that; - 7) The National Treasury should ensure timely release of funds to county governments in line with the cash disbursement schedules approved by the Senate. 8) the County Executive puts in place	Continuous

		to an under-utilization of Kshs.57,534,503 or 1% of actual receipts. The under-funding affected the planned activities and may have impacted negatively on service delivery to the public.	Assembly was Ksh. 6,296,009,878 and Ksh.681,932,892 respectively. The actual amount approved and received from Controller of Budget for County executive was Ksh.5,724,353,308. Therefore, the variance between county executive receipts budget and actual was Ksh.571,656,570 which represent June exchequer of Ksh.447,544,995 and unspent special purpose account balances of Ksh.51,592,460	that the county executive s did not meet their own source revenue collection targets. This challenge hampered budget implementation in the affected county entities. i) Most Counties fail to undertake public participation on supplementary budgets that	measures to enhance its own generated revenue in order to meet its revenue target and address revenue shortfalls. 9) County Assemblies to exercise their powers as outlined in Article 201 of the Constitution to ensure budgets are realistic and espouse people's aspirations.	
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			Further, the County executive spent Ksh.5,666,818,805 against receipt budget of Ksh.5,724,353,308 which result to under-utilization of ksh. 57,534,503. Therefore, the under-utilization was attributed by unspent donor funds for instance Ksh.41,500,000 for Climate change funds received in CRF in June 2024 which were unspent at the close of financial year.	exceed 10% of the budget contrary to Section 135 (7) of the PFM Act, 2012 and Regulation 39(9) of the PFM (County Government) Regulations, 2015.		
3	Late Exchequer Releases	The statement of receipts and payments and Note 1 to the financial statements reflects transfers from the County Revenue Fund (CRF) balance of Kshs.5,550,672,020	This was a delay to release of funds to counties that affected all counties	The Committee noted that the County Executive	The Committee recommends that: 1) the National Treasury should ensure	Continuous

		in respect of exchequer releases. However, Exchequer releases amounting to Kshs.1,454,521,248 were received during the month of June, 2024 and August, 2024. The late Exchequer releases delayed implementation of the County Executive's for the year under review.	as funds were released late	experienced delayed exchequer releases by the National Treasury thereby hampering their budget implementation.	the timely release of funds to county governments in line with the cash disbursement schedules approved by the Senate 2) the County executive puts in place measures to enhance its own generated revenue to meet its revenue target and address revenue shortfalls.	
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4	Unresolved Prior Year Audit Matters	In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of internal Controls, Risk Management and Governance. However, although Management indicated that the issues had been resolved, the matters remained unresolved as of 30 June, 2024.	Management did not provide a response to the issue.	The committee observed that issues from previous financial years had not been resolved.	The Committee recommends that the County executive complies with section 53 of the Public Audit Act, 2015 by taking action on the issues raised by the Auditor General and submits a report to the Auditor General within 60 days of the adopting this report.	Within 60 days after adoption of the report.
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REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

5	Non-Compliance with the Law on Fiscal Responsibilities on Wage Bill	The statement of receipts and payments and Note 3 to the financial statements reflects compensation of employees' balance of Kshs.2,272,177,408 or 41% of the total receipts of Kshs.5,550,672,020. The County Executive therefore exceeded the 35% limit set	(i) Exceeding the Approved Wage Bill Limit The increase in the wage bill was primarily due to reason, such as recruitment of essential personnel,	The Committee observed that the wage bill for a number of County entities was above the threshold of	The Committee recommends that- 9) the management should strictly adhere to the provision of paragraph 25(1)(b) of the PFM (county	Within 60 days after the adoption of the report.
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		under Regulation 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015 which requires that the County Government expenditure on wages and benefits for public officers not to exceed 35% of the County total revenue. In the circumstances, Management was in breach of the law.	salary adjustments per government directives, implementation of CBA agreements, etc. However, we recognize that the wage bill exceeded the legal threshold of 35% of total revenue, and we are taking corrective measures to align with fiscal responsibility laws. (ii) Unapproved Recruitment and Payroll Expansion The recruitment of additional staff was necessitated by specific reason, e.g., service demand, healthcare expansion,	35% of total receipts contrary to Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015. The Committee further noted that high wage bill is a threat to the objects of devolution as provided for under Article 174(f) of the Constitution.	government) regulations, 2015 which stipulates that the county wage bill shall not exceed 35 per cent of the county total revenue; 10)the county executive puts in place measures to enhance own source revenue collection in order to address high wage bill gap; and 11)the management of the concerned entities should provide to the Auditor	
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		emergency response, etc. Moving forward, all hiring processes will strictly adhere to the approved budget and workforce plans. 2. Corrective Actions and Compliance Measures To ensure compliance with the Law on Fiscal Responsibilities on Wage Bill, we are implementing the following measures: Enforcing Budgetary Controls All salary adjustments and new hires will be subjected to budget approval and fiscal		General a status report of measures put in place to contain the high wage bill within sixty (60) days of the adoption of this report. 12) Senate should consider reintroducing the fiscal responsibility index in revenue allocation to act as an incentive for counties that meet the PFM fiscal responsibility targets.	
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			responsibility limits. Regular Payroll Audits A quarterly payroll review will be conducted to detect and prevent future non-compliance issues. Reducing Wage Bill through Workforce Optimization Staff redeployment and rationalization will be considered to manage costs without affecting service delivery. Strict Adherence to Employment Policies Future recruitments will align with approved staff			
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			establishment and revenue projections. Samburu County Government reaffirm our commitment to full compliance with fiscal responsibility laws and are working closely with relevant authorities to rectify all identified issues. We welcome further guidance and will submit progress reports on the implementation of corrective actions			
6	Irregular Staff Recruitment	The statement of receipts and payments and Note 3 to the financial statements reflects compensation of employees' amounting to Kshs.2,272,177,408. Included in the expenditure is an amount	The recruitment of staffs for the Governor's Delivery Unit (GDU) was not conducted in accordance with applicable laws, regulations,	The Committee observed that the County Executive breached Section	The Committee recommends that; - 1. The county Executive should expedite development and approval of its staff	Within 60 days after the adoption of the report.

	of Kshs.60,069,840 that was made to twenty-nine (29) staff members under the “Governors Delivery Unit”. As previously reported, the unit was not provided for in the approved organization structure and the duties and responsibilities of the members were not defined. It was further noted that the Approval from County Public Service Board (CPSB), advertisement, applications, shortlisting, interviews and selection of successful candidates were not provided for audit confirmation contrary to Section 60(1)(c) of the County Governments Act, 2012. In the circumstances, Management was in breach of the law.	policies, or government circulars. We acknowledge the need for strict adherence to recruitment policies and are committed to implementing necessary corrective measures and in the Financial year 2024-25 the Samburu County Public service board issued an advisory for the revocation of irregularly recruited staffs to County Secretary and head of public service, who issued a letter to Payroll manager to stop the salaries for Thirty-Four (34) staffs whose employment were revoked by the County Public Service Board.	60(1)(c) of the County Governments Act, 2012, which requires that public appointments be conducted through a transparent and competitive process. The recruitment of staff under the "Governor's Delivery Unit" was not supported by approvals from the County Public Service Board (CPSB), nor was there	establishment and a status report should be submitted to the Auditor General for verification within sixty (60) days of the adoption of this report. 2. The county Executive submits a status report to the OAG on the progress of the audit on staff establishment, payroll and the County's measures to ensure compliance with the law.	
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			The Board also received a letter from the County Secretary and Head of public service indicating an action note that arouse from the cabinet meeting on the Establishment of Government Service Delivery Unit and the Board in their meeting resolved to establish the Government Service Delivery Unit in the Department of Finance to enhance service delivery, policy coordination, and project monitoring within the county as per approved Organogram and the Budget.	evidence of advertisement, applications, shortlisting, interviews, or selection of candidates, violating established procedures for public sector hiring.	
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7	Salaries Paid Outside Integrated Payroll and Personnel Database System	The County Executive paid an amount of Kshs.319,651,201 as salaries to staff members outside the Integrated Payroll and Personnel Database (IPPD) system. Approximately three hundred and fifty (350) officers in the County Executive were being paid outside IPPD payroll system. This was contrary to Section 1.5.1 of The National Treasury Financial Accounting Recording and Reporting Manual which requires salaries, allowances or arrears of County Government employees to be processed through Integrated Payroll and Personnel Database (IPPD). In the circumstances, existence of effective internal controls on payroll could not be confirmed.	The management responded that the county employees have not paid through IPPD system due to the following; a) New transferees from other government agencies and departments – occasionally we receive staff transferred from other government entities but who fail to immediately bring their bio data for integration into the County’s IPPD system. b) Newly employed County Staff still on	The Committee noted that some Counties Executive were making payments of salaries for some of its employees outside the Integrated Personnel and Payroll Database (IPPD) System.	The Committee recommends that; 1. The Senate notes that the process of issuance of Personal File numbers is inefficient in counties and therefore directs the National Government (State Department of Public Service) in conjunction in the Council of Governors (CoG) to prescribe and design an efficient human resource management system to be used by counties; 2. The County Governor should ensure that casual workers are engaged in	Within 60 days after adoption of the report.
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			probation, awaiting personal numbers. Currently IPPD numbers have been provided		line with the relevant laws and the approved staff establishment and provide a status update to the Auditor General within 60 days of adoption of this report; 3. Pursuant to Article 235 of the Constitution of Kenya, the Committee directs that the Cabinet Secretary (CS), Ministry of Public Service, Youth and Gender Affairs to develop regulations to provide guidance and clarity to county governments on engagement of	
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					casual employees, contracted workers, acting positions and a platform for management of county human resources; and 4. the Auditor General to monitor the matter in the subsequent audit cycle.	
8	Non-Compliance with Staff Ethnic Diversity	The County Executive had a total staff of two thousand, two hundred and twenty-nine (2,229) employees out of whom one thousand, seven hundred and forty-nine (1,749) or 72% members of staff were from the dominant ethnic community. Further, included in the employees is a Top Management Team of thirty-	The management note that the imbalance noted in the staff ethnic composition is be attributed to the following reasons; -Most of the County Government Staff were inherited from the defunct Local	The committee observed that the County Executive had a total of 3,298 employees out of which 2,176 or 63.4% were from the	The Committee recommends that; - 5) The County Executives should work progressively towards attaining the requirement of the provisions of Section 65(1)(e) of	Within 60 days after the adoption of the report

	three (33) employees. However, twenty-nine (29) or 88% were from the dominant ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which stipulates that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff, and 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.	Authorities and the National Government Ministries. The bulk of the staffing inherited were from the dominant ethnic community. -Geographical and security challenges also plays a role in deterring new prospective employees. The County Executive's workforce of 2,229 included 1,749 (72%) staff and 29 out of 33 (88%) top management from the dominant ethnic community, violating Section 7(1) and (2) of the	dominant local community in the County. This is contrary to the provisions of the National Cohesion and Integration Act, 2008 which stipulates that at least 30% of employees should be from communities other than the dominant one	County Government Act on ethnic inclusivity. 6) The Standing Committee on NCEORI to explore legal amendments to ensure progressive compliance with section 65(1)(e) of County Government Act, 2012.	
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			National Cohesion and Integration Act, 2008, which limits any ethnic group to one-third of public institution staff.			
9	Irregular Engagement of Casuals	The statement of receipts and payments and Note 3 to the financial statements reflects compensation of employees balance of Kshs.2,272,177,408. Included in this expenditure is an amount of Kshs.36,441,690 that was paid to casual workers in the Health Department. However, no staff rationalization was done to assess the need to hire casuals, the County Public Service Board (CPSB) was not involved in the recruitment of casual workers and no muster roll was provided to confirm work attendance.	The management stated that casuals have appointment letters assigning them duties in the various facilities within the county (attached are samples of letters) A letter from the county public service board indicating recognition of casuals in the health department. (attached) Payment was done through banks as record indicated	The Committee noted that employment records revealed that the temporary employees had been continuously engaged without a written contract, contrary to the provisions of Section 9(1) of Employment Act, 2007.	The Committee recommends that; - 1. The Senate notes that the process of issuance of Personal File Numbers is inefficient in counties and therefore directs the National Government (State Department of Public Service) in conjunction with the Council of Governors (CoG) to prescribe and design an efficient human resource management	Within 60 days after the adoption of the report

		In addition, the casuals were engaged for more than three (3) months without review of their terms contrary to Section 37(1)(b) of the Employment Act, 2007 which states that where a casual employee performs work for more than three months, the contract of service of the casual employee shall be deemed to be one where wages are paid monthly and section 35(1)(c) shall apply to that contract of service. This exposes the County to litigation for unlawful terms of employment. In the circumstances, Management was in breach of the law.	each person pay point (attached excel indicates)		system to be used by counties; 2. The County Governor should ensure that casual workers are engaged in line with the relevant laws and the approved staff establishment and provide a status update to the Auditor General within 60 days of adoption of this report; 3. Pursuant to Article 235 of the Constitution of Kenya, the Committee directs that the Cabinet Secretary (CS), Ministry of Public Service, Youth and Gender Affairs to come up with Regulations to	
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					provide guidance and clarity to county governments on engagement of casual employees, contracted workers, acting positions and a platform for management of county human resources; and 4. the Auditor General to monitor the matter in the subsequent audit cycle.	
10	Non-Remittance of Statutory Deductions	The statement of receipts and payments and Note 3 to the financial statements reflects compensation of employee's balance of Kshs.2,272,177,408. Included in this expenditure is an amount of Kshs.160,248,535 in	The management responded that the deductions were part of pending bills which are now fully settled.	The Committee observed that the management did not provide evidence of	The Committee recommends that; - The Office of the County Governor undertakes administrative action against the responsible	Within 60 days after the adoption of the report.

		respect of pension and social security benefits (employer contribution to compulsory National Social Schemes). However, the County Executive did not remit a balance of Kshs.9,732,171 to National Social Security Fund and Kshs.60,613,975 to other pension schemes. This was contrary Section 20(1A) of the National Social Security Fund No.45 of 2013 which requires an employer to pay the contribution on the ninth day of each month following the end of the month. In the circumstances, Management was in breach of the law.		settlement of statutory deductions.	officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report; 3. Surcharge of the officer(s) who deducted pensions money from the staff and failed to remit it to the relevant pensions fund.	
11	Inadequacies in the	The statement of receipts and payments and Note 4 to the	The management responded that the	The Committee	The Committee recommended that	Within 60 days

Use of Framework Contracting	financial statements reflects use of goods and services of Kshs.1,459,188,123. Included in this expenditure is an amount of Kshs.270,392,151 in respect of specialized materials and services out of which an amount of Kshs.31,080,000 was used for purchase of foodstuffs for Early Childhood Development and Education (ECDE) centers within the County. However, the following anomalies were noted: i. The tender was done through a mini-competition for companies with existing framework contracts. However, the company that was awarded the tender was not contracted under the category of rice and beans and was therefore irregularly entered into a mini-competition contrary	company is in the category of similar goods that is cereals and pulses Under Sec 114 of PPADA 2015, A procuring entity maybe enter into a framework agreement open tender if- a) The procurement value is within the thresholds prescribed under Regulations to the Act. b) The regulations of goods, works or non-consultancy services cannot be determined at the time of entering into the agreement ;and cannot be determine at the	observed that even though the management justified the use of framework contracting pursuant to Section 114 of the Public Procurement and Asset Disposal Act. However, Management has not explained why one company was awarded a tender for a category they were not contracted for.	the management should ensure that it complies with the procurement laws as provided for in in the Public Procurement and Asset Disposal Act.	after adoption of the report.
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		to Regulation 103(2)(b) of the Public Procurement and Asset Disposal Regulations, 2020 which states that an Accounting Officer may award a contract under a framework agreement through inviting mini-competition amongst the suppliers under the framework agreement. ii. The use of framework agreement rather than open tendering was not sufficiently justified contrary to Section 91(1)(2) of the Public Procurement and Asset Disposal Act, 2015 which states that open tendering shall be the preferred procurement method for procurement of goods, works and services and the procuring entity may use an alternative procurement procedure only if that procedure is allowed and satisfies the conditions under this Act for use of that method.	time of entering into the agreement 3. When implementing a framework agreement, a procuring entity may a) Procure through call-offs order when necessary or b) Invite Mini-competition among persons that have entered into the framework agreement in the respective category We used the mini-competition under framework agreement Regulation 114 3(b) because of the quantity variation of			
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		In the circumstances, Management was in breach of the law.	goods in different school terms.			
1 2	Gaps in the Management of Training Expenses	The statement of receipts and payments and Note 4 to the financial statements reflects use of goods and services balance of Kshs.1,459,188,123. Included in the expenditure is an amount of Kshs.62,997,084 in respect of training expenses. However, there was no evidence of training needs assessment and training projections to justify the expenditure and the County Executive did not have a training program. Further, Management did not prepare quarterly returns on trainings that took place during the financial year and gauge their effectiveness. It was also revealed that staff at the County Executive applied for	The management stated that the budget for staff training is allocated per department and each department has a training committee that approves those who go for training. Departments have minutes of their meetings and approvals.	The Committee observed that the management did not answer the issue addressed.	The Committee recommends that the management should conduct a training needs assessment and develop a structured training program in compliance with Section 5(1) of the Public Service Commission Act, 2017, which mandates institutions to ensure capacity development based on identified needs. Additionally, quarterly training returns should be prepared as required	Within 60 days after adoption of the report.

		reimbursement of subsistence allowances and training fees without providing evidence that the trainings were approved before proceeding, and that the officers were nominated for the trainings by the Head of the Human Resource Department or delegated departmental heads and copied to the head of the County Human Resource Department. In the circumstances, the value for money from the training expense of Kshs.62,997,084 could not be confirmed.			under Regulation 31(3) of the Public Finance Management (County Governments) Regulations, 2015, to assess the effectiveness of training expenditures. Management should also enforce strict adherence to approval procedures for training expenses, ensuring that all reimbursements are supported by prior approvals and nominations as per public service guidelines.	
1 3	Irregular Payments	The statement of receipts and payments and Note 4 to the	A conglomerate of like-minded County	The Committee	The Committee recommends that the	Immediate.

to Council of Governors and Frontier Counties Development Council	financial statements reflects use of goods and services of balance of Kshs.1,459,188,123. Included in this expenditure is an amount of Kshs.437,848,253 in respect of other operating expenses out of which an amount of Kshs.3,000,000 and Kshs.3,604,800 were payments for annual subscription to the Council of Governors and Frontier Counties Development Council respectively. However, the operational expenses for the Council of Governors an entity established under Intergovernmental Relations Act, 2012 are supposed to be provided from the annual estimates of the National Government while Frontier Counties Development Council has not been established under the law	Governments entered into an MoU on 2nd March, 2016 to form Frontier Counties Development Council to among other things create an enabling environment for wealth and job creation of its citizens. Samburu County Government joined the Council on 12th Sept 2018. In FY 2023/24, Samburu County made its annual contribution of KES 1,500,000 in line with the MoU and the approved budgetary allocation for the activity.	noted that payments made to the Council of Governors from County Revenue Funds were irregular and unlawful since the Intergovernmental Relations Act specifies that funding for the COG shall be drawn from the Consolidated Fund.	irregular payments to the Council of Governors (COG) be stopped and further recommends the surcharge of any Governor, in their capacity as Chief Executive Officer, who continues to make the irregular contribution. The EACC should oversee the recovery of all the public funds irregularly transferred to the Council of Governors (COG) by the Governor. This is in line with the Resolution of the Senate.	
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		to receive public funding. This was contrary to Section 162 of the Public Finance Management Act, 2012 which requires a public officer to ensure that resources within the officer's area of responsibility are used in a way that is lawful and authorized, effective, efficient, economical and transparent. In the circumstances, Management was in breach of the law.	The FCDC Memorandum of Understanding and the extract of the budgetary allocation under other operating costs.			
1 5	Late Commitments	Review of procurement records revealed that expenditure commitments/contracts for various supplies of goods and services amounting to Kshs.156,235,210 were made after 31 May, 2024 without the written approval of the Accounting Officer. This was contrary to Regulation 50(1) of the Public Finance Management (County	The late commitments were occasioned by payments made for insurance and Fuel see annex attached totalling to kes 130,577,757 . The delays were also occasioned by delays of	The committee observed that the management did not provide written approval from the Accounting Officer for the	The Committee recommends: - 1. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to	Within 60 days after adoption of the report.

