

3.0. Unsupported Payments of Non-Practicing Allowances	The statement of receipts and payments reflects compensation of employees amount of Kshs.4,205,707,306, as disclosed in Note 3 to the financial statements. The amount includes personal allowances paid as part of salary of Kshs.129,817,300, out of which Kshs.2,192,000 paid to fifty-eight (58) officers in the month of June, 2024 as non-practicing allowances. However, Management did not provide supporting documents to confirm staff eligibility for the allowances.	The Management wishes to state that following SRC Circular Ref. No: SRC/TS/CGOVT/3/61 Vol. III/ (136) dated 14th September 2015 the management had to adhere to the instruction as per the circular support the eligibility of the above payment of Non-Practicing Allowances to Medical Officers, Dental Officers & Pharmacists leading to Payment of Kshs2,192,000 to the 58 officers who qualified for the non-practicing allowances. The Management has since attached the SRC Circular and the List of Qualified Offices to confirm the Eligibility. Appendix 3a-List of officers eligible for Non-Practicing Allowance Appendix 3b-SRC Circular	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General audits the	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
				outstanding matter in the subsequent audit cycle.	
Emphasis of Matter					

1.0. Budgetary Control and Performance	The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis amounts of Kshs.9,962,208,395 and Kshs.7,967,540,682 respectively, resulting in under-funding of Kshs.1,994,667,713, or 20% of the budget. Further, the County Executive spent Kshs.7,629,345,969 against actual receipts of Kshs.7,967,540,682 resulting in an under-expenditure of Kshs.338,194,713 or 4% of the actual receipts.	The management concurs with the auditor's observation on the under-funding of the County Revenue and disbursement by 20% respectively. However, the management wishes to state that the Under-funding of the County Budget was as a result of delay by the National Treasury to disburse in time Funds allocated from the National Government as follows; - Equitable share of Kshs. 650,270,979 was not received by the County Government as at 30th June, 2024 as Budgeted. - Conditional Grants of Kshs. 528,748,137 was not received by the County Government as at 30th June 2024 as budgeted - Own Source revenue of Kshs. 815,648,597 was not received as at the end of the financial year.	The Committee Observed that; - the county entities did not receive exchequer releases from the National Treasury on time. - the Committee noted that the county executive did not meet its own source revenue collection targets. This challenge hampered budget implementation in the county.	The Committee recommends that; - - The National Treasury should ensure timely release of funds to county governments in line with the cash disbursement schedules approved by the Senate. - the County Executive puts in place measures to enhance its own generated revenue in order to meet its revenue target and address revenue shortfalls.	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
		This consequently resulted to under-funding of the County Budget by 20% as observed by the Auditor. It is uncontestable that the shortfall in revenue (against the budgeted) negatively impact planned development projects and efficiency in service delivery for the people of Homa Bay. However, as tabulated above, it is important to note that the revenue shortfall was mainly attributed sub- optimal performance of unconditional grants, equitable share of sharable national revenue, and equalization fund; whose ceilings are provided by laws like the DORA, CARA, and County Governments Additional Allocation Act. On its part, the county instituted adequate revenue collection and administration measures which contributed to more than +40% improvement index in own source revenue realized. However, the			

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
		county had limited direct control over revenues expected from the National Treasury, which accounted for three-quarters of the expected revenues.			