		Governments) Regulations, 2015 which provides that all commitments for the supply of goods or services shall be done not later than the 31 May each year except with the express approval of the Accounting Officer in writing. In the circumstances, Management was in breach of the law.	supplementary budget	late commitments that were done during the year under review.	the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report; 2. The Institute of Certified Public Accountants of Kenya (ICPAK) undertakes disciplinary procedure (s) under section	
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					32 and 33 of Accountants Act CAP 531 and provide a status update to the Senate within 60 days of adoption of this report.	
1 6	Non-Submission of Financial Statements for Audit Emergency Fund	The statement of receipts and payments and Note 6 and 7 to the financial statements reflects Kshs.566,502,436 and Kshs.214,691,471 being transfer to other Government agencies and other grants and transfers respectively. Included in these balances is an amount of Kshs.253,178,575 and Kshs.40,000,000 being expenditures on emergency locust response and emergency relief and refugee assistance respectively. However, the County Executive did not	The county does not have an emergency fund	The Committee noted that the County Executive made late submissions of the relevant documents to the Auditor General during the audit exercise contrary to section 62 of the Public	The Committee recommends: - 3. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance	Within 60 days after adoption of the report

	prepare and submit financial statements for the Emergency Fund to the Auditor-General. This was contrary to Section 115(1) of the Public Finance Management Act, 2012 which requires the County Treasury to prepare and submit to the Auditor-General, financial statements in respect of the Emergency Fund for that year not later than three months after the end of each financial year. In the circumstances, Management was in breach of the law.		Audit Act 2015.	with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report; 4. The Institute of Certified Public Accountants of Kenya (ICPAK) undertakes disciplinary procedure (s) under section 32 and 33 of Accountants Act CAP 531 and provide a	
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					status update to the Senate within 60 days of adoption of this report.	
17	Irregularities in Acquisition of Assets Stalled Construction of Inpatient Block at Samburu County Referral Hospital	The County Executive of Samburu entered into a twelve (12) months contract with a local company for the construction of inpatient block at the Samburu County Referral Hospital on 30 March, 2022 at a contract sum of Kshs.116,951,010. As at 30 June, 2024, the contractor had raised a (3) certificates all amounting to Kshs.107,790,785 and which had been fully paid. Project inspection carried out on 17 September, 2024 revealed that the contractor was not on site and doors, windows, finishes, electrical works, sanitary fittings and foul drains	The management agrees with the audit findings regarding the certification and payment for incomplete works. This situation highlights a significant oversight in project management and adherence to contractual obligations. We have launched an internal investigation into the circumstances surrounding the certification process	The Committee observed that the management had no clear evidence of how various assets were acquired.	The Committee recommends that the; - 1. County should expedite the process of updating and presenting their Fixed Assets Register in the format prescribed by the Public Sector Accounting Standards Board before the transition to accrual basis of accounting and provide a status update to the OAG within 60	Within 60 days after adoption of the report.

		and lift shaft had not been done. No explanation was provided on why the contractor was not on site and why the works were still incomplete. In the circumstances, the value for money on the expenditure of Kshs.107,790,785 could not be confirmed.	and the contractor's performance. This includes reviewing documentation, meeting with the inspection committee, and consulting with the Department of Public Works. Additionally, all further payments to the contractor are suspended pending the outcome of the investigation and verification of completed works. To prevent future issues, we will enhance oversight mechanisms for project inspections and certifications. This will involve establishing stricter		days of adoption of this report; 2. County should adopt and implement the report of the Inter-Governmental Technical Relations Committee (IGTRC) on assets and liabilities from defunct Local Authorities and submit a status update to the Office of the Auditor General within 60 days of adoption of this Report; and 3. Office of the Auditor General should	
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			criteria for certifying completed work and requiring documented evidence before approving payments. We will also implement a regular monitoring and reporting framework for ongoing projects to ensure compliance with timelines and specifications. We greatly appreciate the audit team's findings and recommendations. We are taking immediate steps to address the identified issues and prevent similar occurrences in the		progressively review and report on the matter in the subsequent Financial Years.	
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			future. Our commitment to accountability and transparency remains a priority as we work to ensure the successful completion of the inpatient block project for the benefit of our community			
1 6	Irregular Fencing Works for ECDE Centers	The statement of receipts and payments and Note 9 to the financial statements reflects acquisition of assets amount of Kshs.1,152,259,363. Included in this expenditure is an amount of Kshs.229,838,868 in respect of construction of buildings out of which an amount of Kshs.10,247,500 was used for fencing works of fifteen (15) ECDE centers within the County. However, the winning bidder had failed at	The winning bidder had attached a valid AGPO Certificate for youth as required in the tender document (REG NO - NT/PPD/2023/DG Y/9596). -The contractor followed the Bills of quantity (BQS) which indicated the fence were to be	The Committee observed that there was no value for money on the project.	4) The Office of the County Governor to prioritise should ensure there was value for money on the project and update to the Auditor General within 60 days of the adoption of this report; 5) The OAG to keep the matter in view and provide a status update to the	Within 60 days after adoption of the report.

	the preliminary evaluation for failure to attach an AGPO certificate for youth but the evaluation committee proceeded to recommend the company for the works. Further, audit inspection carried out during the month of September, 2024 in sampled schools revealed that the fencing works were done with untreated cypress posts which were already being damaged by termites. In addition, the Bill of Quantities and payment certificates provided different descriptions for the fencing works where, the Bill of Quantities required, the contractor to use treated cypress posts but the payment certificate done by the quantity surveyor indicated the certified works were done with concrete	done by treated cypress posts but not concrete posts as indicated by the quantity surveyor payment certificate hence an error from quantity surveyor.		Committee in the subsequent audit cycle.	
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		posts, which was contrary to what was implemented. In the circumstances, the value for money in the expenditure of Kshs.10,247,500 could not be confirmed.				
17	Stalled Construction of Governor's Official Residence	The County Executive entered into a contract with a local contractor for construction of the Governor's official residence on 17 January, 2022 for a total contract sum of Kshs.87,586,528. The contract sum was Kshs.42,585,528 over and above the ceiling set by the Salaries and Remuneration Commission of Kshs.45,000,000 for the construction of Governors' residences. As at 30 June, 2024, an amount of Kshs.60,440,153 had been paid to the contractor for the works. However, documents to confirm the	Salaries and Remuneration Commission (SRC) issued a sealing of Ksh.45,000,000 for the construction of Governors' residences, however as per the Engineer's estimate, the cost of the house stands at Ksh. 45,000,000 exclusive of perimeter wall and gazebos. When the department of Lands	The committee observed that the projects that have been completed and the incomplete have not yet been separated hence it is difficult to determine their current status.	The Committee recommends that; - 1. The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of	Within 60 days after adoption of the report.

	exemption of the above over-expenditure on Governor's Official Residence by the Senate were not provided for audit. Further, the deadline of 30 June, 2022 for the completion of the residence had been surpassed as provided by the Salaries and Remuneration Commission. Physical inspection carried out on the month of September, 2024 showed that only the superstructure works had been completed. Doors, windows and finishing works had not been started. In addition, the contractor was not on site and the Project had stalled for more than one year. Site security was not enhanced as evidenced by presence of livestock in the structure leading to damages on the floor. Further, despite an amount of Kshs.3,142,625 out of	allocated the land for construction of the Governor's residence, it was prudent to fence the entire piece to avoid encroachment for future developments. The Bill of Quantities was therefore varied to include the perimeter wall and gazebos which formed part of the project. The project was queried by ethics and Anti-Corruption and the file is active awaiting recommendations and action by the commission		value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 2. The Office of the County Governor to prioritise completion of existing and stalled projects and provide a budget for their completion and provide a status update to the Auditor General	
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		Kshs.6,285,250 being paid for electrical works, security system and firefighting appliances, none had been installed. Additionally, the two gates, two guard house and four gazebos fully paid for in the two certificates issued had not been completed at the time of the inspection. In the circumstances, the value for money on the expenditure of Kshs.60,440,153 could not be confirmed.			within 60 days of the adoption of this report; 3. The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle.	
18	Insufficient Budgetary Allocation for the Construction of ECDE Latrines	The statement of receipts and payment and Note 9 to the financial statements reflects acquisition of assets amount of Kshs.1,152,259,363. Included in this expenditure is an amount of Kshs.229,838,868 in respect of construction of buildings. In the year under review, management awarded a contract for construction of	The department had issued the LPO for construction of 60 pit latrines, before Supplementary budgets by the County executive; the funds were re-allocated to Perimeter wall fence of an ECD center	The County Executive awarded a contract worth Kshs. 32,301,200 for the construction of 60 ECDE pit latrines, despite the	The Committee recommends that the management should comply with Section 53(8) of the Public Procurement and Asset Disposal Act, 2015, by ensuring procurement aligns with approved budget estimates.	Within 60 days after adoption of the report.

	sixty (60) ECDE pit latrines to a local company at a contract sum of Kshs.32,301,200 or Kshs.535,020 per pit latrine as per the contract dated 10 November, 2023. However, it was noted that as per the approved supplementary budget, only twenty (20) ECDE pit latrines were approved for construction with a budget of Kshs.12,000,000. The budget reduction was done after the County Executive had entered into a contract worth Kshs.32,301,200 and works for the same were ongoing. This was contrary to Section 53(8) of Public Procurement and Asset Disposal Act, 2015 which requires that an Accounting Officer shall not commence any procurement proceeding until satisfied that sufficient funds to meet the obligations of the resulting	which was burned down by bandits in the insecurity prone area within Loosuk ward. -The department has renegotiated with the contractor to finish up the forty (40) ECD pit latrines as per the LPO and an additional funding to be allocated in the subsequent financial year for the completion of the works. -Budget was removed during the last quarter of the financial year when the LPO Was issued and the contractor was in site this re-allocation of the	approved supplementary budget only allocating Kshs. 12,000,000 for 20 latrines. The contract was signed before confirming the availability of sufficient funds, violating Section 53(8) of the Public Procurement and Asset Disposal Act, 2015. This resulted in non-compliance with	Adherence to Section 131(1) of the Public Finance Management Act, 2012, is required to prevent overspending. Procurement planning should be strengthened to avoid contract commitments beyond available funds.	
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		contract are reflected in its approved budget estimates. In the circumstances, Management was in breach of the Law.	budget was as a result of an emergency of insecurity of burning down of the ECDE Centre.	budgetary controls and financial regulations.		
1 9	1. Inadequate Inspection of Roads Project	The County Executive awarded tenders for the construction of roads amounting to Kshs.169,859,258. However, review of the payment vouchers revealed that only standard inspection sheets that are normally used for goods and services were used by the inspection and acceptance committee for the road projects. There were no documented predetermined standard inspection procedures issued to the inspection and acceptance committees to guide them on the inspection of the roads.	The management responded that the inspection of roads was done adequately by ensuring the specification and quantities in the bill of quantities are done. All payments are supported by a payment certificate which has a measurement sheet of quantities done. We have predetermined inspection	The Committee observed that the management awarded road construction tenders worth Kshs. 169,859,258, but the inspection committee used standard inspection sheets meant for goods and services	The Committee therefore recommends that: 1. The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value for money as provided for in the Public	Within 60 days after adoption of the report.

		This was contrary to Section 150(3) of the Public Procurement and Asset Disposal Act, 2015 which states that where goods, works and services under Sub-Section (2), are of technical nature and the specifications were provided by a technical department or professionals engaged to work on behalf of the Accounting Officer, that technical department or professionals engaged to work on behalf of the Accounting Officer shall be responsible for confirming the right quality and quantity of goods, works or services have been delivered and issue a certificate to the recipient Accounting Officer. In the circumstances, value for money on the expenditure incurred on the construction of roads could not be confirmed.	procedures as follows i. Handing over site to contractor ii. Inspection during actual construction of project iii. Final inspection and measurement of quantities when the contractor has completed works Preparation of payment certificates as per the measured quantities	instead of proper road inspection procedures. No documented guidelines were provided to ensure compliance with Section 150(3) of the Public Procurement and Asset Disposal Act, 2015. As a result, the quality and value for money of the road projects could not be confirmed.	Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 2. The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle.	
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20	Delayed Utilization of Maralal Municipality Retail Market	The County Executive of Samburu entered into a contract on 30 June, 2020 with a local company for the construction of a trade market in Maralal Municipality at a contractual amount of Kshs.53,981,760. The works were done over a period of twenty-four (24) months and the contractual amount paid in full. The retail market remained unutilized and on 25 May, 2023, the County Executive entered into another contract with a different contractor for the completion of the Maralal retail market through addition of an extra floor at a contractual amount of Kshs.20,000,000 and was completed in May, 2024.	The management submitted that Maralal Market was a World Bank-funded project with a budget of Ksh. 53,981,760 (50,000,000 from KUSP grants while 3,981,760 was counter funding from county government) However, after its completion, the County Government and the Maralal Municipality Board passed a formal resolution to add an extra floor to maximize space and accommodate more traders. An additional contract worth Ksh. 20 million was signed for.	The Committee observed the management spent Kshs. 73,981,760 on constructing and upgrading the Maralal retail market, but the facility remains unutilized. Audit inspection revealed incomplete works, including missing waterproofing, overgrown bushes, waste soil, and unsecured site	The Committee therefore recommends that: 1. The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations,	Within 60 days after adoption of the report.
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		Audit inspection conducted during the month of September, 2024 revealed that the market remained unutilized. In addition, water proofing of the flat roof was not done as per the Bill of Quantities as mastic asphalt was not applied. Further, the retail market site was covered with overgrown bushes, heaps of waste soil that the contractor had not disposed and dilapidated iron sheets securing the site that the contractor ought to have removed after erecting a masonry fence. In the circumstances, value for money on the expenditure incurred on the market could not be confirmed.	The Board also directed that no traders should occupy the market until the construction is fully completed to ensure safety and provide adequate facilities for all traders. Regarding waterproofing, it is important to clarify that bitumen application was used as an alternative to mastic asphalt. Bitumen is a standard waterproofing material that serves the same purpose and ensures the roof's durability and protection against water seepage. The choice of bitumen was informed by its versatility, higher adhesion, bonding property and	fencing. As a result, value for money on the project could not be confirmed.	2015 within 60 Days from the date of adoption of this report; 2. The Office of the County Governor to prioritise completion of existing and stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3. The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle.	
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			flexibility in accommodating expansion in structures as compared to asphalt since the building in question has expansion joints. Upon the completion of the Maralal retail market in May 2024, the County embarked on a process to ensure fairness and transparency in available space allocation taking in to consideration those trading in old market and new applicants. This involves a rigorous vetting process where interested tenants will be invited to apply. The allocation process for new applicants has been planned for			
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				April this year, and we aim to ensure that the allocation is done equitably to benefit the community and enhance economic activities within the market. Additional consideration will include gender parity, disability, youth and minority. During the audit inspection conducted in September 2024, it was observed that the contractor was present at the site, and finishing works were actively being carried out and thus an active construction site under the jurisdiction of the contractor. Since then, the works have been completed, and the market is now		
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			ready for use. The site no longer has overgrown bushes or the heaps of waste soil mentioned. As indicated in the attached pictures of the market, the site is now well-maintained and in a satisfactory condition.			
2 1	Irregular Implement ation of Water Projects	The statement of receipts and payments and Note 9 to the financial statements reflects acquisition of assets amounting to Kshs.1,152,259,363. Included in this expenditure is Kshs.233,838,868 in respect of construction and civil works out of which an amount of Kshs.37,725,094 and Kshs.49,954,293 was used for desilting of dams and drilling and equipping of boreholes respectively. Audit inspection revealed that the dams had not	Due to high risk of vandalism the signages has not been erected and the contractors responsible for the works will avail the signages to the department of water and sanitation within the defect liability period and at time of commissioning of the project.	The Committee observed that the managment spent Kshs. 37,725,094 on desilting dams and Kshs. 49,954,293 on drilling and equipping boreholes, but audit inspection	The Committee therefore recommends that: 1. The County Executive establishes a project management and monitoring System to help in proper project conceptualization , planning, execution and timely completion of projects as well	Within 60 days after adoption of the report.

	been excavated and expanded and the materials hauled to the dam embankments as per the Bill of Quantities. In addition, the dams had no signage erected for the projects and hence it was difficult to ascertain whether the works were carried out during the year under review. Further, audit inspection revealed that drilling and equipping of Sere Eloikari and Ntepes boreholes at a cost of Kshs.8,418,077 and Kshs.8,720,855 respectively, did not have Water Kiosks constructed as per the Bill of Quantities. In the circumstances, value for money on the expenditure incurred in the desilting of	Dam has been excavated as per the bill of quantities. Due to heavy rains the dams were filled up and silted therefore volumes could not be easily measured. The materials excavated were transported outside the dams' areas to avoid tampering the embankment wall. Extra expansion works were carried out to increase the dams' volumes equivalent to other minor civil structures i.e. concrete seals which had no major impact in a way to increase water volumes.	revealed that key works, such as excavation, expansion, and material hauling, were not done as per the Bill of Quantities. Additionally, the dams lacked signage, making it difficult to verify whether the works were completed during the year. Boreholes at Sere Eloikari and Ntepes, costing Kshs.	as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 2. The Office of the County Governor to prioritise completion of existing and stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report;	
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		dams and drilling of boreholes could not be confirmed.	There was also further expansion of spillway works carried out in most dams Sere Eloikari Water Kiosk Construction. In the designed document the Kiosk was supposed to be constructed on the source but immediately establishment of irrigation farms was evident and after the department having a consultative engagement with the targeted community and agreeing on the relocation of the water Kiosk to the	8,418,077 and Kshs. 8,720,855 respectively, also lacked the required water kiosks, resulting in unconfirmed value for money.	3. The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle.	
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			said area then the department instructed the contractor to construct the said water Kiosk within a nearby ECD – school which is about 1Km from the drilled borehole. The department also instructed the contractor to construct a communal water point where a relatively lower population of people living near the source will access water for their domestic consumption. In addition, the department is on higher plan gear of			
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			allocating finances to connect the Kiosk with water.															
24	Unutilized Projects	The County Executive completed various projects at a cost of Kshs.57,371,296. However, audit inspection carried out in September, 2024 revealed some projects that had not been put into use as detailed below: <table border="1"> <thead> <tr> <th>Department</th> <th>Project Cost (Kshs.)</th> </tr> </thead> <tbody> <tr> <td>Health</td> <td>16,969,070</td> </tr> <tr> <td>Sports and Youth Affairs</td> <td>27,926,050</td> </tr> <tr> <td>Livestock</td> <td>7,481,316</td> </tr> <tr> <td>Education</td> <td>4,994,860</td> </tr> <tr> <td>Total</td> <td>57,371,296</td> </tr> </tbody> </table> This was contrary to Section 162(1) of the Public Procurement and Asset Disposal Act, 2015 which requires that an Accounting Officer of a procuring entity shall ensure that all assets are	Department	Project Cost (Kshs.)	Health	16,969,070	Sports and Youth Affairs	27,926,050	Livestock	7,481,316	Education	4,994,860	Total	57,371,296	During the period of audit most of the project were not utilized but the current overview of the projects is provided below;	The committee observed that the management has not confirmed the effective completion of 11 projects that are under the Department of Lands, Housing, Urban Development, and Physical Planning	The Committee recommends that; - 1. The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value	Within 60 days after the adoption of the report.
Department	Project Cost (Kshs.)																	
Health	16,969,070																	
Sports and Youth Affairs	27,926,050																	
Livestock	7,481,316																	
Education	4,994,860																	
Total	57,371,296																	

		accounted for and put into proper use as intended by the procuring entity. In the circumstances, the value for money on the expenditure amounting to Kshs.57,371,296 could not be confirmed.			for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 6) The Office of the County Governor to prioritise completion of existing and stalled projects	
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					and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 7) The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle.	
25	Long Outstanding Imprests	The statement of assets and liabilities and Note 14 to the financial statements reflects outstanding imprest and advances balance of Kshs.39,270,626. The imprests had not been surrendered long after their due dates and the Management had not made any progress in initiating recoveries. This was contrary to Regulation 93(6) of the	Ksh.15,527,402.00 is Receivable from County Assembly of Samburu (schedule presented as Annexure) The amount of Ksh.24,853,016.00 is the outstanding imprest for previous years (schedule showing imprest	The Committee noted that the County entities had substantial amounts of outstanding imprest by the close of financial year contrary to	The Committee recommends that;- 1. The Accounting Officer(s) recover the outstanding imprests with interest as per provisions Regulation 93 (6) of the Public Finance Management (County	Within 60 days after adoption of the report.

		Public Finance Management (County Governments) Regulations, 2015 which states that in the event of the imprest holder failing to account for or surrender the imprest on the due date, the Accounting Officer shall take immediate action to recover the full amount from the salary of the defaulting officer with an interest at the prevailing Central Bank Rate. In the circumstances, Management was in breach of the law.	taken, amount recovered and outstanding balance is attached as Annexure)	Regulations 93(5) of the Public Finance Management (County Government) Regulations, 2015 which requires a holder of a temporary imprest to account for the imprest within seven days after returning to duty station.	Governments) Regulation. The Committee further recommends the sanction and surcharge of Accounting Officers who fail to recover outstanding imprests in line with Regulation 93(7) of the PFM (County Government) Regulations, 2015.	
2 6	Irregular Commitments of Equalization Funds	The County Executive committed an amount of Kshs.566,090,060 through issuance of Local Purchase Orders (LPOs) for various infrastructural projects in the	The Equalisation Fund (EF) was established under Article 204 (1) of the Constitution of Kenya 2010 (CoK	The Committee observed that the management committed	The Committee recommends that the management compliance with Section 53(8) of the Public Procurement	

	Water, Roads and Health departments financed through the Equalization Fund. However, at the time of the audit in September, 2024 the County had not received the equalization funds which they were to receive for the 2023/2024 financial year. Further, review of the Project Implementation Status Report, revealed that the contractors had completed the works and had raised payment certificates which at the time of the audit had not been paid for lack of funding contrary to Section 53(8) of the Public Procurement and Assets Disposal Act, 2015 which states that Accounting Officer shall not commence any procurement proceeding until satisfied that sufficient funds to meet the obligations of the resulting contract are reflected	2010) which requires that one half per cent (0.5%) of all the revenue collected by the National Government each year, calculated on the basis of the most recent audited revenue received, as approved by the National Assembly, to be paid into the Fund. The County Government through a letter Ref No. SCG/Budget/34/2023 dated 31st August, 2023 submitted project proposals and work plans for the FY 2023/2024 -	Kshs. 566,090,060 for infrastructural projects in the Water, Roads, and Health departments through Local Purchase Orders (LPOs) under the Equalization Fund. However, as of September 2024, the County had not received the funds for the 2023/2024 financial year. Contractors completed the projects and	and Asset Disposal Act, 2015, by initiating procurement only when funds are available and reflected in the approved budget estimates. Additionally, adherence to Section 131(1) of the Public Finance Management Act, 2012, is necessary to ensure proper budgeting and expenditure control. The County should strengthen financial planning and coordination with the National Treasury to secure Equalization Funds before committing to	
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		in its approved budget estimates. In the circumstances, Management was in breach of the law.	Equalization Fund Appropriation Act 2023 to the Board through CEO/Fund Administrator. The project proposals were submitted pursuant provision of Regulation 23 of the PFM (Equalization Fund Administration) Regulations, 2021 which stipulates that 'The County Executive Committee Member responsible for matters relating to finance shall submit work plans through County Technical Committee to the	raised payment certificates, but payments were pending due to lack of funds. This violated Section 53(8) of the Public Procurement and Asset Disposal Act, 2015, which prohibits procurement without confirmed budgetary allocations.	contracts, preventing delayed payments and legal breaches.	
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			Board for approval’. Pursuant to Regulation 23 of the PFM (Equalization Fund Administration) Regulations, 2021, the Equalization Fund Board reviewed, considered the proposals and made the following resolutions and recommendations via a letter Ref. No. NT/EFAB/TECH/01/C/58. i. Seven (7) projects were approved and recommended for implementation. The county to ensure timely implementation.			
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			ii. Thirty-two (32) projects were conditionally approved. The county to ensure compliance with the conditions as per the remarks before commencement of project implementation. iii. One (1) project was deferred. The County to specify the scope on whether the proposed project is phase two of the ongoing project for reconsideration by the Board. The purpose of the equalization fund board approval letter, was to convey the Board resolution and			
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			request the County Government to ensure timely implementation of the projects for the benefit of the marginalized communities in the county. The Equalization Fund Appropriation Act No. 7 of 2023 was assented to on 30th June 2023. This appropriation Act was deemed to have come into effect on July 2023. Based on the above two documents the County Government proceeded to advertise for procurement of goods and services under the approved		
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			projects after fulfilling the conditions set out by the Equalization Fund Board. The first set of advertisements for goods and services under the Equalization Fund were made in February 2024. There were however challenges on the release of funds by the National Treasury since the Fund needed a separate module in IFMIS to allow for payments of works procured under the Equalization Fund. The Module has however been developed and			
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			tested for payments. The suppliers of goods and services under the Equalization Fund are in the process of being paid in the month of October 2024.			
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE						
27	Lack of Risk Management Policy	As previously reported, Management did not provide evidence of the existence of a Risk Management Policy to guide its management on risk management assessment and formulation of risk mitigation strategies in the year under review. This was contrary to the Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires Accounting Officer to develop	The management provided a risk management policy		The Committee recommends that; - 1. The County CEO should put in place a risk management policy and disaster recovery plan within sixty (60) days from the adoption of this report and	Within 60 days after adoption of the report.

		risk management strategies which include fraud prevention mechanisms and internal control that builds robust business operation. In the circumstances, it was not possible to confirm whether the internal controls built within the financial and operational system were functional as intended.			submit the same to the Auditor General. 2. The Auditor General to closely monitor the development, documentation and communication of these policies within the county entity in the subsequent audit cycles	
28	Weaknesses in Internal Audit	Review of the staff establishment and the list of staff in the Internal Audit Department revealed that the Department has only two (2) active staff against the staff establishment of sixteen (16). The remaining staff had been seconded to other departments at the County Executive.	The county government acknowledges the shortfalls and will endeavor to address the shortage by recruiting more staff	The Committee observed that in a number of the entities considered, management had not established audit committees to	The Committee recommends that the county entities should expedite establishment of audit committees to enhance oversight over public resources and provide a status report to the Auditor General within sixty	Within 60 days after adoption of the report.

		Further, during the year under review, the County Executive's Organizational Structure was not provided to be able to ascertain the operational independence of the Internal Audit Unit by confirming that the Head of Internal Audit reports functionally to the Audit Committee and administratively to the Accounting Officer. This was contrary to Section 155(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that The Head of Internal Audit unit in a County Government entity shall enjoy operational independence through the reporting structure by reporting administratively to the Accounting Officer and functionally to the Audit Committee.		provide oversight on the financial and other operations of their financial affairs as required under Section 167(1) of Public Finance Management (County Governments) Regulation, 2015.	(60) days from the adoption of this report. The Committee further recommends that the SRC should review the compensation framework for Audit Committee members since the low sitting allowances may not attract seasoned professionals to the county Audit Committees.	
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		In the circumstances, existence of effective processes and systems of internal controls, risk Management and overall governance could not be confirmed.				
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**REPORT OF THE SENATE COUNTY PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE
AUDITOR GENERAL ON AUDITED FINANCIAL STATEMENTS OF TAITA TAVETA COUNTY EXECUTIVE
FOR THE FINANCIAL YEAR 2023/2024.**

Basis for Qualified Opinion

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
5. Transfer to Other Government Entities	Transfers from the County Executive to Tavevo Water and Sanitation Company Limited and Level 4 Hospitals differ with the amounts reflected in the respective institutions financial statement resulting to unexplained variances of Kshs.55,296,563 and Kshs.79,696,527 respectively.	-Tavevo Water and Sanitation Company Limited reported Kshs.151,793,875 Instead of the disbursed amount of KShs. 373,103,336. The Managing director of the entity acknowledged receipt of KShs. 373,103,336. -The total amount disbursed to Level 4 Hospitals of	-The Committee observed that the financial statement of the entities reconciling with the executive financial statement not provided. -Further, the Committee noted that the cashbook	The Committee recommends that; 1. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
		KShs. 79,696,527 was disclosed as user fees in the Level 4 Hospital and not as transfers from County Executive.	extracts of amount transferred and received not provided.	Auditor General within sixty (60) days from the adoption of this report; 2. The Office of the County Governor undertakes administrative action against the accounting officer and any other officer(s) responsible for failure to undertake accurate reconciliation of financial statements within the stipulated timelines and submit a report to the Committee within 60 days of adoption of this report; 3. The Institute of Certified Public

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
				Accountants (ICPAK) takes action(s) against the Head of Treasury for late submission of financial statements which constitutes professional negligence pursuant to Section 8 (a) and 30 of the Accountants Act CAP 531 and reports to the Committee within 60 days of the adoption of this report; and 4. The Office of the County Governor must ensure strict adherence to the Public Sector Accounting Standards Board

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
				regulations by submitting accurate and reliable reconciliations of the financial statements in the prescribed timelines.
6. Misclassification of Expenditure - Fuel, Oil and Lubricants	-An amount of Kshs.1,300,000 incurred on fuel, oil and lubricants was misclassified expenditure under acquisition of assets instead of being charged under use of goods and services.	-The expenditure relates to roads and other infrastructure, as per the National Treasury guidelines on assets and liabilities. Appendix 5 asset categories and	-The Committee observed that the amount of fuel could not be correlated to the actual cost of the road to be	The Committee recommends that; 1. The Office of the County Governor undertakes administrative action against the responsible officer(s) who

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
		capitalization threshold states that any expenditure incurred in relation to roads and other infrastructure above one million should be capitalized.	capitalized as road construction.	failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report; 2. The Office of the County Governor undertakes administrative action against the accounting officer and any other

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
				officer(s) responsible for failure to undertake accurate reconciliation of financial statements within the stipulated timelines and submit a report to the Committee within 60 days of adoption of this report; 3. The Institute of Certified Public Accountants (ICPAK) takes action(s) against the Head of Treasury for late submission of financial statements which constitutes professional negligence pursuant to

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
				Section 8 (a) and 30 of the Accountants Act CAP 531 and reports to the Committee within 60 days of the adoption of this report; and 4. The Office of the County Governor must ensure strict adherence to the Public Sector Accounting Standards Board regulations by submitting accurate and reliable reconciliations of the financial statements in the prescribed timelines.
7. Unexplained Varia	-Human resource records revealed that the County Executive deducted National Health Insurance Fund	-The Management has noted the audit observation,	The Committee observed that	1. The County Executive adheres to Section 22(2)(a)

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
nces on Statutory Contributions	(NHIF) and National Social Security Fund (NSSF) employee contributions totalling Kshs.45,333,700 and Kshs.60,694,320 respectively. However, third party confirmation from NHIF and NSSF showed that the total amount remitted as employee contribution was Kshs.45,259,450.00 and Kshs.49,765,920 resulting to an unexplained variance of Kshs.74,250 and Kshs.10,928,400 respectively as unremitted deductions. Further, Management did not remit the NHIF matching employer contribution of Kshs.45,333,700 as required by section 15(2)(d) of the NHIF Act, 2022.	However, the (NSSF) third-party confirmation are provided. Further, an amount of KShs 10,671,320 relating to the NSSF for the month of April 2024 & May 2024 amounting to KShs 5,338,640.00 and KShs 5,332,880.00 respectively were remitted on 27th November, 2024. The management has initiated a reconciliation of a variance of Kshs 257,080 and KShs.74,250 relating to NSSF and NHIF respectively.	a difference of Kshs. 257,080 and Kshs. 74,250 relating to NSSF and NHIF respectively is yet to be reconciled. -Further, the Committee noted that no evidence of employer contribution of Kshs.45,333,700 provided	of the Public Finance Management (County Government) Regulations, 2015, which provides that the accounting officer complies with any tax, levy, duty, pension, commitments and audit commitments as may be provided by legislation; 2. The County Executives engage the relevant entities to formulate a payment agreement to settle the outstanding statutory deductions and provide a detailed status report on the same to the Office of the Auditor-

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
				General for subsequent reporting within 60 days from the adoption of this report; 3. The Management adheres to Section 19 (4) of the Employment Act, 2007 in regards to remittance of employee remuneration deductions in accordance with the period specified by the relevant bodies; and 4. Management to ensure that all deductions and remittances of NSSF and NHIF should be supported with the receipts and

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
				remittances advice from the respective institutions.
5.2 Routine Maintenance – Vehicles and Other Transport Equipment	Payment for breakdown services for the recovery of a vehicle of amount of Kshs.354,000 was as a consequence of direct procurement in violation of Section 103 (1) of the Public Procurement and Asset Disposal Act, 2015. i. Motor vehicle maintenance log was not provided in support of payment for motor vehicle repair and maintenance amount of Kshs.929,482, overhaul repair and maintenance of environment truck vehicle amounting to Kshs.661,500, repair and maintenance of fire engine vehicle at Kshs.675,550, all totalling Kshs.2,266,532.	-The approval of direct procurement and documents in support of the same are now provided for audit review.	-The Committee observed that it was not possible to confirm that there is only one break down service. -No Motor vehicle log provided -No receipt provided.	1. The Committee recommends that the Accounting Officer undertakes administrative action(s) against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provide a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report;

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
	ii. Payment for motor vehicle repair and maintenance for a vehicle at Kshs.929,482 was based on a proforma invoice and no receipt was provided for the advance payment.			2. the Accounting Officer should institute mechanisms to recover the money for the loss of Kshs.354,000 from the responsible officer(s) who violated Section 103 (1) and (3) of the Public Procurement and Asset Disposal Act, No. 33 of 2015; and 3. The Kenya Institute of Supplies Management (KISM) takes disciplinary action(s) against the responsible procurement officer (s) pursuant to Section 23 (1) (c) and (d) of the

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
				Supplies Practitioners Management Act CAP 537 for gross negligence in the conduct of their professional duties which constitutes a professional misconduct.
Budgetary Control and Performance	-The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts on comparable basis of Kshs.6,660,495,041 and Kshs.5,070,235,235 respectively, resulting in under-funding of Kshs.1,590,259,806 or 24% of the budget. Similarly, the County Executive spent an amount of Kshs.5,007,872,796 against an approved budget of Kshs.6,660,495,041 resulting to an under-absorption of		Under-absorption of Kshs.1,652,622,245 or 25% of the budget. -The under-funding and under-performance affected the planned activities and may have impacted	The Committee recommends that: 7. The National Treasury should ensure timely release of funds to county governments in line with the cash disbursement schedules approved by the Senate and comply with Article 219 of the Constitution and Section 17(6) of the Public Finance

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
	Kshs.1,652,622,245 or 25% of the budget. -The under-funding and under-performance affected the planned activities and may have impacted negatively on service delivery to the public. -My opinion is not modified in respect of this matter.		negatively on service delivery to the public.	Management Act, 2012; and 8. The County executive puts in place measures to enhance its own generated Revenue in order to meet its revenue target and address revenue shortfalls.
Unsupported Pending Payables	-Accounts and staff payables balances carried forward of Kshs.1,374,955,773 and Kshs.800,170,135 respectively, both totalling Kshs.2,175,125,908. Were not supported with orders and invoices issued and staff details which include name and personal number were not provided for audit review. Also, staff payables balance of Kshs.800,170,135 did not show how much was owed to the senior	-The audit observation is noted. However, the management used National Assets and Liabilities Management (NALM) Accounts payable template populated in the	-The Committee observed that no invoice listing totaling Kshs 1,374,955,773 provided -No staff details	The Committee recommends that: 1. all County Governments pay verified pending bills amounting to less than Ksh. 1 billion by the end of this financial year and those above Ksh.1 billion by the end of the financial year 2025/2026; and

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
	and middle management and unionisable employees. This was contrary to the reporting format prescribed and published by the Public Sector Accounting Standards Board (PSASB). .	National Treasury website. Further, the management through the recently constituted pending bills verification committee has completed the verification process and populated an updated pending bills report. The management is now in the process of transferring the verified pending bills to the approved PSASB reporting	totalling Kshs.800,170, 135 was provided. -Amount owed to the senior and middle management and unionisable employees not provided.	2. that- i. pursuant to the provisions of Regulation 41(2) & (3) of the Public Finance Management (County Governments) Regulations, 2015, County Governments prepare and submit to the Controller of Budget, a payment plan, prioritizing payment of pending bills as a first charge on the County Revenue Fund, failure to which the subsequent quarter budget

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
		template. appointment letter, copy of verified pending bills report and sample of the updated pending bills report as per PSASB reporting requirements.		releases will not be done; ii. the Controller of Budget takes into consideration the efforts made by a county government to clear inherited pending bills when approving exchequer releases; iii. County Governments shall only pay pending Bills contained in their respective procurement plans pursuant to Regulation 50 (2) & (3) of the Public Finance Management

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
				(County Governments) Regulations; iv. Supplementary budgets for county governments are prepared in the 3rd Quarter to curb instances of arbitrary re-allocations out of the approved budget estimates; v. County governments, in consultation with the Controller of Budget, to provide a budget for completion of all existing projects and that initiation of

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
				new projects to cease until completion of the existing projects; and vi. County governments shall conduct public participation while formulating supplementary budgets, failure to which the Controller of Budget (CoB) shall not approve the supplementary budgets.
2. Construction of Roads The statement of receipts and payments and Note 9 to financial statements reflects acquisition of assets of Kshs.228,228,347 out of which an amount of Kshs.24,638,939 was incurred on construction of roads where the following anomalies were observed;				

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
2.1 Unsupporte d Murraming of Ebenezer Kilimanjaro Konoike Road	Review of expenditure records revealed that Management contracted a firm at a sum of Kshs. 999,980 for murraming works on Ebenezer Konoike Road. However, the contract was not provided and the tender documents reviewed reflect a two (2) year framework agreement for hire of road maintenance equipment and not grading and gravelling of Ebenezer – Konoike road. In the circumstances, the regularity of expenditure of Kshs.999,980 on construction of Ebenezer Konoike Road could not be confirmed.	A hire of road maintenance equipment involves grading, gravelling, excavation, bush clearing, water bowser, tippers for ferrying murram and roller. Therefore, the aforementioned works were in line with the framework contract. Since the county has borrow pits for gravel that element is omitted from the works to be done. In this case using a market rate for gravel of Kshs 2,400 per cubic meter it will cost	Framework agreement attached is for hire of road equipment.	-The EACC initiates an investigation with view of prosecuting the Head of Procurement for failing to comply with the various provisions of the Public Procurement and Asset Disposal Act, 2015 that led to the regularity of expenditure amounting to Kshs. 999,980. -The Kenya Institute of Supplies Management (KISM) takes disciplinary action(s) against the responsible procurement officer(s) pursuant to Section 23

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
		Kshs 3,897,600.00 (Incl VAT) to gravel a kilometer and using a rate of Kshs 20 per m² it will cost Kshs 162,400 to grade a kilometer which will be a total of Kshs 4,060,000.00 to grade and gravel a kilometer (not including preliminary items). In this particular road Ebenezer – Konoike road, a section of 1.2 km was graded and graveled at a cost of Kshs.999,980, yet were we to use the full contract it would have costed		(1) (c) and (d) of the Supplies Practitioners Management Act CAP 537 for gross negligence in the conduct of their professional duties which constitutes a professional misconduct.

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
		the county Kshs 4,872,000.00. See attached contract agreement for M/S Yakiyn International Limited and appointment letter for inspection and acceptance committee.		
2.2 Unsup ported Gravelling g and Murrami ng of Mata Ward Feeder Roads	-Management contracted a firm for gravelling and murraming of Mata Ward feeder roads at a sum of Ksh.2,400,000. However, the Tender Opening Minutes, Professional Opinion, Letter of notification of award and letter of acceptance provided for audit review were for a two (2) year framework agreement for hire of road maintenance equipment and not for gravelling and murraming of Mata feeder roads.	-A hire of road maintenance equipment involves grading, gravelling, excavation, bush clearing, water bowser, tippers for ferrying murrum and roller. Therefore, the aforementioned works were in line	The Committee observed that the Framework agreement attached is for hire of road equipment.	1. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
	-In the circumstances, the regularity of the expenditure of Kshs.2,400,000 on construction of Mata Feeder roads could not be confirmed.	with the framework contract. -Since the county has borrow pits for gravel that element is omitted from the works to be done. In this case using a market rate for gravel of Kshs 2,400 per cubic meter it will cost Kshs 3,897,600.00 (Incl VAT) to gravel a kilometer and using a rate of Kshs 20 per m² it will cost Kshs 162,400 to grade a kilometer which will be a total of Kshs 4,060,000.00 to grade and gravel a		a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report; 2. The Committee recommends that the County Government uses framework agreements for procuring goods, works, or non-consultancy services when exact quantities cannot be determined upfront to ensure flexibility, compliance with procurement laws, transparency, and value for money while reducing delays.