2.0. Pending Accounts Payable	Note 19.1 Under Other Important Disclosures and Annex 3 to the financial statements, reflect pending accounts payable totalling Kshs.955,548,525 in respect to accounts payables brought forward from the year 2022-2023. During the year under review, pending bills, the County Executive incurred pending bills of Kshs.1,098,628,645 bringing the total pending bills for the year to Kshs.2,054,177,170, out of which, Management settled an amount of Kshs.861,909,354 leaving a balance of Kshs.1,192,267,816. This is indicative of the County	The management wishes to state that, for the pending accounts payable of ksh. 1,192,267,816 as at 30th June 2024, remained unpaid due to late disbursement of funds from the exchequer. However, comprehensives repayment plan has been drawn by the County Government of Homa Bay for the payment of the remaining amount as a first charge to the Budget for the financial year 2024/2025	The Committee observed that the County Executive attributed the presence of pending bills to delayed disbursements from National Treasury.	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 2024/2025; and 2. that- i. pursuant to the provisions of Regulation 41(2) & (3) of the Public Finance Management	Continuous					
		Following the Repayment plan the County has so far paid Kshs.620,478,914 Between July 2024 to February,2025 and is committed to continue paying the remaining Bills of Kshs571,788,903 before the end of the Financial year 2024/2025 as per the summary tabulated below: <table><tr><td></td><td>Department</td><td>Outstanding Pending Bills</td><td>Amount Paid During F/Y</td><td>Outstanding Pending Bills</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr></table>					Department	Outstanding Pending Bills	Amount Paid During F/Y	Outstanding Pending Bills
	Department	Outstanding Pending Bills	Amount Paid During F/Y	Outstanding Pending Bills						

Paragraph	Key Issue	Management Response				Committee Observations	Committee Recommendations	Timelines
	Government's failure to settle the pending bills as a first charge to the budget contrary to the requirement of Regulation 41 of the Public Finance Management (County Governments) Regulations, 2015.		Amount As At 30th June 2024 (Kshs)	2024/25 (Kshs)	Amount As Of 28th February, 2025 (Kshs)		t (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	
		Department Of Finance And Economic Planning.	57,793,903.20	53,715,683	4,078,220			
		County Public	15,374,468.00	6,000,000	9,374,468			

Paragraph	Key Issue	Management Response				Committee Observations	Committee Recommendations	Timelines
		Service Board					quarter budget releases will not be done;	
		Honorable Bay Municipal Board	4,699,960.00	3,023,280	1,676,680		ii. the Controller of Budget takes into consideration the efforts made by a county government to clear inherited pending bills when approving exchequer releases;	
		Office Of The Deputy Governor And Department Of Agriculture	59,757,490.90	22,144,943	37,612,547		iii. County Government shall only pay pending	

Paragraph	Key Issue	Management Response				Committee Observations	Committee Recommendations	Timelines
		re And Live stock .					Bills contained in their respective procurement plans pursuant to Regulation 50 (2) & (3) of the Public Finance Managemen t (County Government s) Regulations;	
		Depa rtme nt Of Gen der Equa lity And Inclu sivit y, Yout h, Spor ts, Tale nt Deve lopm	27,260,8 83.40	10,179, 000	17,08 1,883		iv. Supplement ary budgets for county government s are prepared in the 3rd Quarter to	

Paragraph	Key Issue	Management Response				Committee Observations	Committee Recommendations	Timelines
		ent, Cult ural Herit age And Soci al Servi ces.					curb instances of arbitrary re- allocations out of the approved budget estimates; v. County government s, in consultation with the Controller of Budget, to provide a budget for completion of all existing projects and that initiation of new projects	
		Depa rtme nt Of Road s, Publi c Wor ks, Tran sport And Infra	322,203, 031.85	98,134, 668	224,0 68,36 4			

Paragraph	Key Issue	Management Response				Committee Observations	Committee Recommendations	Timelines
			structure				to cease until completion of the existing projects; and	
			Department Of Blue Economy, Fisheries, Mining And Digital Economy	14,293,480.00	8,000,000	6,293,480		
			Department Of Education	92,130,813.00	84,081,592	8,049,221		

Paragraph	Key Issue	Management Response				Committee Observations	Committee Recommendations	Timelines
		Servi ces						
		Depa rtme nt Of Land s, Phys ical Plan ning, Hous ing And Urba n Deve lopm ent	10,042,2 35.00	4,300,0 60	5,742, 175			
		Depa rtme nt Of Trad e,	88,499,7 20.54	16,897, 925	71,60 1,796			