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
		kilometer (not including preliminary items). In this budget for Mata Roads Mwakoi road was done, a section of 2.0 km was formed, graded and graveled at a cost of Kshs. 2,400,000 , yet were we to use the full contract it would have costed the county Kshs 8,120,000.00 .		3. The Committee recommends that the County Government awards road construction contracts based on accurate engineers' estimates and bills of quantities (BOQs) to ensure transparency, accountability, and cost-effectiveness.
2.3 Unsupported Supply and Delivery of Fuel and Lubricants for Routine Maintenance for Ward Roads Review of payment records revealed that the County procured fuel and lubricants for routine maintenance of Ward roads. However, the following anomalies were observed;				
2.3.1 Routine Maintenance for	-The County Government procured the supply and delivery of fuel and lubricants worth Ksh.1,500,000 on 18 January, 2024. The requisition	-The audit observation is noted. However, the fuel	-The Committee observed that Detail orders	-The Office of the County Governor undertakes administrative action

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
Kaloleni Ward Roads	and the payment voucher described the expenditure as routine maintenance for Kaloleni Ward roads. However, fuel consumption statements and fuel detail orders in support of the fuel drawn and inspection reports on maintenance works were not provided for audit review	consumption statements and fuel detail orders in support of fuel consumption and inspection are hereby provided for audit review.	not supported with ETR receipts.	against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.
2.3.2 Routine Maintenance for Mata Ward Roads	-The County Government incurred an amount of Kshs.1,300,000 for the supply and delivery of fuel and lubricants on 25 June, 2024. The evaluation was done on 08 November, 2022 and a two (2) year framework agreement signed between the County Government and the supplier on 24 November, 2022. However, the payment was not	-The audit observation is noted. However, the acknowledgement of receipt of the fuel and lubricants, detail orders, fuel statement from the supplier, evaluation	-The Committee observed that Detail orders not supported with ETR receipts.	-The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
	supported with the evaluation report, letter of acceptance, delivery acknowledgement of fuel and lubricants, fuel detail orders and the supplier's statement	report and letter of acceptance are hereby provided for audit review.		Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.
2.3.3 Routine Maintenance for Mboghoni Ward Roads	-The County Government paid for fuel and lubricants for Mboghoni Ward roads routine maintenance worth Ksh.1,000,000 on 28 June, 2024. However, the payment was not supported with the details of the motor vehicles fueled, fuel consumption statements and fuel detail orders. -In the circumstances, the regularity of expenditure totalling Kshs.3,800,000 on maintenance of roads in Kaloleni, Mata and Mboghoni Wards could not be confirmed.	-The audit observation is noted. However, the registration no. of the motor vehicles, fuel consumption statements and fuel detail orders are hereby provided for review.	-The Committee observed that Detail orders not supported with ETR receipts.	-The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
				(60) days from the adoption of this report.
2.3.4 Unsupp orted Provisio nal Sum on Rehabil itation of Ngamb enyi Bungul e Road	The Department of Public Works and Infrastructure tendered for the rehabilitation of Ngambenyi Bungule road and the lowest evaluated bidder was awarded the tender at a contract sum of Kshs.1,988,878. However, project verification done on 20 September, 2024 and review of the bill of quantities revealed that provisional sum of Kshs.120,000 allocated for material testing was not supported with evidence of laboratory test results on materials used. Additionally, there was no concrete works done despite provision for Kshs.297,600 for the same. -In the circumstances, the regularity of the expenditure of Kshs.417,600 on rehabilitation of Ngambenyi	-The management has noted the audit observation. However, the provisional sums for material testing and concrete works were utilized to do extra works i.e. bush clearing, excavation and grading.	The Committee noted that the Client confirmed no material and concrete works were done as per the BQ.	The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
	Bungule road could not be confirmed.			
Mining Operations 3.1 Unlicensed Mining Sites	-There was no evidence provided to confirm whether mining licenses had been granted to one hundred and fifty-eight (158) companies as per Section 180(1) of the Mining Act, 2016 which states that the Cabinet Secretary will not grant a license unless the applicant has submitted site plans, mitigation and rehabilitation or mine-closure plans and that the Mining permits issued were renewed as required by Section 142(1) of the Mining Act No. 12 of 2016 which states that the term of renewal of a mining permit is to be specified in the permit but not to exceed five years or the remaining life of the mine, whichever is the shorter. Further, there was no evidence that the County had complied with	-The County Government has begun the process of identifying mineral right holders and verifying their compliance status within its jurisdiction. This initiative involves two key directorates: the Mining and Revenue directorates. The primary aim is to enhance Own Source Revenue and stimulate various revenue	-The Committee observed that the county executive has not complied with the law.	The Committee recommends that; 1. the County Executive verifies the licensing status of all 158 mining companies and ensure full compliance with Sections 101(2), 142(1), and 180(1) of the Mining Act, 2016; this includes requiring the submission and approval of site plans, mitigation and rehabilitation plans, environmental and social impact assessment reports, and environmental management plans

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
	Section 101(2) of the Mining Act, 2016 which requires submission and approval of an environmental and social impact assessment report and environmental management plan for the duration of the mining license to the National Environment Management Authority, before licensing. In the circumstances, Management was in breach of the law.	streams in the mining sector. To achieve this, sensitization programs have been conducted to ensure compliance with the Mining Act, 2016, National Regulations, and County Acts. This process is ongoing, enabling the Mining Directorate to develop a county geo-database and map out active miners.		by the National Environment Management Authority (NEMA) before granting or renewing any mining licenses; and 2. The County management should ensure that all mining permits are renewed within the stipulated five-year term or the remaining life of the mine, as per the law and provide a detailed status report on the corrective actions taken, including evidence of compliance with the Mining Act, must be submitted

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
				to the Office of the Auditor General within sixty (60) days from the adoption of this report.
Undisclosed Information on Volume and Revenue Generated from Mining	-Review of mining records provided showed that quantities of minerals generated and revenues paid to the Government on the mining and mineral related activities was not disclosed, contrary to Section 119(3) of the Mining Act, 2016 which requires regulations made to provide accountable and transparent mechanisms of reporting mining and mineral related activities, including revenues paid to the government by mineral rights holders and production volumes under each license or permit. -Further, the details of community development agreement where the mining operations were being	-Mining operations within Voi Sub-County primarily focus on gemstones, which are categorized into artisanal, small-scale, and a few large-scale mining activities. These operations are mainly located in Kasighau. In collaboration with the Revenue Directorate, we conducted a sensitization campaign aimed at	The Committee observed that the county executive has not complied with the law.	The Committee recommends that; 1. the County Executive ensures full compliance with Sections 79(2), 109(i), and 119(3) of the Mining Act, 2016, by requiring all mining companies to disclose detailed information on mineral volumes, revenues paid to the County, and the

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
	carried out was not provided, contrary to Section 109(i) of the Mining Act, 2016 which requires a mining license holder to sign a community development agreement where mining operations are to be carried out as prescribed by the regulations. Additionally, twenty-nine mining companies in Voi Sub-County did not indicate the category of mineral being mined as is required of section 79(2) of the Mining Act, 2016 which requires keeping of records and details of minerals discovered, results of geochemical or geophysical analysis obtained, financial statements and books of accounts. -In the circumstances, Management was in breach of the law.	encouraging miners to pay for the Single Business Permit (SBP). Additionally, miners were informed about the requirement to remit their returns to KRA for royalty payments, typically made at the exit point. Regarding the Community Development Agreement (CDA), please be informed that delays in issuing mining licenses to large-scale miners have hindered the formation of the		category of minerals being mined, as well as maintaining accurate records of geochemical or geophysical analyses, financial statements, and books of accounts; and 2. the County Executives should enforce the signing of community development agreements for all mining operations, as mandated by the Act, to ensure transparency and accountability

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
		Community Development Agreement Committee (CDAC).		in mining activities and provide a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.
Non-Compliance with Fiscal Responsibility Principles on Wage Bill	-The statement of receipts and payments reflects an expenditure of Kshs.2,661,985,420 on compensation of employees representing 52% of the total revenue of Kshs.5,070,235,235. This was contrary to Regulation 25(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires the County Executive to set a wage and benefits limit for public officers which should not exceed 35% of the total revenues received.	-The observation is well noted. The high wage bill remains a significant challenge, restricting funds available for development purposes. Over the years, low Own Source Revenue generation has further compounded this	-The Committee observed that the county executive has not complied with the law.	The Committee recommends that- 13)the management should strictly adhere to the provision of paragraph 25(1)(b) of the PFM (county government) regulations, 2015 which stipulates that the county wage bill shall not exceed 35

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
	In the circumstances, Management was in breach of the law.	issue, making the 35% wage limit difficult to maintain. During the review period, the budget for employee compensation includes a balance carried forward from the previous financial year, amounting to Kshs 206,386,113. The County Government is committed to maintaining the wage bill at a manageable level, in line with fiscal principles. A comprehensive audit of the county's		per cent of the county total revenue; 14)the county executive puts in place measures to enhance own source revenue collection in order to address high wage bill gap; and 15)the management of the concerned entities should provide to the Auditor General a status report of measures put in place to contain the high wage bill within sixty (60) days of the adoption of this report; and

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
		human resources is currently being conducted by the department in charge of Public Service and the County Public Service Board (CPSB).		16)The Senate should consider reintroducing the fiscal responsibility index in revenue allocation to act as an incentive for counties that meet the PFM fiscal responsibility targets.
8. Incomplete Project Files	-Review of a sample of seven (7) projects worth Kshs.44,982,286 shows that the respective files had omissions in recording and filing of project documents such as site minutes, certificates of works done, payment vouchers and inspection and acceptance certificates. It was therefore not possible to confirm if the files were closed as is required by Section 151(2)(h) of the Public Procurement and Asset Disposal	-Rice Milling Plant - Site minutes, Payment certificate, Payment voucher and inspection acceptance certificate provided.	-The Committee observed that the Management provided Rice Milling Plant documentation.	The Committee recommends that; 1. The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution and

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
	Act, 2015 which provides that the contract implementation team shall be responsible for ensuring that the contract is complete, prior to closing the contract file including all handover procedures, transfers of title if need be and that the final retention payment has been made. Further, there were no progress reports contrary to Section 152 of the Public Procurement Asset Disposal Act, 2015 which provide that the head of the procurement function shall prepare monthly progress reports of all procurement contracts of the procuring entity and submit them to the accounting officer. -In the circumstances, Management was in breach of the law.	-Installation of a Pump and a Tank at Lang'ata Borehole - Certificate of work done and Payment voucher are provided. -Formation of Njoro Lotima road - Site minutes provided, Payment voucher and completion certificate provided.	-Installation of a Pump and a Tank at Lang'ata Borehole - Site minutes not provided. -Certificate of work done provided. -Payment voucher provided. Partially resolved -Formation of Njoro Lotima road -Site	timely completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 2. The Office of the County Governor prioritises completion of stalled projects

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
		-Mkwachunyi Borehole - Site minutes, Payment voucher and inspection and acceptance certificate provided.	minutes provided -Certificates of work done not provided. -Payment voucher and completion certificate provided. -Mkwachunyi Borehole - Site minutes provided. -Certificates of work done not provided. -Payment voucher and	and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3. The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle; and 4. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
		Construction of Retailing Wall, Security Rooms, Gates and 2No Stalls at Moi Stadium Playing Ground-Voi - -Ngelenyi-Ngilinyi Water Project - Site minutes, Payment certificate, Payment voucher and inspection acceptance certificate provided.	inspection and acceptance certificate provided. -Construction of Retailing Wall, Security Rooms, Gates and 2No Stalls at Moi Stadium Playing Ground-Voi - -Documents not provided. -Ngelenyi-Ngilinyi	documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.

Audit Query	Audit Finding				Management Response	Committee Observations	Committee Recommendations
9. Incomplete, Stalled and Abandoned Projects	-Physical verification of sampled projects in the County during the month of August, 2024 revealed that seven (7) projects were either incomplete, stalled or abandoned as detailed below:				-Rice Milling Plant - The contractor for construction project is the same that supplied the equipment and he is responsible for security of the equipment.	-The Committee observed that some projects are incomplete, stalled and abandoned.	The Committee recommends that;
	Project Title	Contract Number	Contract Amount (Kshs)	Contract Period	-The construction project is ongoing.		1. The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public
	Rice Milling Plant	1391119 - 2023/2024	24,601,000	9 Feb 2022 - 10 May 2022	-Installation of a Pump and a Tank at Lang'ata Borehole - The power upgrade/connection will be done this financial year to operationalize the project so that it benefits the community.	-Rice Milling Plant Project pending verification.	

Audit Query	Audit Finding				Management Response	Committee Observations	Committee Recommendations
					been installed on the plant yet. Safety -Formation the of Njoro-Lalima road - The works were in form of the new works and daily utilization schedules are guaranteed. 15 attached showing number of hours and Project cost as per bill of quantities -Bidders quoted so the based on the borehole day works. water not accessible to the intended users.	-Installation of a Pump and a Tank at Lang'ata Borehole - -Electricity not yet connected.	Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 2. The Office of the County Governor to prioritise completion of stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3. The OAG to keep the matter
	Installation of a Pump and a Tank at Lang'ata Borehole	1390212/2023-2024	999,750	March 2024			

Audit Query	Audit Finding				Management Response	Committee Observations	Committee Recommendations
	Formation of Njoro Lotima road	1420379 - 2-2023/2024	2,990,106	19 March 2024	-Mkwinda borehole was drilled as the not recommended in the 2024 budget. It yielded very low discharge which was uneconomical for further development. I cannot confirm the project % completion or on how bidders quoted prices for road of unknown length -Construction of Retailing Wall,	-Formation of Njoro Lotima road - Length of the road not stated.	in view and provide a status update to the Committee in the subsequent audit cycle; and The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.

Audit Query	Audit Finding			Management Response	Committee Observations	Committee Recommendations
	Mkwachunyi Borehole	1468918/2023-2024	2,997,000	27 March 2024 Security and 2 No Stalls Bar Mole 27 June 2024 Stadium Drilling , 2024 around Voi - The contract was 18,277,625 was abandoned against the budgetary allocation of Kshs. 10,000,000 during 2019/2020 However, financial inspection The project stalled because additional budgetary allocation has never been provided in the subsequent years and to complete the project the contractor retention was released Kshs 2,065,	-Mkwachunyi Borehole – -Borehole not functioning.	

Audit Query	Audit Finding				Management Response	Committee Observations	Committee Recommendations
					the executed works had strayed for more than 2 years without showing any defects. The defects liability period is usually 6-months. June, 2024.		
	Construction of Retailing Wall, Security Rooms, Gates and 2No Stalls at Moi Stadium Playing Ground-Voi	766723-2019/2020	10,100,000	Not provided	Incomplete Gate not done, the retailing wall was partially done and -Ngetheyi-Ngetheyi Water Project - As per the bill of quantities, the electricity connection could not be done at this stage due to	-Construction of Retailing Wall, Security Rooms, Gates and 2No Stalls at Moi --- Stadium Playing Ground-Voi - -Project incomplete.	

Audit Query	Audit Finding				Management Response	Committee Observations	Committee Recommendations
					budget constraints. However, this site component had been done in this paid financial year for the project, to be operational at 10% benefit to the community amount on 27 November 2023	No Justification for payment of 10% for incomplete project.	
	Ngelenyi- Ngilinyi Water Project	1480766- 2023/2024	1,996, 358	53 Days	Stalled Project not connected to electricity so the borehole water not accessible to the	-Ngelenyi- Ngilinyi Water Project –	

Audit Query	Audit Finding				Management Response	Committee Observations	Committee Recommendations
					Rehabilitation of Kwa Hebron Water Project - At the time of audit review there was a technical hiccup which has since been sorted. Currently the community is accessing water. therefore not accessible to the intended users	-Electricity not connected. Rehabilitation of Kwa Hebron Water Project – Photos attached shows project functional.	
	Rehabilitation of Kwa Hebron Water Project	TTCG/W &S/2022-2023	1,298,072	90 Days	Complete but not in use		
			44,982,286				
	In the circumstances, value for money may not have been achieved on projects worth Kshs.44,982,286 contracted for the projects						
10. Lack of					-The audit observation noted.	-The Committee	The Committee recommends that the

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
Human Resource and Recruitment Plans	During the year under review, two hundred and one (201) new staff were hired by the County Government. However, no annual recruitment plans including evidence of budgetary allocation was provided for audit review, contrary to Section B.2(2) of the County Human Resource Management Policy and Manual, 2020 that requires, County Departments to develop annual recruitment plans backed by evidence of budgetary allocation which is forwarded to the County Public Service Board at the beginning of each financial year to enable it plan to fill the vacancies. In addition, Management did not prepare human resource plan to support achievement of goals and objectives in the strategic plan as is required of Section B.2(1) of the County Human Resource	However, the management has initiated the process and developed the annual recruitment plans.	observed that Staff were hired without a recruitment plan.	County Executive immediately develops and implements an annual recruitment plan with evidence of budgetary allocation, as required by Section B.2(2) of the County Human Resource Management Policy, and prepare a comprehensive human resource plan aligned with strategic goals, per Section B.2(1) and provide a status update to the Office of the Auditor General within 60 days of adoption of this report.

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
	Management Policy and Manual, 2020. In the circumstances, Management was in breach of the law.			
Lack of Ownership Documents	-The County Government asset register reflected six hundred and sixty-five (665) parcels of land distributed across the departments. However, the ownership documents were not provided for audit verification. Further, there was no evidence that the County Government had carried out physical inspection and verification of the assets during the year. Further, physical inspection and verification on September, 2024 revealed that four (4) parcels of land in Taveta Sub-County Mbogholi Trading Centre/Market, Kitogholi Trading Centre/Market, Kimorogo Trading Centre/Market and Kimala Trading Centre/Market did not have signage,	-Most of the trading centres which were reserved under adjudication processes are usually handed over for planning and survey for allocation after the exercise is over. However, we have not initiated this process although the parcels have been identified and verified. Plans are underway for mechanisms of protection via	The Committee observed that no ownership documents provided.	The Committee recommends that; 5. The Office of the County Governor undertakes administrative actions against the responsible officer(s) who failed to provide documents to the auditors in accordance with section 156 of the Public Finance Management Act and provides a status report to the Office of the Auditor General within 60 days from

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
	thereby exposing the land to encroachment. Additionally, the County Government had two hundred and fifty-three (253) motor vehicles whose ownership documents were not provided for audit review. In the circumstances, the ownership and safety of the County assets could not be confirmed.	sensitization and information sharing with the local communities. The above-mentioned parcels are yet to be properly planned and surveyed for allocation to warrant proper markings and signage provisions. The number of parcels not having titles or allotment letters are within urban areas, where the process of land allocation and registration requires proper funding to secure the parcels. We have been reserving		the adoption of this report; 6. County should expedite the process of updating and presenting their Fixed Assets Register in the format prescribed by the Public Sector Accounting Standards Board before the transition to accrual basis of accounting and provide a status update to the OAG within 60 days of adoption of this report; 7. County should adopt and implement the report of the Inter-Governmental Technical Relations Committee (IGTRC) on assets

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
		little funding that is supporting us to register the parcels in phases based on departmental allocations. Moreover, the parcels are in use and hence the safeguarding is guaranteed by the institutions occupying them on the ground at the moment.		and liabilities from defunct Local Authorities and submit a status update to the Office of the Auditor General within 60 days of adoption of this Report; 8. the County Executive takes immediate action to install clear and visible signage on the four (4) parcels of land at; Mboghoni Trading Centre/Market, Kitoghoto Trading Centre/Market, Kimorigo Trading Centre/Market, and Kimala Trading Centre/Market to clearly demarcate the boundaries and prevent encroachment and

Audit Query	Audit Finding	Management Response	Committee Observations	Committee Recommendations
				submit a status update to the Office of the Auditor General within 60 days of adoption of this Report; and 9. The Office of the Auditor General should progressively review and report on the matter in the subsequent Financial Years.

**REPORT OF THE SENATE COUNTY PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE AUDITOR
GENERAL ON AUDITED FINANCIAL STATEMENTS OF THARAKA NITHI COUNTY EXECUTIVE FOR THE
FINANCIAL YEAR 2023/24.**

Basis of Qualified Opinion

SUMMARY OF UNRESOLVED ISSUES						
No	Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations	Timelines
REPORT ON FINANCIAL STATEMENTS						
6	Misclassification of Expenditure	Casual wages totaling Kshs.66,039,293 was charged to budgetary vote of Basic salaries for permanent employees.	During the budget process, the amount was provided under basic salaries for permanent employees as the County had made proposal of absorbing the casuals into contract terms, however due to financial constraints only 142 were put into contracted terms leaving a balance of	The Committee observed that Regulation 40 (1) of the PFM County Governments Regulations, 2015 had been breached.	The Committee recommends that; 1. the EACC to cause an investigation with a view to prosecute responsible officer(s) on the possible loss of public funds; 2. The Institute of Certified Public Accountants of Kenya (ICPAK) undertakes disciplinary procedure (s) under section 32 and 33	within sixty (60) days of the adoption of this report.

			97 to be engaged in the next financial year.		of Accountants Act CAP 531 and provide a status update to the Senate within 60 days of adoption of this report. 3. The County Executive to identify the training needs of its staff serving in the Finance Department and initiate capacity building and training in conjunction with the National Treasury within sixty (60) days of the adoption of this report. 4. The Auditor General to keep this matter in view in the subsequent audit cycle.	
7	Un-accounted for Contractors Retention Money	Unaccounted for Retentions from contractors' amounting to Kshs.76,734,652	The variance is attributed to amount withheld from contractors and not yet transferred to Deposit Account. The Deposit account was opened in April 2018 with all amounts previously retained	The committee observed that the issue is recurring from other financial years. In addition, the management has not demonstrated any measures that they have put in place to account for	The Committee Recommends that the management should comply with the Law by instituting measures to ensure that the unaccounted for Retention money of Kshs.76,734,652 is	Within 60 days after adoption of the report.

			not put into separate account. The amount of Ksh. 4,924,196 and Ksh. 36,945,209 held in the Deposit Account was included on unspent funds returned to CRF on 25th July 2018 and on 29th July 2019 respectively. The amount is yet to be transferred back to deposit account	the retention of the funds. Regulation 210(1)(g) of the PFM County Governments Regulation 2015 had been breached.	transferred to the Deposit Account as required by law. In addition, management should always transfer money deducted from contractors to the Deposit Account.	
8	Variance in Pending Bills Accounts Payables	• The pending bills total amount of Kshs.842,939,684 during period under review. • Pending bills includes a balance of Kshs.2,123,644 • The pending bills include Kshs.252,377	• The reported balance was a result of per reconciliation exercise undertaken between the County and pension fund on 27th February 2024	The Committee observed that Section 41(2) of PFM County Governments Regulation, 2015 had been breached.	The Committee recommends that: 1. all County Governments pay verified pending bills amounting to less than Ksh. 1 billion by the end of this financial year and those above	Continuous

		relating to period 2013/2014 – 2022/2023 bills	as per attached report. Annex II. Further, the variance amounting to Ksh. 4,683 relates to interest accrued on the outstanding debt for period of four months and which was reported by the Lap Fund The bills were not settled due to financial constraints and some lacked supporting documentation	In addition, Regulation 139(7) of the Public Procurement and Asset Disposal Regulations, 2020 had also been breached. The management did not provide clear evidence on how it intends to clear pending bills.	Ksh.1 billion by the end of the financial year 2024/2025; and 2. that- i. pursuant to the provisions of Regulation 41(2) & (3) of the Public Finance Management (County Governments) Regulations, 2015, County Governments prepare and submit to the Controller of Budget, a payment plan, prioritizing payment of pending bills as a first charge on the County Revenue Fund, failure to which the subsequent quarter	
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					budget releases will not be done; ii. the Controller of Budget takes into consideration the efforts made by a county government to clear inherited pending bills when approving exchequer releases; iii. County Governments shall only pay pending Bills contained in their respective procurement plans pursuant to Regulation 50 (2) & (3) of the Public Finance Management (County Governments) Regulations;	
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					iv. Supplementary budgets for county governments are prepared in the 3rd Quarter to curb instances of arbitrary re-allocations out of the approved budget estimates; v. County governments, in consultation with the Controller of Budget, to provide a budget for completion of all existing projects and that initiation of new projects to cease until completion of the existing projects; and vi. County governments shall	
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					conduct public participation while formulating supplementary budgets, failure to which the Controller of Budget (CoB) shall not approve the supplementary budgets.	
OTHER MATTERS						
4	Budgetary control and performance	- Budget under-funding of Kshs.1,266,056,799 or 21% of the budget - Budget underutilization of Kshs.91,582,292 or 2% of the actual receipts.	Budget under realization of revenue amounting to Ksh. 1,266,056,799 during the year ended 30th June 2024 due to under disbursement of equitable share of revenue and conditional grants The deficit on revenue collection is attributed to delayed disbursement of equitable share of	The Committee observed that the county entities did not receive exchequer releases from the National Treasury on time. j) the Committee noted that the county executives did not meet their own source revenue collection	The Committee recommends that; - 1) The National Treasury should ensure timely release of funds to county governments in line with the cash disbursement schedules approved by the Senate. 2) the County Executive puts in place measures to	Continuous

			revenue with amount of Ksh. 350,258,783 due in June 2024 released in August 2024.	targets. This challenge hampered budget implementation in the affected county entities. k) Most Counties fail to undertake public participation on supplementary budgets that exceed 10% of the budget contrary to Section 135 (7) of the PFM Act, 2012 and Regulation 39(9) of the PFM (County Government) Regulations, 2015.	enhance its own generated revenue in order to meet its revenue target and address revenue shortfalls. 3) County Assemblies to exercise their powers as outlined in Article 201 of the Constitution to ensure budgets are realistic and espouse people's aspirations.	
5	Unresolved prior year matters	There were no recommendations from Management and oversight bodies were	Management confirm having submitted responses to auditor general report for previous years up to	The committee observed that issues from previous financial years had not been resolved.	The Committee recommends that the County executive complies with section 53	Within 60 days after adoption

		submitted for verification. In addition, the issues remain unresolved as at 30 June, 2024	and including FY 2022/2023, and appeared before the Senate and Tharaka Ntihi County Assembly Public Accounts Committee to discuss the reports		of the Public Audit Act, 2015 by taking action on the issues raised by the Auditor General and submits a report to the Auditor General within 60 days of the adopting this report.	of the report.
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REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

6	Failure to Submit Financial Statements	County Executive did not prepare and submit to the Auditor-General, financial statements for twenty-seven (27) Youth Polytechnics	Management acknowledges the omission to prepare the financial statements and action will be taken immediately to have the statements done in arrears.	The Committee observed that the management agrees with the audit findings. In addition Section 149 (2b) of the PFM Act 2012 and Section 164(1) of	The Committee recommends that; - 1. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors	Within 60 days after the adoption of the report.
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				the PFM Act, 2012 had been breached, therefore the Auditor General could not audit and report on the statements.	at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report; 2. The Institute of Certified Public Accountants of Kenya (ICPAK) undertakes disciplinary procedure (s) under section 32 and 33 of Accountants Act CAP 531 and provide a status update to the Senate within 60 days of adoption of this report. 3. The Committee advised the Head of Treasury to be diligent and adhere to the provided accounting standards.	
7	Delayed Upgrading of Kambandi-Cheera-Ruguti	The 3-year project commenced on 21 st November, 2018 with completion date extended to 24th October, 2024 but	The management responded that the delayed completion has been occasioned by resource	The Committee observed that Regulation 22, 20 (g) of the PFM Act County	1) The County Executive establishes a project management and monitoring System to help in proper project	60 days after adoption of the report.

	Road to Bitumen Standards	physical verification done in 18 th September, 2024 showed the project is incomplete and contractor not on site	constraints. Works is currently ongoing with contractor having resumed the site with work expected to be completed by end of June 2025	Governments 2015 had been breached in addition, the project remained incomplete even after the expiry of the extension period of October, 2024 therefore there was no value for money.	conceptualization, planning, execution and timely completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 2) The Office of the County Governor to prioritise completion of existing and stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3) The OAG to keep the matter in view and provide a status update to the Committee in	
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					the subsequent audit cycle.	
8	Delayed Upgrading of Karandini-Kithioroni Road to Bitumen Standards	The 3-year project commenced on 10th December, 2020 with completion date extended to 4 th June, 2025 but physical verification done in 18th September, 2024 showed the project is incomplete and contractor not on site	The management responded that the delayed completion has been occasioned by resource constraints. Works is currently ongoing with contractor having resumed the site with work expected to be completed by end of June 2025	The Committee observed that Regulation 22, 20 (g) of the PFM Act County Governments 2015 had been breached in addition, the project remained incomplete even after verification therefore there was no value for money.	4) The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 5) The Office of the County Governor to prioritise completion of existing and stalled projects and provide a budget for their completion and	60 days after adoption of the report

					provide a status update to the Auditor General within 60 days of the adoption of this report; 6) The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle.	
9	Delayed Upgrading of Tunyai - Ntaara road to Bitumen Standards	The 3-year project commenced on 25 th November 2018 with a completion date of November 2022 but physical verification done on 18th September, 2024 showed the project is incomplete and contractor not on site	The management responded that the delayed completion has been occasioned by resource constraints. The County will be allocated more funds in the current financial year supplementary budget to enable the contractor resume the works	The Committee observed that Regulation 22, 20 (g) of the PFM Act County Governments 2015 had been breached in addition, the project remained incomplete even after verification therefore there was no value for money.	1) The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from	60 days after adoption of the report

					the date of adoption of this report; 2) The Office of the County Governor to prioritise completion of existing and stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3) The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle.	
10	Delayed Construction of Ndagani Market	The 10 months project commenced on 6 th June 2023 but physical verification done on 18th September, 2024 revealed that the contractor was not on site, the ramp for scaling the heights from the ground floor to the first floor was	The management responded that the contractor requested for extension of time which was granted for period of six (6) months to February 2025. The contractor has since resumed	The Committee observed that Regulation 22(2g) of the PFM Act County Governments 2015 had been breached in addition, the project remained	The Committee recommends that;- 1) The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution	60 days after adoption of the report

		exposed and could be vandalized and the Project had stalled	site and the work is ongoing	incomplete even after verification therefore there was no value for money	and timely completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 2) The Office of the County Governor to prioritise completion of existing and stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3) The OAG to keep the matter in view and provide a status update to the Committee in	
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					the subsequent audit cycle.	
11	Non-Compliance with the One Third of Basic Salary Rule	June, 2024 payroll revealed that fifty (50) employees received net salaries which were less than a third (1/3) of their basic salaries. This was contrary to Section 19(3) of the Employment Act, 2007	The management responded that the issue was occasioned by introduction of various statutory deductions like housing levy at the rate of 1.5% of gross salary and Social Health Insurance Fund (SHIF) at 2.75% of gross salary	The Committee observed that some of the county staff were earning less than a third of their basic pay contrary to Section 19 (3) of the Employment Act 2007.	The Committee therefore recommends that - 1) The county entities should configure their IPPD system such that it is able to lock out commitments beyond the accepted thresholds; and 2) The Auditor General should continue monitoring the issue in subsequent audit cycles.	Continuous
12	Non-Compliance with the Fiscal Responsibility Principle on Wage Bill	Employee costs represented 50% of total revenue received against the required limit of 35%.	The management stated that this is attributed to huge wage bill of staff inherited from defunct local authorities and devolved functions, whose terms of employment is mainly	The Committee observed that the wage bill for a number of County entities was above the threshold of 35% of total receipts contrary to Regulation 25 (1) (b) of the Public	The Committee recommends that- 1) the management should strictly adhere to the provision of paragraph 25(1)(b) of the PFM (county government) regulations, 2015	60 Days from the date of adoption of this report

			permanent and pensionable. New health workers collective bargaining agreements (CBAs) revising the salaries and allowances upward have led to increased cost of employees augmenting the staff remuneration to revenue ratio	Finance Management (County Governments) Regulations, 2015. The Committee further noted that high wage bill is a threat to the objects of devolution as provided for under Article 174(f) of the Constitution.	which stipulates that the county wage bill shall not exceed 35 per cent of the county total revenue; 2) the county executive puts in place measures to enhance own source revenue collection in order to address high wage bill gap; and 3) the management of the concerned entities should provide to the Auditor General a status report of measures put in place to contain the high wage bill within sixty (60) days of the adoption of this report. 4) Senate should consider reintroducing the fiscal responsibility	
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					index in revenue allocation to act as an incentive for counties that meet the PFM fiscal responsibility targets.	
13	Non-Compliance with Fiscal Responsibility Principle on Development Expenditure	The development expenditure accounted for 25% of the total expenditure which was below the 30% threshold stipulated by Regulation 25(1)(g) of the Public Finance Management (County Governments) Regulations, 2015	The management responded that the delayed / non disbursement of conditional grants resulted to low expenditure on development programmes. The amount of Ksh. 775,391,559 which was included in the budget under development programmes could not be implemented as the funds were not availed from National Treasury and or national Government ministries hosting the projects.	The Committee observed that Section 107 (2)(b) of PFM Act, 2012 and Regulation 25 (1) (g) of PFM (County Government Regulations, 2015 had been breached.	Parliament should ensure timely enactment of County Government additional allocation bill to facilitate release of additional development moneys to Counties.	Continuous

14	Irregular Payment to Council of Governors	payment of Kshs.5,000,000 was made to the Council of Governors which is an independent entity	The management responded that the amount was payment towards the Council of Governors conducting of functions on behalf of the County Governments such as the devolution conference and legal cases instituted by Council	The Committee noted that payments made to the Council of Governors from County Revenue Funds were irregular and unlawful since the Intergovernmental Relations Act specifies that funding for the COG shall be drawn from the Consolidated Fund.	The Committee recommends that the irregular payments to the Council of Governors (COG) be stopped and further recommends the surcharge of any Governor, in their capacity as Chief Executive Officer, who continues to make the irregular contribution. The EACC should oversee the recovery of all the public funds irregularly transferred to the Council of Governors (COG) by the Governor. This is in line with the Resolution of the Senate.	Immediate
15	Voided Transactions	six hundred and fifteen (615) payment transactions totalling Kshs.293,323,824 were processed and voided or cancelled without approval from relevant authority	The management responded that the Voiding of unpaid transactions is within the mandates provided by National Treasury IFMIS and does not require separate request for approval. Further. evidence of voiding	The Committee observed that there was no documented evidence that provides for voiding of the transactions.	The Committee recommends that; - 1. The Committee requests the Controller of Budget to liaise with the Auditor General to confirm whether the payments were canceled after the approval and there was no notification or due process and provide a status	within 60 days of adoption of this report.

			unpaid transactions is one of requirements submitted to the Controller of Budget before approval of exchequer requisitions in the subsequent year		update to the Senate within 60 days of adoption of this report. 2) The Office of the County Governor undertakes administrative action against the accounting officers, particularly approvers 1 and 2 and the then County Chief Officer in charge of Finance for voiding payments without approval and diverting funds 3) Within six months of adoption of this report the CS National Treasury to ensure IFMIS reconfiguration with CBK system to avoid cases of IFMIS approvers voiding and diverting funds to other activities not initially approved. 4) The Committee recommends that the EACC should expedite investigations on the matter in line with the Controller of Budget Act.	
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REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE						
16	Personal Emoluments Paid Outside IPPD Payroll System	one hundred and twelve (112) employees were paid a total of Kshs.16,746,137.28 through the manual payroll	The management stated that the county maintained a manual payroll for newly recruited employees and casual workers. The Management has initiated measures to have all employees acquire payroll numbers or reactivated for those on transfer of service. We wish to confirm that as at end of February 2025, all employees have since been migrated to Human Resource Information System (HRIS) with no employee paid on manual payroll	The Committee noted that some Counties Executive were making payments of salaries for some of its employees outside the Integrated Personnel and Payroll Database (IPPD) System.	The Committee recommends that; 5. The Senate notes that the process of issuance of Personal File numbers is inefficient in counties and therefore directs the National Government (State Department of Public Service) in conjunction in the Council of Governors (CoG) to prescribe and design an efficient human resource management system to be used by counties; 6. The County Governor should ensure that casual workers are engaged in line with the relevant laws and the approved staff establishment and provide a status update to the Auditor General	60 days from the date of adoption of this report

					within 60 days of adoption of this report; 7. Pursuant to Article 235 of the Constitution of Kenya, the Committee directs that the Cabinet Secretary (CS), Ministry of Public Service, Youth and Gender Affairs to develop regulations to provide guidance and clarity to county governments on engagement of casual employees, contracted workers, acting positions and a platform for management of county human resources; and 8. the Auditor General to monitor the matter in the subsequent audit cycle.	
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**REPORT OF THE SENATE COUNTY PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE
AUDITOR GENERAL ON AUDITED FINANCIAL STATEMENTS OF TRANS NZOIA COUNTY EXECUTIVE
FOR THE FINANCIAL YEAR 2023/2024**

Basis of Qualified Opinion

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
11. Unsupported Cash and Cash Equivalents	- Cash and cash equivalents balance of Kshs.120,193,069 was not supported with certificates of bank balances. - Trans Nzoia County Community Health Promoters bank account reflects Nil balance which was not supported with cashbooks, bank reconciliation statements, bank statements and board of survey report.	The financial statement have been amended to include the Kshs.43,404 under the Ukombozi Fund account. The cashbook, bank reconciliation statements, bank statements and board of survey reports for the Trans Nzoia County Community Health Promoters bank have been availed to the auditors for review and verification.	Ukombozi commercial bank statement, bank certificate and reconciliation not provided. However, CBK certificate was eventually availed.	The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provide a

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.
12. Inaccuracies in Exchequer Releases	Exchequer releases amounting to Kshs.8,621,915,309 includes an amount of Kshs.470,522,927 as own source revenue. Thirty (30) revenue streams had not been included in the respective revenue collection modules in the newly installed E-Rev automated revenue system. This was as a result of lack of a seamless change over from the Zizi system to the new E-Rev system	The management wishes to confirm that it reported all the revenue collected, however it has back access to the system therefore it engaged the system vendor to avail the details of the Kshs.58,321,802 under the various categories of revenue stream. The Vendor has even assured us to include all the revenue streams.	Insufficient response as the revenue streams not included and no correspondence with vendor provided	1. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the

SUMMARY OF UNRESOLVED ISSUES

Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				Auditor General within sixty (60) days from the adoption of this report 2. The Committee directs the Office of the County Governor to urgently engage the vendor to transfer revenue data to the new system and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.
13. Inaccuracies in Compensation of Employees	An amount of Kshs.3,197,121,378 relates to compensation of employees. However,	The County Executive made some salary payments through manual system in the month of July, August	Salaries were paid through the IPPD system	1. The Senate notes that the process of

SUMMARY OF UNRESOLVED ISSUES

Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	salaries amounting to Kshs.11,010,887 were paid outside the Integrated Personnel and Payroll Database (IPPD)	and September 2023 because the newly employed officers had not acquired payroll numbers due to: Reactivation of their numbers from previous employers. Lack of Birth certificates		issuance of Personal File numbers is inefficient in counties and therefore directs the National Government (State Department of Public Service) in conjunction in the Council of Governors (CoG) to prescribe and design an efficient human resource management system to be used by counties; 2. The Committee recommends that the County Governor

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				ensures that casual workers are engaged in line with the relevant laws and the approved staff establishment and provide a status update to the Auditor General within 60 days of adoption of this report; 3. Pursuant to Article 235 of the Constitution of Kenya, the Committee directs that the Cabinet Secretary (CS), Ministry of Public Service,