Paragraph	Key Issue	Management Response				Committee Observations	Committee Recommendations	Timelines
		Indu stry, Tour ism, Co- oper ative Deve lopment And Mar ketin g.						
		Depa rtme nt Of Wate r, Sanit ation , Irrig ation	67,481,6 59.80	20,988, 080	46,49 3,580			

Paragraph	Key Issue	Management Response				Committee Observations	Committee Recommendations	Timelines
			Environment, Energy And Climate Change					
			Executive Office Of The Governor	51,033,318.01	35,821,613	15,211,705		
			Governance, Administration	66,785,391.49	36,564,797	30,220,594		

Paragraph	Key Issue	Management Response				Committee Observations	Committee Recommendations	Timelines
			Com muni catio n & Dev oluti on					
			Total	1,192,26 7,816.37	620,47 8,914	571,7 88,90 3		
		Appendix 4a- Pending bills repayment plan for the financial year 2024/2025 Appendix4b-Current status of the Pending bills as at 28 th February, 2025.						
Other Matter								

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
1.0. Unresolved Prior Year Matters	In the report of the Auditor-General for the financial year 2022/2023, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Management has indicated that almost all the prior year audit issues as resolved in the Progress on Follow Up on Prior Year Auditor's Recommendations section of the financial statements.	The Management wishes to state that the prior year issue have been addressed. However, we have only responded to matters related to the Financial Year 2023-2024 as per your invitation letter	The committee observed that issues from previous financial years had not been resolved. The Committee further observed that the County Executive was in breach of section 53 of the Public Audit Act (Cap. 412B) and had also ignored the PSASB reporting templates.	The Committee recommends that the County Executive complies with section 53 of the Public Audit Act (Cap. 412B) by taking action on the issues raised by the Auditor General and submits a report to the Auditor General within 60 days of the adoption of this report.	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES					

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
1.0. Regularity of Human Resource Management Practices	The statement of receipts and payments, and as disclosed in Note 3 to the financial statements, reflects an amount of Kshs.4,205,707,306 in respect to compensation of employees. The following unsatisfactory matters were however noted:				

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
1.1. Employees on Acting Capacity for Prolonged Durations	Analysis of the payroll revealed that a total of twenty-seven (27) employees were in acting capacity for periods exceeding six (6) months. This was contrary to Section C.14(1) of the Public Service Commission Human Resource Policies and Procedures Manual for the Public Service, 2016, which states that an employee who has successfully and continuously acted in a vacant position for a period of six (6) months and meets the job requirements will be deemed to have been confirmed in that position.	The Management concurs with the Auditors observation on employees on acting capacity for prolonged duration. However, pursuant to adhere to fiscal responsibility principle on compensation of employees, the County Government of Homa bay froze confirmations to positions to allow it to develop optimal number of staffing, through development of staff establishment for the county, since this has now been achieved, the management is working towards confirming staff through a competitive process in the next financial year for those who merit. Appendix 5- Resolutions on Employees on Acting Capacity	The Committee observed that the County Executive admitted that it had appointed staff in acting capacity for more than six (6) months in breach of section 34(3) of the Public Service Commission Act (Cap. 185).	The Committee recommends that the County Executive promptly complies with section 34(3) of the Public Service Commission Act (Cap. 185).	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
1.2. Non-Adherence to One Third of Basic Rule	Analysis of the payroll of permanent staff revealed that eight hundred and thirty-one (831) staff in July, 2023, six hundred and twenty-five (625) in December, 2023, eight hundred and thirty-one (831) in March, 2024 and eight hundred and forty-seven (847) in June, 2024 received net pay that were less than a third of their respective basic salaries. This was contrary to Section 19 (3) of the Employment Act, 2007, which states that the total amount of deductions from the wages of an employee shall not exceed two third (2/3) of such wages.	The Management concurs with the Auditors observation on Non adherence to one third of basic rule. This was occasioned by implementation of the new statutory deductions in the form of Housing Levy, Revised rate of NSSF, implementation of County Pension Fund, Disciplinary Issues, Interdictions, Prioritized deductions.	The Committee observed that the County Executive is in breach of section 19(3) of Employment Act (Cap. 226).	The Committee recommends that the County Executive forthwith ensures compliance with section 19(3) of Employment Act (Cap. 226). The Committee further recommends that the Auditor General provide status of compliance with section 19(3) of Employment Act (Cap. 226) in the subsequent audit cycle.	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.