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				Youth and Gender Affairs to develop regulations to provide guidance and clarity to county governments on engagement of casual employees, contracted workers, acting positions and a platform for management of county human resources.
4.Unsupported Acquisition of Assets	An amount of Kshs.17,281,841 being final payment to a contractor on a pending bill in respect of a contract for	Regarding the absence of a certificate of measured works, which outlines the basis for the payment summary, we acknowledge	The documents were not provided	The Office of the County Governor undertakes administrative action against the

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	the upgrading of Kiminini Township roads was not supported with a certificate of measured works showing how the amounts in the summary of statement for payment on accounts were arrived at	the Auditor's concern. We will furnish this measurement sheets to the audit team for further review.		responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.
5. Budgetary Control and Performance	The statement of comparison of budget and actual amounts reflects a final receipts budget of Kshs.10,185,156,069 while	The under-expenditure was a result of under-funding from the exchequer releases. In the financial year 2023-2024, the County	Insufficient response	The Committee recommends that: 9. The National Treasury should ensure timely

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	actual receipts were Kshs.8,621,915,309 resulting in a shortfall of Kshs.1,563,240,760 or 15% of the budget. Similarly, the County's expenditure budget was Kshs.10,185,156,069 while the actual expenditure was Kshs.8,748,084,293 resulting in under-expenditure of Kshs.1,437,071,776 or 14% of the budget.	was under-funded to the tune of Kshs.599,985,791, revenue under-collection of Kshs.173,177,073 and development partners' failure to release money for budgeted projects.		release of funds to county governments in line with the cash disbursement schedules approved by the Senate and comply with Article 219 of the Constitution and Section 17(6) of the Public Finance Management Act, 2012; and 10. The County executive puts in place measures to enhance its own generated Revenue in order to meet its

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				revenue target and address revenue shortfalls.
6.Pending Accounts Payables	Pending accounts payables balance of Kshs.1,371,609,319 included Kshs.641,244,901 on construction of buildings and civil works, Kshs.507,881,305 on supply of goods and Kshs.222,483,113 on services. Failure to settle bills during the year to which they relate distorts the financial statements for that year	The Kshs.1,371,609,319 relates to 2023/2024 pending bills that were occasioned by delayed exchequer release and shortfall in Own source revenue.	The list of pending bills settled is not accompanied with evidence of payment	The Committee recommends that: 3. that all County Governments pay verified pending bills amounting to less than Ksh. 1 billion by the end of this financial year and those above Ksh.1 billion by the end of the financial year 2024/2025; and 4. Resolves that- i. pursuant to the provisions of Regulation 41(2) & (3)

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				of the Public Finance Management (County Government s) Regulations, 2015, County Government s prepare and submit to the Controller of Budget, a payment plan, prioritizing payment of pending bills as a first charge on the County Revenue Fund, failure to which the subsequent quarter

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				budget releases will not be done; ii. the Controller of Budget takes into consideration the efforts made by a county government to clear inherited pending bills when approving exchequer releases; iii. County Governments shall only pay pending Bills contained in their respective

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				procurement plans pursuant to Regulation 50 (2) & (3) of the Public Finance Management (County Government)s) Regulations; iv. Supplementary budgets for county governments are prepared in the 3rd Quarter to curb instances of arbitrary re-allocations out of the approved budget estimates;

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				v. County governments , in consultation with the Controller of Budget, to provide a budget for completion of all existing projects and that initiation of new projects to cease until completion of the existing projects; and vi. County governments shall conduct public participation while

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				formulating supplementary budgets, failure to which the Controller of Budget (CoB) shall not approve the supplementary budgets.
8.Irregular Termination of the County Revenue Collection System	The Management terminated the contract for the Zizi revenue collection system in January, 2024 less than five (5) years from the date of signing the agreement on 15 March, 2021.and yet the contract was valid for a period of five (5) years A new system E-Rev was procured but no written termination letter together	The county issued a 30-day termination notice in line with the contract terms and requested a formal handing over report as stipulated in the contract agreement. The previous vendor failed to return essential data, breaching Clause 15.2 of the agreement. The County has requested the withheld data in compliance with the Data Privacy Act and is	➤ No justification for untimely contract termination which actually disrupted revenue collection and caused lack of revenue data ➤ No termination letter provided	• The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	with the handover report of the old Zizi system was provided for audit. The previous vendor ceased operations with the County without handing over County data	exploring legal actions if the vendor does not comply. Moving forward, the County will ensure proper documentation for all future contract terminations and continue efforts to retrieve the withheld data. The County remains committed to fulfilling all contractual obligations and safeguarding public resource	➤ No evidence that company data was handed over ➤ No evidence of efforts to retrieve data like legal process started	Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.
9.Non-Compliance with the Law on Fiscal Responsibility	Compensation of employees amount of Kshs.3,197,121,378 accounts for approximately 37% of the total revenue of Kshs.8,621,915,309 which exceeds allowable 35% by Regulation 25(1)(a) and (b)	The compensation of Employees figure of Kshs. 3,197,121,378 is 31% of the total approved budget of Kshs. 10,185,156,069. Therefor the wage bill is	The management is in breach of law No demonstration in terms of figures how special salaries contributed to exceeding the allowable limit	The Committee recommends that- 8. the management should strictly adhere to the provision of paragraph 25(1)(b) of the PFM (county

SUMMARY OF UNRESOLVED ISSUES

Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	of the Public Finance Management (County Governments) Regulations, 2015	within the statutory limit as per the PFM Regulations. <i>County Government of Trans Nzoia inherited a number of employees from the defunct local authority. County public service board harmonized their job groups with the County establishments as a result the expenditure this resulted to paying them special salary because their remunerations were far beyond county government remunerations, noting that no employee who is supposed to be disadvantaged.</i>		government) regulations, 2015 which stipulates that the county wage bill shall not exceed 35 percent of the county's total revenue; 9. the county executive puts in place measures to enhance own source revenue collection to address the high wage bill gap; and 10. the management should provide to the Auditor General a status report of measures put in place to contain the high wage

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				bill within sixty (60) days of the adoption of this report.
10.Irregular Hiring of Temporary Employees	The County hired a total of five hundred and seventy-five (575) casuals in various departments. However, they were engaged for a continuous period of twelve (12) months. The recruitment of casuals was not supported with approval by the County Public Service Board.	- The current administration inherited the five hundred and seventy-five casual's employees in the service. It is not that they had not been employed by the County Public Service Board and had earned wages for more than 12 months contrary to prevailing labour laws. The dismissal of the inherited will result in court case or litigation that are costly to the County. - As part of the rationalization exercise, the County requested for engagement documentation in a bid	- Insufficient response as engagement beyond three months is till a breach of law - No evidence of engagement of County Public Service Board in the recruitment by way of approval or minutes	The Committee recommends that the County executive should adhere to Section 37(3) of the Employment Act, 2007 states that an employee whose contract of service has been converted in accordance with subsection (1), and who works continuously

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
		to absorb them into the service.		for more than three months from the date of employment as a casual employee, shall be entitled to such terms and conditions of service as he would have been entitled to under this Act had he not initially been employed as a casual employee.
11.Non-Remittance of Statutory Dues	Analysis of the payroll data revealed that staff were deducted Pay As You Earn (PAYE) amounting to Kshs.530,700,799,	The management has for the last four (4) years remitted statutory deductions. The pending statutory deductions are for former	The payroll analysis was for the year under review and so far the management has not provided	The Committee recommends that; 1. The county Executive should disclose all pending bills

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	National Social Security Fund (NSSF) of Kshs.343,282,390 and National Hospital Insurance Fund (NHIF) statutory dues amount of Kshs.49,661,383, all totaling Kshs.923,644,572. However, no evidence was provided for audit confirmation to show that the deductions were remitted to relevant authorities as required.	defunct local authorities that the county inherited. The management has engaged KRA, NSSF, and NHIF and invited the KRA, NSSF and NHIF for joint reconciliation with staffs and we are waiting their responses. The management had already paid for PAYE. The main issue was issue for filing and submission of remittance slip that will used to update the County ledger.	evidence of payment of the money to statutory bodies	in the format prescribed by the Public Sector Accounting Standards Board; 2. the KRA should cease imposing penalties on counties for late statutory deductions remittances as it is caused by late exchequer releases from the National Treasury; 3. The Office of the County Governor undertakes administrative action against the officer(s) responsible for non-remittance

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				of statutory deductions and provides a status report to the Committee within sixty (60) days from the adoption of this report. 4. the National Treasury should ensure the timely release of funds to county governments in line with the cash disbursement schedules approved by the Senate to enable county entities to settle their obligations on time; and 5. the county executive puts

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				measures to enhance its generated revenue to meet its revenue target and address revenue shortfalls that contribute to the challenge of pending bills. 6. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report. 7. Surcharge of the officer(s) who deducted statutory monies from the staff and failed to remit it to the relevant fund and institutions.
12.Irregular Recruitment of New Staff	The County Public Service Board recruited a total of two hundred and fifty-eight (258) officers into various positions in the County. However, no evidence of vacancy declaration for the	<i>County Service Board recruited 258 officers based on departmental intends, where departments requested additional staff. These intents were reviewed, and approved.</i>	➤ No evidence of vacancy declaration by the board ➤ No approved establishment	The Committee recommends that; 1. The Office of the County Governor undertakes administrative action

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	positions, no approved staff establishment.	<i>and internal advertisements was shared within the County to prioritize qualified existing staff. Although no formal public advertisements were issued, this internal process ensured transparency. Before recruitment, the finance department confirmed the availability of budget allocations, ensuring the process stayed within fiscal limits. All recruited officers met the qualifications set in the County's career progression guidelines, aligning with Section C.5(1) of the Human Resource Policies and Procedures Manual. Appendix....Departmental Staff establishment Departmental internal</i>		against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
		<i>recruitment Intends</i>		2. The County should always comply with Section B.5 (2) of the County Public Service Human Resource Manual, 2013 which requires that all vacancies must be declared including the number of vacancies and whether the vacancies are within the authorized establishment.

SUMMARY OF UNRESOLVED ISSUES

Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
13.Non-Compliance with One-Third Rule of Basic Salary	Various employees of the County Executive received net salaries which were less than a third of their respective basic salaries while others received negative salaries.	<i>Causes are;</i> <i>Retirement-</i> <i>Employees on the last month of their retirement in most cases do not earn full salaries thus their net pay salaries fall below 1/3 of their basic salaries.</i> <i>HELB Loan Deductions-a-government liability.</i> <i>Fine surcharges Deductions</i> <i>Interdictions/Suspension-</i> <i>receiving half salaries.</i>	Management has not demonstrated which affected staff were affected by such listed factors/causes	The Committee therefore recommends that - 6. The County Executive should provide to the Auditor General within sixty (60) Days after the adoption of this report a plan of the measures put in place to mitigate on the issue of non-compliance with the one third of basic salary rule as well as comply with the requirements of Section 19 (3) of the Employment Act 2007. 7. The county should configure

SUMMARY OF UNRESOLVED ISSUES

Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
		<i>Deployment and transfers.</i> <i>Staff working in Municipality areas earns more house allowance compared to those working in rural areas and also we have extraneous duty allowance paid to executive offices and health facilities staff</i>		their IPPD system such that it is able to lock out commitments beyond the accepted thresholds; and 8. The Auditor General should continue monitoring the issue in subsequent financial years
14.Non-Compliance with Regional Diversity Requirements	Out of 3,686 employees, 1,958 or 53% were from the dominant community. Further, out of the two hundred and fifty-eight (258) new employees, one hundred and sixty-one	It should be noted that a bulk of employees were inherited from the defunct local authorities while others were devolved from the national government with	Management has not explained why the new appointments did not meet the requirement	The Committee recommends that- 1. the County Executives should work progressively towards

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	(161) or 62% were from the dominant community.	devolved functions making it difficult for the county to maintain the requirement of 70% and 30%.		attaining the requirement of the provisions of Section 65(1)(e) of County Government Act on ethnic inclusivity. 2. The Standing Committee on NCEORI to explore legal amendments to ensure progressive compliance with section 65(1)(e) of County Government Act, 2012. 3. The County Executive and CPSB should provide to the Auditor General a five-year strategy of

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				measures it will put in place to ensure compliance is achieved e.g. the proposal was made to have inter-county staff transfers to realize ethnic diversity.
15.Non-Compliance with the Persons with Disabilities Requirements	Only fifty-one (51) employees out of the 3,686 total employees of the County were categorized as persons with disabilities. They constituted 1.4% of the total employees.	Achieving the requirements of Section 13 of the Persons with Disabilities Act, 2013 is gradual and over time, this shall be fully complied with. But plans are underway to make sure that all residents of trans Nzoia including Persons With Disabilities are given equal share.	Management has not explained why the new appointments did not meet the requirement	The Committee recommends that- 5. the County Executives should work progressively towards attaining the requirement of the Section 13 of the Persons with Disabilities Act, 2013 which provides a reservation of

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				five percent (5%) of all casual, emergency and contractual positions in employment in the public and private sectors for persons with disabilities. 6. The Standing Committee on NCEORI to explore legal amendments to ensure progressive compliance with Section 13 of the Persons with Disabilities Act, 2013.
16.Non-Compliance with Effective Citizen	The County Government budgeted to spend Kshs.8,019,306,556 on both recurrent and	<i>The County's public participation in budget making</i>		The Committee recommends that; 1. The Office of the County

SUMMARY OF UNRESOLVED ISSUES

Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
Participation in Budgeting	development expenditures. However, there was no evidence of public participation in various stages of both budgeting and implementation.	<i>process is all-inclusive. The public participation exercise were done across all the 25-wards in the County.</i> <i>Appendix...Ward Public participation attendance lists</i>		Governor undertakes administrative action against the responsible officer(s) who failed to provide the documents at the time of audit to the auditors in accordance with section 156 of the Public Finance Management Act, 2012, and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report. 2. the management should adhere to Section 91(C) of

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				the County Governments Act, 2012 which provides that the County Government shall facilitate the establishment of structures for citizen including budget preparation and validation fora.
17.Irregular Award of Legal Services	The office of the County Attorney engaged law firms through direct tendering to handle twenty-four (24) cases in the financial year 2023/2024. Out of the thirty-six (36) prequalified law firms, only seven (7) were contracted to handle these cases while the rest were not considered. This	From the list of prequalified advocates, it is always prudent to check on the experience of the Law firm vis-à-vis the subject of the suit and anticipated range of fees to be paid. When selecting a firm to represent the County Government we consider the experience of the lawyers	Management has not justified direct tendering	The Committee recommends that; 1. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide the documents to

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	was contrary to Section 103(1) of the Public Procurement and Asset Disposal Act, 2015	empaneled and their prudence in practice		justify direct tendering at the time of audit to the auditors in accordance with section 156 of the Public Finance Management Act, 2012, and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report. 2. The County management should strive to promote rotation and fairness in selecting legal firms and

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				thorough vetting be done when prequalifying based on meritocracy. 3. Management should comply with Section 103(1) of the Public Procurement and Asset Disposal Act, 2015 which provides conditions under which direct procurement method may be used if it is the most preferred method
18.Nugatory Expenditure	The County Government was ordered by the court to pay a sum of	The County Government has initiated discussions	Management has not availed documentary	The Committee recommends that;

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Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
on Interest Payments	Kshs.3,322,533 and accrued rent of Kshs.150,950 to a plaintiff who had filed a suit claiming for rent for office space occupied by the Department for Gender on 25 May, 2021. However, due to delays in settling the payment, the amount had increased by Ksh.943,241 resulting in additional expenditure in accrued interest which would have been avoided had the County Executive settled the amount as ordered.	with the merchant to expedite the settlement of the outstanding arrears and accrued interest. Additionally, measures are being implemented to ensure that future obligations, including court orders and rent payments, are prioritized and managed within the specified timelines to prevent recurrence of similar situations. • Reasons for the delay in the settlement of the outstanding amounts was due to seeking/exploiting other out of Court or other dispute resolution mechanism due to	evidence to demonstrate actions taken to settle the bills which proved unsuccessful just in time to arrest the escalating costs	1. The Office of the County Governor undertakes administrative actions against the responsible officer(s) who failed to provide documents to the auditors at the time of audit, in accordance with section 156 of the Public Finance Management Act and provides a status report to the Committee within 60 days from the adoption of this report; and 2. Surcharge of the officer(s) who occasioned the

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
		financial constraints, court procedural delays, as well as negotiations with the merchant. While these factors may have contributed to the delay, the County Government acknowledges that it will prioritize timely payment to avoid the accruing interest and additional financial burden		loss to deter future occurrences.
19.Poor Implementation of the School Feeding Program	A supplier was to supply of 200ml long life milk for the school feeding program to all ECDE centers in the County at a contract sum of Kshs.63,875,000 on 28 February, 2024. The supplier was required to supply a total of 1,750,000 packets of	<i>The supplier was paid for the milk supplied only. The management could not demand a refund of the payment of Kshs.6,378,500 or 10% of the contract price since the merchant had made supply of 185,451 packets of the milk</i>	- No evidence of contract termination or action taken provided - No evidence of demanding payment of Kshs.6,387,500 or 10% of the contract price from the bank that	The Committee recommends that the County Executive adopts an effective contract management and monitoring System to help in proper conceptualization, planning and

SUMMARY OF UNRESOLVED ISSUES

Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	milk but only supplied 185,451 (or 10 %) packets of milk all valued at Kshs.6,768,962 and the program was then stopped due to inability of the supplier to supply the whole consignment. There was no evidence that the contract had been terminated or action taken against the supplier by Management by invoking or demanding payment of Kshs.6,387,500 or 10% of the contract price from the bank that guaranteed the supplier due to non-performance of the contract	<i>equivalent to the amount paid.</i> <i>The contract was subsequently, terminated due to the non-performance and lack of capacity of the supplier</i> .Appendix <i>.Termination Letter</i> <i>The contract was awarded to the new supplier m/s new KCC with the capacity to supply the milk for school feeding program.</i> <i>Currently, the ECDE centers have steady supply.</i> .Appendix Contract Agreement	guaranteed the supplier due to non-performance	execution to ensure performance as to cost, quality control and timely delivery of goods, works or service and also realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report.
20.Incomplete	The County Executive awarded a local contractor	i. Due Diligence	Due diligence not attached	The Committee recommends

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
Construction of the County's Headquarters	the contract to construct the Trans Nzoia County Headquarters at a contract sum of Kshs.498,835,545 on 29 June, 2023 for a period of fifty-six (56) weeks. As previously reported, the tender evaluation committee did not conduct due diligence to confirm the qualifications of the contractor contrary to Section 83(1) of the Public Procurement and Assets Disposal Act, 2015. Physical verification carried out on 9 September, 2024 revealed that a sign board costing Kshs.250,000 was not erected in the construction site as	The tender Evaluation committee carried out due diligence during evaluation exercise on the successful bidder through verification of submitted documents with relevant authorities and agencies/referenced firms and the same incorporated in the summary evaluation report attached. Appendix PSM 1(i) Professional Opinion ii. Project file Kindly attached find project site meeting minutes and architects instructions as well as project status report for your consideration. Appendix PSM 1(viii) project Progress report	- No evidence that the sign board was erected - certificate of completion and handing over minutes were not provided for audit	that; 1. The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value for money as provided for in the Public Finance Management

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	indicated in the Bill of Quantities. The project had reached sixth floor and construction on the helipad was on-going at approximately 63% complete. However, the certificate of completion and handing over minutes were not provided for audit.			t Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 2. The Office of the County Governor to prioritise completion of stalled projects and provide a budget for their completion

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				and provide a status update to the Auditor General within 60 days of the adoption of this report; 3. The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle; 4. The Office of the County Governor undertakes administrative action

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				this report.
21.Incomplete Construction of Tom Mboya Mother and Child Hospital	Awarded a contract for the construction of Mother and Child Hospital at Tom Mboya Dispensary, Kitale Town at a contract sum of Kshs.101,613,650. The expected contract completion date was 13 February, 2024. Physical verification of the project done in September, 2024 confirmed that the project was not yet complete despite the expected completion date of 13 February, 2024 having elapsed without any approved extension. The contractor was not on site and works were pending	<i>Practical Completion and Omissions-works were practically completed on 20th February 2025. All listed works were completed except for the 10 cubic meter water tank, which was omitted following instructions from the Project Manager.</i> <i>This omission was necessary for cost engineering, as the project required variations in the substructure works, additional concrete frame works and design changes due to user client needs. These variations</i>	• Formal extension letter not attached • Variation order not provided • Certificate of practical completion not attached • Verification in March 2025 reveals that landscaping, and a ten (10) cubic meter water tank not done	The Committee recommends that; 5. The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value for money as provided for