1.3. Non-Compliance with Provisions on Ethnicity Diversity, Affirmative Action on Gender and Persons Living with Disabilities	Examination of the personnel records provided for audit revealed that as at 30 June, 2024, the County Executive had six thousand nine hundred and eighty-six (6,986) employees on its payroll. This staff complement is composed of 83% male and 17% female for support staff, and 75% male and 25% female for technical staff. The persons living with disabilities translated to 8% of support staff and 4% of technical staff. Further, the dominant ethnic community in the County comprised of 83% and 75% of the support and technical staff respectively. This was contrary to the provisions of Section 7 (1) and (2) of the	The Management wishes to state that, the total number of employees in Homa Bay County Government Public Service as of September 2024 is seven thousand five hundred and fifty-four (7554). The number of male employees is three thousand, five hundred and thirty-one (3,531) which translates to 46.8%, while the number of female employees is four thousand and twenty-three (4,023), which translates to 53.2%. <table><tr><th colspan="3">Gender of Employees in Homa Bay County Government Public Service</th></tr><tr><th>Gende r</th><th>Number</th><th>Percentage</th></tr><tr><td>Male</td><td>3,531</td><td>46.8%</td></tr><tr><td>Femal e</td><td>4,023</td><td>53.2%</td></tr><tr><td>Total</td><td>7,554</td><td>100%</td></tr></table> Homa Bay County Government is committed to compliance and	Gender of Employees in Homa Bay County Government Public Service			Gende r	Number	Percentage	Male	3,531	46.8%	Femal e	4,023	53.2%	Total	7,554	100%	The Committee observed that the County Executive was in breach of section 65(1)(e) of County Government Act.	The Committee recommends that- 1) the County Executive should work progressively towards 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	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
Gender of Employees in Homa Bay County Government Public Service																				
Gende r	Number	Percentage																		
Male	3,531	46.8%																		
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Total	7,554	100%																		

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.	adherence to laws and regulations in pursuit of national and inter-community cohesion, equalization of opportunities and improvement in the quality of life and status of all persons in the county public service, and has progressively ensured that this is achieved whenever recruitment opportunities are available. However, it is important to note that the recruitment process has a standard procedure and qualifications for appointment are guided by schemes of service for Public Service, whereby only applied and qualified candidates are considered for advertised opportunities. Persons with disabilities and applicants who apply and qualify for advertised job opportunities are few.		section 65(1)(e) of County Government Act, 2012.	