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	entrance gate and sentry work, painting (road marking paint), landscaping , stormwater drain channel, a ten (10) cubic meter capacity elevated water tank, secondary storage water tanks, water distribution, sewerage, soil drainage systems, sanitary fittings and electric power supply works had not been done.	<i>were fully documented in meeting minutes and approved variation orders, which were sanctioned by the Client – the Public Service Management Department.</i> 2. Extension of Time and Project Status <i>The contractor was granted extensions of time due to:- Delays in honoring payments,- Adverse weather conditions, which hindered scheduled- Design changes occasioned by user client needs</i> <i>The project is now within the Defects Liability Period as per contract</i>		in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 6. The Office of the County Governor to prioritise completion of stalled projects and provide a

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
		provisions.		budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 7. The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle; and 8. The Office of the County

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				within sixty (60) days from the adoption of this report.
22.Delayed Completion of the Construction of External Ancillary Works at Tom Mboya Mother and Child Hospital	Contract for the construction of external ancillary works at a contract sum of Kshs.41,322,418. The commencement date was 20 June, 2023 and completion period was thirty-six (36) weeks or nine (9) months. As at the time of audit verification in September, 2024 the contractor had been paid a total of Kshs.32,730,332. Physical verification of the project in September, 2024 revealed that the works were not complete and the	The project is awaiting final inspection of the works and also the defects liability of 6 month, which are still in force to hold the contractor for any defects on the project. Kindly note that kshs 32,730,332.22 was certified and paid which translate to 79% of the Accepted Contract less provisional sum. As a result of this, the advance payment is secured against the 20% of the unpaid amount of the Accepted Contract amount of kshs 8,592,086.28 as per the clause 14.2.5 ((b) of	The documents extension letter, Project committee minutes and completion certificate are not attached as appendix 9s are not provided for audit	The Committee recommends that; The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	contractor was not on site. Further, there was no evidence that the contractor had been held liable for the delay as specified in the special conditions of the contract.	special condition of the contract which states that “Deductions shall be made at the Amortization rate stated in the special conditions of the contract of the amount of each interim payment certificate excluding the advance payment and deductions for its repayments as well as deductions for retention money in the currencies and proportions of the advance payment shall be completely repaid prior to the time when 90% of the Accepted Contract amount less provisional sums has been certified payments. Appendix 9.3(b) Contract Agreement (Clause 14.2.5(b))		as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 2. The Office of the County

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				Governor to prioritise completion of stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3. The OAG to keep the matter in view and provide a status update to the Committee in the

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				subsequent audit cycle; and 4. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.
23.Delayed Completion of Construction of County Aggregation and Industrial Park at Namandala	Construction of the County Aggregation and Industrial Park at Namandala in Kwanza Sub-County at a contract sum of Kshs.499,166,766 during the year. By the end of the year, the contractor had been paid a total of Kshs.264,253,915. However, there was no land title deed for the 100-acre piece of land at Namandala	Ownership documents- The land on which CAIP is being constructed is part of the 100 acres of land that was ceded to the Export Processing Zone Authority (EPZA) by the Agriculture Development Corporation. It is EPZA that granted permission for the land to be used for the implementation of the project in view of the project objective being in	• Insufficient Response as no documentation for land ownership availed including the ceding letter and efforts to transfer the ownership to the county government • No evidence contractor has resumed site and	The Committee recommends that; 1. The County Executive establishes a project management and monitoring System to help in proper project conceptualization,

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	Further, physical verification carried out on 10 September, 2024 revealed that the project was incomplete with materials on site but no contractor on site.	harmony with EPZA mandate. Availing of progress reports for audit review to determine percentage of completion and project completion date of the project While the progress report was not availed for audit review, they do exist. Attached are copies of previous reports.	evidence of progress of works •	planning, execution and timely completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				this report; 2. The Office of the County Governor to prioritise completion of stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3. The OAG to keep the matter in view and provide a

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				status update to the Committee in the subsequent audit cycle; and 4. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.
24.Irregularities in the Construction of Mitume Fresh Produce Market	The Department of Trade, Commerce and Industry awarded a contract on 27 April, 2023 for the construction of Mitume fresh produce market at a contract sum of Kshs.4,799,000. However, no title deed or allotment letter for the land on which	➤ The market was constructed in public land for Mitume Dispensary and was inherited from the defunct Kitale Municipal Council. ➤ The ventilation provided on the stalls are adequate in facilitating such a business activity.	• No land ownership documents provided • No handing over certificate provided. • Verification in March,2025 revealed Leaking gutters, water supply system	The Committee recommends that; 1. the County Executive should adopt and implement the report of the Inter-Governmental Technical Relations Committee

SUMMARY OF UNRESOLVED ISSUES

Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	the fresh produce market was built was provided for audit. Further, physical verification of the project conducted on 12 September 2024 revealed that the stalls had no ventilations hence not fit for storage of the market produce while only one coat of paint was applied and had worn off. The toilets had their taps and sinks vandalized. In addition, the market shade had not been handed over and was not in use.	➤ The contractor applied paint as directed by the Bills of Quantities. ➤ The toilet was in a bad state, taps and sinks had been vandalized-This was before handover which was finally done on 12th August, 2024. ➤ The market was handed over by the constructor.	vandalized, no electricity, complete and unoccupied	(IGTRC) on assets and liabilities from defunct Local Authorities and provide a status update to the Office of the Auditor General within 90 days of the adoption of this Report; and 2. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide the documents at the time of audit to the auditors in

SUMMARY OF UNRESOLVED ISSUES

Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				accordance with section 156 of the Public Finance Management Act, 2012, and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.
25.Delayed Completion of the Construction of a Multi-Storey Business Complex	Contract for the construction of a multi-story business complex in Kitale town at a contract sum of Kshs.874,280,383 during the 2017/2018 financial year with expected completion date of 10 June, 2021. However,	i. There is a project implementation committee that was appointed by the chief officer and the project meeting are available subject to review. ii. The land on which the market was constructed is public land. The land	• Insufficient Response • No letter of extension of contract and no site meeting minutes conducted by project implementation	The Committee recommends that; 1. The County Executive establishes a project management and

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	the following anomalies were noted; - No letter of extension of contract and no site meeting minutes conducted by project implementation team provided - Memorandum of Understanding on the co-funding between the municipality, department of trade and lands were not provided for audit. - Ownership documents for the land the business complex was built in the form of land title deed was provided for audit. - Physical inspection carried out on 10 September, 2024	was inherited from the defunct Kitale Municipal Council. iii. The department did not allocate resources since it had allocated for County Aggregated Industrial park which exhausted the departmental budget leaving non substantial amount as it has reached the departmental budget ceiling however in this financial year the department will allocate some resources for the completion during supplementary budget one	n team provided - Memorandum of Understanding on the co-funding between the municipality, department of trade and lands not provided. - Ownership documents for the land the business complex was built in the form of land title deed was provided for audit. - The project is still stalled	monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value for money as provided for in the Public Finance

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	revealed that the Contractor was not on site and the project had stalled at 92% completion state.			Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 2. The Office of the County Governor to prioritise

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				completion of stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3. The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle;

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				and 4. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				report to the Office of the Auditor General within sixty (60) days from the adoption of this report.
26.Slow implementation of Rehabilitation and Modernization of Kenyatta Stadium in Kitale	Rehabilitation and modernization of Kenyatta Stadium Phase 1A in Kitale at a contract sum of Kshs.657,305,895 with expected completion date 28 February, 2025. Project inspection September, 2024 revealed ➤ The construction of the stadium was behind schedule. ➤ There are boundaries dispute which had delayed the construction of the boundary fence.	• The department of Gender Youth Sports Culture and Tourism has been in constant communication with the department of lands and urban development over the boundary issue at the stadium even before the project design was done. Copies of minutes and correspondences attached. The map was used by the consultant to prepare the drawings only to be served with court orders on development of	• Copies of correspondences not attached • No explanation on delay of other works apart from boundary •	The Committee recommends that; 1. The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution

SUMMARY OF UNRESOLVED ISSUES

Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
		boundary wall. Still further, the project management team has called on lands department to have the issue resolved. Attached correspondences on file G.		and timely completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 2. The Office

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				of the County Governor to prioritise completion of stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3. The OAG to keep the matter in view and provide a status update to the

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				Committee in the subsequent audit cycle; and 4. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.
27.Stalled Construction of Trans Nzoia Teaching and Referral Hospital (Renamed Kijana Wamalwa Teaching	Trans Nzoia Teaching and Referral Hospital-contract sum of Kshs.1,602,528,713. The contract was to be implemented in two (2) phases; Phase 1 of the project was completed on 23 July, 2016.	The delay in completion prompted appointment of a project implementation committee to supervise the Contractors. This led to a joint snagging of the project and project hand over to the client on 4 th August 2023. Due to the technicalities in the contract documents, the client is reviewing them for further action as they move	The project is still incomplete even with 98% of contract sum paid and the snagging report listing incomplete works.No evidence	The Committee recommends that; 1. The County Executive establishes a project management and monitoring System to help in proper project

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
and Referral Hospital)	Phase 2 had projected completion date of 30 September, 2020. However, as at September, 2024, ➤ The project was incomplete and stalled and was approximated at 90% complete even though Kshs.1,577,689,119 (Approx. 98% of the contract amount) had been paid. ➤ The audit confirmed that the Hospital was in use without certificate of occupation from public health hence endangering the lives of patients. In the circumstances, the value for money on the	towards utilizing the facility for the intended specialized services. Attached please find the snagging list of the pending works and handing over documents. Appendix (i) Appointment of Project Implementation Committee (ii) Snagging List of the pending work (iii) Handing over report (iv) Certificate of occupation	provided to show the action taken against the contractor • The handing over was for incomplete works implying the county will incur addition costs to full completion •	conceptualization, planning, execution and timely completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	expenditure of Kshs.1,577,689,119 incurred on the project could not be confirmed.			date of adoption of this report; 2. The Office of the County Governor to prioritise completion of stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3. The OAG to keep the matter in

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				view and provide a status update to the Committee in the subsequent audit cycle; and • The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.
29.Construction of Early Childhood Development Education (ECDE) Classrooms	Physical inspection carried out on 10 September, 2024 on six (6) sampled classrooms revealed ➤ The classrooms were complete but not in use ➤ the classrooms lacked emergency exits contrary to the requirement of criteria 6 of first schedule of Early Childhood Education Act, 2021.	• The delay in use of the classroom was as result of the delay in the payment of the contractors who in turn delayed to handover and also waiting commissioning now done. So far, all the six ECDE classrooms are in use. • The department of education will liaise with the department of public works to develop a BQ Catering for the emergency door in	• No certificate of occupation provided • No reason was provided why emergency exit was not provided and no action taken yet except expression on intent	The Committee recommends that; 1. The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution and timely

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
		line with Early Child Education Act,2021		completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 2. The Office of the

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				County Governor to prioritise completion of stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3. The OAG to keep the matter in view and provide a status update to the Committee

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				in the subsequent audit cycle; 4. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report; 5. The Office of the County Governor to urgently take action to create emergency exits as provided by the requirement of criteria 6 of first schedule of Early

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				Childhood Education Act, 2021.
31.Poor Implementation of Pipeline Extension and Stalled Borehole at Mitume Usafi Estate	The pipelines did not equally distribute water to the residents with some areas not having access to the water from the project at all. -There was water rationing and low pressure at the designated water kiosk -Stalled a project of unknown value for the drilling and equipping of a borehole at Mitume Usafi Estate with no pump,and solar panels vandalized.	The project was complete and operational until the commencement of the Kenya Informal Settlement Program (KISP II) that seeks to upgrade infrastructure in slum areas. Pipes under this project were uprooted during the grading of roads in Mitume, Tuwan Ward. Broken pipes and leakages will be restored by the said program under relocation of existing services.	- The management admits to the problem - The issue of stalled and vandalised borehole not addressed including documentations.	The Committee recommends that; 1. The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value for

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 2. The Office of the County Governor to prioritise completion of stalled

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3. The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle; and 4. The Office

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				Auditor General within sixty (60) days from the adoption of this report.
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
32. Inefficiencies in the New County Revenue Software Collection System	The County acquired new revenue system at a contract sum of Kshs.26,968,080. Management did not provide contract agreements, the two (2) commercial banks for audit. Further, in the month of January, 2024, no revenue was collected as result of lack of seamless change over from old to new revenue system.	The management acknowledges the Auditors findings and I hereby submit a copy of contract agreements between County Government and Kenya Commercial Bank and Equity bank on the revenue collection. Appendix 1 Copy of contract Agreement	• Insufficient response as appendix 1 not provided and no response on seamless changeover which disrupted January revenue collection •	The Committee recommends that; - 1. The County Government in conjunction with the National Treasury, in accordance with the provisions of section 12(e) of the Public Finance Management Act, 2012, engage in

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				designing and prescribing an efficient revenue collection system for automated revenue collection of all revenue streams and provide a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report; 2. the County Executive puts in place measures to enhance its own generated revenue in

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				order to meet its revenue target and address revenue shortfalls; 3. The Office of the County Governor undertakes administrative actions against the responsible officer(s) who failed to provide documents to the auditors at the time of audit, in accordance with section 156 of the Public Finance Management Act and provides a

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				status report to the Committee within 60 days from the adoption of this report. 4. The Office of the County Governor should pursue the revenue system vendors as per the contract terms to ensure seamless changeover to ensure that the old date is captured and provides a status report to the Committee within 60 days from the adoption of this report.

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
33.Lack of Risk Management Policy	Lack of Risk Management Policy or strategy in place.	The internal audit function will play a pivotal role in spearheading this initiative, working collaboratively with all departments within the county. The key activities, resources, expected outcomes, responsible parties, and timelines for the Risk Management Policy development have been clearly identified in the annual work plan for the financial year 2024-2025. Appendix: (a) CECM Performance Contract Extract (b) Annual Work Plan	• Insufficient response as no policy in place •	1. The Committee recommends that the Accounting Officer should put in place a risk management policy and disaster recovery plan within sixty (60) days from the adoption of this report and submit the same to the Auditor General. 2. The committee further recommends that the Auditor General to closely monitor the development,

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				documentation and communication of these policies within the county in the subsequent audit cycle.
34.Lack of an Asset Register	The summary of non-current asset register at Annex 6 reflects a non-current assets balance of Kshs.14,973,306,886 was not supported with a fixed assets register showing each asset category and individual assets with such details as serial number, chassis number, engine number, registration number, date of purchase, costs, location and tagging number.	The Fixed Asset register showing each asset category and individual assets with the details of the asset has been availed to the auditors for audit review. Appendix....Asset Register	- Fixed assets register showing each asset category and individual assets with such details as serial number, chassis number, engine number, registration number, date of purchase, costs, location and tagging number has not been provided	The Committee recommends that the; - 4. County should expedite the process of updating and presenting their Fixed Assets Register in the format prescribed by the Public Sector Accounting Standards Board before the transition to accrual basis of

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				accounting and provide a status update to the OAG within 60 days of adoption of this report; 5. County should adopt and implement the report of the Inter-Governmental Technical Relations Committee (IGTRC) on assets and liabilities from defunct Local Authorities and submit a status update to the Office of the Auditor General within 60 days of

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				adoption of this Report; and 6. Office of the Auditor General should progressively review and report on the matter in the subsequent Financial Years.
35.Unrecorded Purchases of Land	The Department of Lands, Housing and Physical Planning acquired nine (9) parcels of land costing Kshs.17,925,000 during the year under review. However, the acquired parcels were not recorded as the department did not have a fixed asset register which contains information such as the Land Reference Number (LR Number),	The department has updated the Fixed Asset Register and recorded the acquired parcels of land in the fixed asset register with all the details. The department is in the process of transferring the ownership of the acquired parcels. However, the copies of the vendors of the ownership documents have been presented to the auditors for audit review.	➤ Parcels of land with LR numbers are not in the register ➤ Title deeds are not in the name of the county but the sellers hence casting doubt on ownership	The Committee recommends that the; - 1. County should expedite the process of updating and presenting their Fixed Assets Register in the format prescribed by the Public Sector Accounting Standards Board

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	acquisition costs, opening balances at the start of the year, disposals and the closing balances at the end of the year. Further, no title deeds for the above parcels were provided for audit and therefore, could not confirm ownership.	Appendix (a) Fixed Asset Register (b) Ownership documents		before the transition to accrual basis of accounting and provide a status update to the OAG within 60 days of adoption of this report; 2. County should adopt and implement the report of the Inter-Governmental Technical Relations Committee (IGTRC) on assets and liabilities from defunct Local Authorities and submit a status update to the Office of the Auditor General

SUMMARY OF UNRESOLVED ISSUES				
Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
				within 60 days of adoption of this Report; and 3. The Office of the County Governor pursues and over the process of land registration in favour of the Trans Nzoia County Government and submit a status update to the Office of the Auditor General and the Senate within 60 days of adoption of this Report.
36.Lack of Management Response to Internal Audit Reports	Internal auditor through the audit committee submitted audit reports submitted to various departments but there were	The audit committee wrote a memo to the CECM Finance and Economic Planning raising concern on the department's failure to	Insufficient Response as issue not resolved as per management admission	The Committee recommends that the county Executive expedites provision of

SUMMARY OF UNRESOLVED ISSUES

Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations
	no Management responses or actions on the same.	respond to internal audit reports. The audit committee will review the status in the next audit meeting scheduled on 6th December 2024 and make a determination on the way forward. In other jurisdiction, the internal audit reports are tabled in the cabinet meeting and the respective CECs are required to follow-up the audit queries of their respective departments and table responses to the issues raised in the subsequent cabinet meeting. This will ensure the internal audit reports are responded to and necessary correction action taken in time	• No minutes of management deliberations and implementation matrix attached •	management response to the Internal audit reports and provide an implementation matrix/status update from each department to the Auditor General and the Senate within sixty (60) days from the adoption of this report.

**REPORT OF THE SENATE COUNTY PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE AUDITOR
GENERAL ON AUDITED FINANCIAL STATEMENTS OF TURKANA COUNTY EXECUTIVE FOR THE
FINANCIAL YEAR 2023/24.**

Basis of Qualified Opinion

SUMMARY OF UNRESOLVED ISSUES						
No	Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations	Timelines
REPORT ON FINANCIAL STATEMENTS						
1.	Non-Inclusion of Assets of Defunct Local Authorities	Annex 6 - summary of non-current assets register reflects cumulative historical cost of non-current assets balance of Kshs.10,603,708, 879. The balance excludes assets of undetermined value including land, buildings, motor vehicles, computers, and other office furniture and equipment taken over from the	The County Government appointed County Assets and Liabilities Committee (CALC) in 2017 vide gazette notice 2701 dated 24th March, 2017 to identify, verify and validate all assets and liabilities of defunct Local authorities. The final report was submitted by the committee to the Inter-Governmental	The Committee observed that the management did not have a fully functional and maintained asset register.	The Committee recommends that;- 6. County should expedite the process of updating and presenting their Fixed Assets Register in the format prescribed by the Public Sector Accounting Standards Board before the transition to accrual basis of accounting and provide a status update to the	Within 60 days from the adoption of the report.

		defunct local authorities. the accuracy and completeness of non-current assets balance of could not be confirmed	Relations Technical Committee (IGRTC) for approval. The approval was granted by IGRTC for inclusion of the assets and liabilities in the asset register. Inter-Governmental Relations Technical Committee (IGRTC) handed over the motor vehicles/cycles category of assets in May,2024. The county government has initiated additional steps to have a comprehensive		OAG within 60 days of adoption of this report; 7. County should adopt and implement the report of the Inter-Governmental Relations Technical Committee (IGTRC) on assets and liabilities from defunct Local Authorities and submit a status update to the Office of the Auditor General within 60 days of adoption of this Report; and 8. Office of the Auditor General should progressively review and	
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			asset register in place.		report on the matter in the subsequent Financial Years.	
2.	Inaccuracies in Own Source Revenue	The statement of receipts and disbursements for Receiver of Revenue - County Government of Turkana reflects own source revenue amount of Kshs.446,857,036. review of the collection systems revealed that the County Executive had not fully automated its revenue streams. the County Executive did not have an updated valuation roll. Physical verification	The management did not provide any response.	The Committee observed that the management did not provide any response regarding the issue.	The Committee recommends that; - 1. the Office of the County Governor undertakes administrative action(s) against the responsible officer(s) who fails to provide documents to the auditors at the time of audit in accordance with section 156 of the Public	Within 60 days of adoption of the report.

		through spot check conducted on 10 October, 2024, revealed that no collection of revenue was made from on-street parking due from vehicles parked daily within the town and on parking slots marked by the County Government as vehicles parked did not have daily or monthly receipt/sticker as evidence of payment. Also, Management did not maintain a register of the parking slots within the Municipality for effective			Finance Management Act, 2012; 2. The County Government in conjunction with the National Treasury, in accordance with the provisions of section 12(e) of the Public Finance Management Act, 2012, engage in designing and prescribing an efficient revenue collection system for	
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		management and collection of revenue from street and bus stage parking The accuracy and completeness of the County's own source revenue amount of Kshs.446,857,036 could not be confirmed.			automated revenue collection of all revenue streams and provide a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report; and 3. the Auditor General keeps the matter in view in the subsequent audit cycle	
OTHER MATTERS						
3	Budgetary Control and Performance	The statement of comparison of	The underfunding resulted from	The Committee observed that; -	The Committee recommends that; -	Continuous

		budget and actual amounts reflects final receipts budget and actual on comparable basis amount of Kshs.15,983,137, 168 and Kshs.13,973,380, 385 respectively, resulting to underfunding of Kshs.2,009,756,783 or 13% of the budget. the County Executive spent Kshs.13,522,985,032 against actual receipts of Kshs.13,973,380,385 resulting to an under-expenditure of Kshs.450,395,353. The underfunding and under-expenditure	shareable revenue for the month of June,2024 which had not been received and other grants fund which had been budgeted during the financial year but were not disbursed to the county. The underperformanc e was largely driven by late exchequer releases and undisbursed grants from donors	l) the county entities did not receive exchequer releases from the National Treasury on time. m) the Committee noted that the county executives did not meet their own source revenue collection targets. This challenge hampered budget implementat ion in the affected county entities. n) Most Counties fail to undertake	1. The National Treasury should ensure timely release of funds to county government s in line with the cash disbursemen t schedules approved by the Senate; and 2. The County executive puts in place measures to enhance its own generated revenue in order to meet its revenue target and address	
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		affected implementation of planned activities and may have impacted negatively on service delivery to the residents of the County.		public participation on supplementary budgets that exceed 10% of the budget contrary to Section 135 (7) of the PFM Act, 2012 and Regulation 39(9) of the PFM (County Government) Regulations, 2015.	revenue shortfalls.	
4	Under Absorption of Other Grants and Transfers	The Turkana County Government received conditional grants of Kshs.501,853,120 against a budgeted amount	The under absorption was because of under disbursement of the budgeted grants and late disbursement of	The Committee observed The management received conditional grants amounting to	The Committee recommends that there should be improved monitoring and reporting mechanisms to	Within 60 days after the adoption of the report.

		of Kshs.1,460,605,071 or 34% of the budget resulting to an underfunding of Kshs.958,751,951 or 66% of the budget. Under disbursement of budgeted funds affects timely implementation of approved projects/activities in the County	the grants that were disbursed to the county in the year.	Kshs.501,853,120, which was only 34% of the budgeted allocation of Kshs.1,460,605,071, resulting in an underfunding of Kshs.958,751,951 or 66% of the budget. This significant shortfall in funding negatively impacted the timely implementation of planned projects and activities, ultimately depriving county residents of essential	track grant disbursements and utilization, ensuring that any shortfalls are addressed promptly to prevent delays in service delivery and project implementation.	
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				services and benefits associated with completed projects. The under-disbursement of funds also raises concerns about financial planning, fund allocation, and the county's ability to effectively execute its development agenda.		
5	Pending Bills/ Accounts Payables	Note 1 under other important disclosures to the financial statements, reflects a summary while Annex 2 gives analysis of total pending accounts	The pending bills have been paid as first charge in FY 2024-25 budget. Formal contract signed between the County	The Committee observed that 1. The Committee observed that the amount charged for legal fees	The Committee recommends that; - 1. The County Executive to make a provision in its budget for contingency liability in respect of legal	Within 60 days after adoption of this report.

		payable of Kshs.801,687,224. Failure to settle pending bills during the year to which they relate affects the implementation of subsequent year's budget programs as the accounts payable form a first charge on that year's budget provision.	Executive and the firms awarded	was not supported by calculations based on the Advocate Remuneration Order, and Management did not support or explain how the rates charged were determined. 2. The Committee observed that management had not established an organogram in the department of legal services. Currently,	fees pursuant to regulation 25(2)(e) of the Public Finance Management (County Government) Regulations, 2015. 2. The EACC initiates an investigation with the view of causing prosecution of the accounting officer for the possible loss of Kshs.24,048,678 whose expenditure was incurred as legal fees without proper documentation and approvals. 3. The County Executive utilizes the Office of the	
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				there is a county attorney and a county solicitor. 3. The committee observed that the county had not disclosed its contingent liabilities in its financial statements.	County Attorney to provide legal advice and court representation and should provide evidence of compliance with the County Attorneys Act within 60 days of the adoption of this report.	
6	Delay in Exchequer Releases	The equitable share for the year under review amounted to Kshs.13,143,946, 933 including other income (Saccos and Commissions) of Kshs.22,673.	The county's equitable share for the year ended 30th June,2024 as per the CARA and approved disbursement schedule by the Senate was Kshs.13,143,946, 933. The county	The Committee noted that the County Executive experienced delayed exchequer releases by the National Treasury thereby	The Committee recommends that; - 3) The National Treasury should ensure the timely release of funds to	Continuo us

		the quarterly transfers were not disbursed in equal instalments in accordance with the payment schedule approved by the Senate and published in the gazette by the Cabinet Secretary for The National Treasury and Planning. There was under disbursement of Kshs.2,168,751,245 in quarter 1 and over disbursement of Kshs.1,117,235,488 in quarter 4. part of the county's equitable share for year ended 30 June 2024 amounting to Kshs.1,051,515,757 was disbursed	as at 30th June,2024 had received Khs.12,092,431,176 remaining Kshs.1,051,515,757. Late exchequer receipts into the county Revenue Fund account affects transfers to county executive and hence makes it difficult for executive to implement programs and activities on time.	hampering their budget implementation.	county government s in line with the cash disbursement t schedules approved by the Senate 4) the County executive puts in place measures to enhance its own generated revenue to meet its revenue target and address revenue shortfalls.	
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		by National Treasury on 26 July, 2024, after closure of the financial year. The late exchequer disbursements of equal share affected timely implementation of approved projects/activities .				
7	Unresolved Prior Year Matters	The audit report for the year ended 30 June, 2023 highlighted issues under the Report on Financial Statements and the Report on Lawfulness and Effectiveness in Use of Public Resources. Although Management has indicated in the report on progress	Management has resolved some of the issues as indicated in the progress report and will work to ensure that the remaining unresolved issues are resolved	The Committee observed that issues from prior years had not been resolved.	The committee recommends that; - 1.the County executive complies with section 53 of the Public Audit Act, 2015 by taking action on the issues raised by the Auditor General and submits a report to the Auditor General	Within 60 days after adoption of the report.

		made in follow up of auditor's recommendations , the matters remained unresolved.			within 60 days of the adoption of this report.	
REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES						
8	Non-Compliance with One-Third of Basic Salary Rule	eight hundred thirty (830) employees earned a net salary of less than a third (1/3) of the respective basic salary. Management has not given satisfactory explanation for failure to comply with the provision of Section C.1(3) of Human Resource Policies and Procedures Manual for the	The management decided to resolve issue of employees earning less than a third (1/3) of their basic salary by issuing a circular to all accounting officers on how to address the data on those officers earning less than a third of their basic salary as per employment Act, 2007. The matter was addressed fully unlike the year under review. The recommendation	The Committee observed that some of the county staff were earning less than a third of their basic pay contrary to Section 19 (3) of the Employment Act 2007.	The Committee therefore recommends that - 3) The county entities should configure their IPPD system such that it is able to lock out commitments beyond the accepted thresholds; and 4) The Auditor General should continue monitoring the issue in	Continuous

		Public Service (2016)	on The IPPD system to be configured to alert and disallow deductions that would result to the violation of a third rule is being used to resolve the issue on the employees earning less than a third (1/3) of their basic salary as per the Employment Act 2007.		subsequent audit cycles.	
9	Overall Ethnic Composition of Staff	The County executive had four thousand, four hundred and six (4,406) employees, out of whom three thousand seven hundred and twelve (3,712) or 84.25% were from the dominant community while six hundred	Turkana County composition of non-dominant communities of County Staff is at 16%. The Board is alive to the county's obligations to eliminate ethnic imbalance and implementing the provisions of section 65 (1) (e)	The committee observed that the County Executive had a total of 3,298 employees out of which 2,176 or 63.4% were from the dominant local community in the County. This is contrary to the	The Committee observed that; - 1. The County Executives should work progressively towards attaining the requirement of the provisions of Section 65(1)(e) of	Within 60 Days from the adoption of this report.

		ninety-four (694) or 15.75% were from non-dominant communities. During the year under review, the County Executive recruited six hundred and eighty-five (685) personnel into various positions. Analysis of the recruitment revealed that six hundred sixty seven (667) or 97% of the new staff were from the dominant community while eighteen (18) or 3% were from non-dominant communities,	of the County Government Act. The Board has experienced the several challenges in working towards achieving the statutory threshold of 30%; The medium-term plan of the Board will be to prepare and implement a public service employment equity plan as stipulated under section 68C of the County Government Act, 2012. The employment equity plan will be implemented in line with approved staff establishment.	provisions of the National Cohesion and Integration Act, 2008 which stipulates that at least 30% of employees should be from communities other than the dominant one	County Government Act on ethnic inclusivity. 2. The Standing Committee on NCEORI to explore legal amendments to ensure progressive compliance with section 65(1)(e) of County Government Act, 2012.	
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10	Unsurrendered Imprest	The statement of assets and liabilities reflects accounts receivable outstanding imprest balance of Kshs.85,093,020 as at 30 June, 2024. The outstanding imprest amount of Kshs.85,093,020 which was due for surrender on or before 30 June, 2024 and had not been surrendered by then	The management did not respond to the issue	The Committee observed that the management failed to respond to the issue.	The Committee recommends that the Accounting Officer(s) recover the outstanding imprests with interest as per provisions Regulation 93 (6) of the Public Finance Management (County Governments) Regulation. The Committee further recommends the sanction and surcharge of Accounting Officers who fail to recover outstanding imprests in line with Regulation 93(7) of the PFM (County	Immediate
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					Government) Regulations, 2015	
11	Idle Cash in Bank for County Aggregation and Industrial Park	The Council of Governors at a meeting held in May, 2023 deliberated on the implementation framework for County Aggregation and Industrial Parks (CAIP). The Council forwarded the tender documents incorporating the tendering forms, evaluation and qualification criteria, bills of quantities, drawings and contract forms which the County Government of Turkana was requested to customize and submit to an	The county government is finalizing the approval processes and will advertise for commencement of works in the current financial year 2024-25.	The committee observed that the management is not compliant with Regulation 83(1)(2)(b)(c) of the Public Finance Management (County Governments) Regulations, 2015	The Committee recommends that in accordance to Regulation 83(1)(2)(b)(c) of the Public Finance Management (County Governments) Regulations, 2015, The County Treasury should expedite the process of establishing sound cash management systems, procedures and processes to ensure efficient and effective banking and cash management practices.	Within 60 days after adoption of the report.

		updated website link for processing and advertisement by 23 May, 2023. there was no evidence that Management submitted to the designated address, customized tender documents for the County for processing and advertisement as required by the Council of Governors. An amount of Kshs.100,000,000 deposited in the Project bank account has not been utilized and is lying idle. contrary to Regulation 83(1)(2)(b)(c) of the Public			In addition, the management to start the tendering process.	
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		Finance Management (County Governments) Regulations, 2015 which provides that the County Treasury shall be responsible for establishing sound cash management systems, procedures and processes to ensure efficient and effective banking and cash management practices.				
12	Purchase and Installation of High Mast Lighting within Lodwar Municipality	A local contractor to supplied, installed and commissioned five (5) high mast lighting in	In a bid to resolve that, Ewoi Building contractors Ltd went ahead and processed a meter	The Committee observed that Regulation 22, 20 (g) of the PFM Act	The Committee recommends that; - 4) The County Executive establishes a project	60 days after adoption of the report

		Lodwar Municipality at a contract sum of Kshs.26,575,000. The inspection and acceptance report indicated that one of the lighting masts at Kanan Market was not connected and therefore was not lighting since the meter had not been processed. Physical verification carried out on the evening of 9 September, 2024 confirmed that the high mast lighting at Kanan Market was not functioning. No explanation was provided on why the meter had not been processed and	application which is almost under completion. A process which delayed due to unresolved dispute. Though the functioning of highmast was confirmed when it was powered using a generator,the two contractors agreed that Ewoi Building to go ahead and connect the highmast to power since the two projects were identical and required separate metering hence different	County Governments 2015 had been breached in addition, the project remained incomplete even after verification therefore there was no value for money.	management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report;	
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		connected nine (9) months after commissioning.	electricity billings.		5) The Office of the County Governor to prioritise completion of existing and stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 6) The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle.	
13	Incomplete Construction of	The tender to construct Naakot outpatient	The contractor made a request for extension of	The Committee observed that	1) The County Executive establishes a	60 days after

	Naakot Outpatient Dispensary	dispensary and two (2) door pit latrines in Lokokat ward was awarded to a local contractor on 25 January, 2025 at a contract sum of Kshs.8,635,420. The construction commenced on 14 March, 2024 and was to be completed on 13 July, 2024. verification on 10 September, 2024 revealed that the construction of the dispensary and the two door pit latrines stalled at lintel and walling level respectively. The amount paid to the contractor to date is Kshs.5,181,252	contract period citing insecurity and adverse weather conditions caused by rains. (refer to annex; request for extension letter). The contract implementation team evaluated the request on 16 July 2024 and made a recommendation for extension of contract for 4 months. (Refer to annex; CIT minutes). The contract addendum was signed on 17th July 2024 (refer to annex; Contract Addendum). The project is complete	Regulation 22, 20 (g) of the PFM Act County Governments 2015 had been breached in addition, the project remained incomplete even after verification therefore there was no value for money.	project management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report;	adoption of the report
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		or 60% of the contract sum. No sufficient explanation was given for failure to complete the project. Value for money not realized			2) The Office of the County Governor to prioritise completion of existing and stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3) The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle.	
14	Delay in Supply and Installation of	The County Executive through	The reverse osmosis plant has now been	The Committee observed that	1) The County Executive establishes a	60 days after

	Reverse Osmosis Plant Department of Water made payments totalling to Kshs.20,313,981 to a local company for supply and installation of the reverse osmosis plant at Kaituko and Monti township wards. The company was awarded the tender on 5 February, at a contract sum of Kshs.39,702,485 for period of six (6) months effective from the date of signing the contract and the construction expected to be completed on 31 July, 2024. Physical inspection of the	successfully installed, and all related civil works have been completed. In addition, the housing structure for the plant has been constructed and the fencing around the site has been finalized to secure the facility. Finance Act for the Financial Year 2023 was approved by the County Assembly. The pipeline extension works are currently ongoing and are expected to be completed soon. The project team is working diligently to ensure that the	Regulation 22, 20 (g) of the PFM Act. County Governments 2015 had been breached in addition, the project remained incomplete even after verification therefore there was no value for money.	project management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report;	adoption of the report
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		project on 11 September, 2024 revealed that the project was not complete. Further, the contract period having expired on 31 July, 2024, the contractor had only implemented 60% of the contract. the reverse osmosis plant installation of Kshs.16,430,000 and pipeline extension of Kshs.14,498,000 were not done. Value for money not realized.	remaining works are finalized promptly to provide the intended utility to the beneficiaries		2) The Office of the County Governor to prioritise completion of existing and stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3) The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle.	
15	Incomplete Construction of	Management awarded a contract for	The department has budgeted the pending bills and	The Committee observed that	The Committee recommends that;-	60 days after

	Gate and Fencing at Kakuma Stadium	construction of a gate and fencing works at Kakuma stadium to a local contractor at a contract sum of Kshs.9,785,000. Management did not provide for audit contract details and progress of work reports on the contract. The contractor had been paid a total of Kshs.5,855,342 or 60% of measured works. Field verification of the project on 9 September, 2024 revealed that the contractor was not on site and works had stalled at the preliminary level.	commitment of the Contractor in the current budget and the payment has been processed of Kshs.5,871,000 and the contractor would be paid soon and return to the site to complete outstanding works. Protest/withdrawal letter from the Contractor Songot Company Limited	Regulation 22, 20 (g) of the PFM Act County Governments 2015 had been breached in addition, the project remained incomplete even after verification therefore there was no value for money.	1. The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value for money as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the	adoption of the report
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		Value for money not realized.			date of adoption of this report; 2. The Office of the County Governor to prioritise completion of existing and stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days of the adoption of this report; 3. The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle.	
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16	Delay in Settlement of Legal Cases	Note 9, under other important disclosures in the financial statements reflects an amount of Kshs.165,669,147 as contingent liability which relates to a cumulative of fourteen (14) legal cases in various courts. Audit review revealed that eleven (11) of the cases were on-going, one (1) case was completed in favor of the County Government at a cost of Kshs.2,550,000 while two (2) cases were ruled against the County Executive	The County Attorney's Office is committed to addressing the concerns raised in the audit. While ongoing cases do present financial risks, steps are being taken to expedite legal proceedings, reduce delays, and manage costs more effectively. We appreciate the recommendations provided and will continue to improve our processes in managing litigation for the County.	The committee noted that the matter was still outstanding as the documents to support the legal expenditures were not submitted for audit review during the audit cycle contrary to Section 62 of the Public Audit Act, 2015	The Office of the County Governor undertakes administrative action against the Head of Procurement and other responsible officer(s) for breaching procurement laws in accordance with section 156 of the Public Finance Management Act, 2012 and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.	Within 60 days after adoption of the report.
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		at a cost of Kshs.12,548,000. From the analysis, it is estimated that with the ratio of on-going cases being higher compared to the completed cases, there is need to expedite cases by the County Attorney so as to avoid undue delays which may lead to compensation for damages suffered by the plaintiff which may be costly to the County Government. in accordance to section 5(b) of County Attorney Act, 2020, which states that a County Legal			
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		Counsel shall- 'handle matters without undue delay, risk or unnecessary expense to the county government'. value for money not realized on the legal expenses .				
17	Completion of Kataboi Eco Lodge	Field verification on the project done on 6 September, 2024 revealed that the contractor was not on site, there was also no security at the site. Further, residents of the area have gained access to the facility ongoing works by the contractor. This	The county government is quantifying the remaining works in order to allocate resources for completion of the project since the second contract expired by effluxion of time.	The Committee observed that Regulation 22, 20 (g) of the PFM Act County Governments 2015 had been breached in addition, the project remained incomplete even after verification therefore there was no value for money.	The Committee recommends that;- 1. The County Executive establishes a project management and monitoring System to help in proper project conceptualizati on, planning, execution and timely completion of projects as well as realization of value for money	Within 60 days after adoption of the report.

		may lead to additional costs in rehabilitation.			as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 2. The Office of the County Governor to prioritise completion of existing and stalled projects and provide a budget for their completion and provide a status update to the Auditor General within 60 days	
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					of the adoption of this report; 3. The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle.	
18	Construction of Plastic Re-Use Facility	A field audit verification on the project done on 6 September, 2024 revealed that the contractor was not on site, and the project has remained incomplete	The management have allocated a budget of 5.8M under the FFLOCA project for the Turkana Central Committee to complete the project which will therefore create employment opportunity for the community. This was after the technical assessment by the engineers as per	The Committee observed that Regulation 22, 20 (g) of the PFM Act County Governments 2015 had been breached in addition, the project remained incomplete even after verification therefore there was no value for money.	The Committee recommends that; - 1. The County Executive establishes a project management and monitoring System to help in proper project conceptualization, planning, execution and timely completion of projects as well as realization of value for money	Within 60 days after adoption of the report.