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines												
		Further, through public participation forums, the County Public Service Board has continuously been encouraging those qualified to apply whenever job opportunities are advertised, and also encouraged bodies governing people living with disability to encourage them to apply. A total of fifty-one (51) employees, which is 0.67% of the total number of employees are persons with disabilities. Forty (40) have physical disabilities, five (5) have visual disabilities, four (4) have hearing disabilities, and two (2) have multiple disabilities. <table><tr><th colspan="3">Persons with Disabilities in Homa Bay County Government Public Service</th></tr><tr><th>Type of Disability</th><th>Number</th><th>Percentage</th></tr><tr><td>Physical</td><td>40</td><td>78%</td></tr><tr><td>Visual</td><td>5</td><td>10%</td></tr></table>	Persons with Disabilities in Homa Bay County Government Public Service			Type of Disability	Number	Percentage	Physical	40	78%	Visual	5	10%			
Persons with Disabilities in Homa Bay County Government Public Service																	
Type of Disability	Number	Percentage															
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Paragraph	Key Issue	Management Response			Committee Observations	Committee Recommendations	Timelines																										
		<table><tr><td>Hearing</td><td>4</td><td>8%</td></tr><tr><td>Multiple</td><td>2</td><td>4%</td></tr><tr><td>Total</td><td>51</td><td>100%</td></tr></table>	Hearing	4	8%	Multiple	2	4%	Total	51	100%																						
Hearing	4	8%																															
Multiple	2	4%																															
Total	51	100%																															
		Outlined below is a demographic on the age distribution of the 7554 employees in Homa Bay County Public Service.																															
		<table><tr><td colspan="3">Age of Employees in Homa Bay County Government Public Service</td></tr><tr><td>Age</td><td>Number</td><td>Percentage</td></tr><tr><td>19-26</td><td>441</td><td>5.8%</td></tr><tr><td>27-34</td><td>2235</td><td>29.6%</td></tr><tr><td>35-42</td><td>2612</td><td>34.6%</td></tr><tr><td>43-50</td><td>1492</td><td>19.8%</td></tr><tr><td>51-60</td><td>740</td><td>9.8%</td></tr><tr><td>61 and above</td><td>34</td><td>0.5%</td></tr><tr><td>Total</td><td>7554</td><td>100%</td></tr></table>	Age of Employees in Homa Bay County Government Public Service			Age	Number	Percentage	19-26	441	5.8%	27-34	2235	29.6%	35-42	2612	34.6%	43-50	1492	19.8%	51-60	740	9.8%	61 and above	34	0.5%	Total	7554	100%				
Age of Employees in Homa Bay County Government Public Service																																	
Age	Number	Percentage																															
19-26	441	5.8%																															
27-34	2235	29.6%																															
35-42	2612	34.6%																															
43-50	1492	19.8%																															
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61 and above	34	0.5%																															
Total	7554	100%																															

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
		It is important to note that the age group of 61 and above includes persons with disabilities whose age group is extended by exceptions by five (5) years as per the Persons with Disabilities Act 2003.			

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
2.0. Regularity of Procurement and Award of Contracts					

2.1. Payment for Consultancy Services - Payroll and Personnel Census	Note 4 to the financial statements reflects expenditure of Kshs.808,337,760 in respect to use of goods and services which further includes an amount of Kshs.53,753,975 in respect to contracted professional services. Included in the contracted professional services amount is Kshs.7,700,000 being payment to a firm in respect to part payment of the contract sum of Kshs.32,457,380 relating to a payroll and personnel census audit of county public service. The contract had been awarded in the financial year 2022-2023 under contract number HBC/OG2/007/10837 40/2022-2023.	The Management wishes to state that, Price water house Coopers (PWC) gave various recommendations on the audit, in the draft report. The County Government was tasked to further investigate the recommendations and verify them. The process has taken longer than expected. However, through the management commitment the final report will be out by April, 2025 and the implementation of the recommendations shall realize the value for money as was employed at the inception of the contract. The Draft report of the PWC is hereby attached for the Auditors verification Appendix 6: The Draft report of the PWC	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process. The Committee further observed that the County Executive did not provide evidence of contract extension with the consultant.	The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	According to clause 14.1 of the special conditions of the contract, the contract was to run for twelve (12) weeks upon signing of the agreement. In addition, clause 40.2 of the special conditions of the contract, required 30% of the contract sum to be paid upon submission of the inception report, 40% upon submission of the draft report and the remaining 30% to be paid upon submission of a consolidated final report. However, review of the expenditure confirmed that the contract period had			audits the outstanding matter in the subsequent audit cycle.	

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	elapsed and there is no evidence of the contract period by having been extended. In addition, Management did not provide any output inform of a report submitted by the consultant to evidence the work done.				

2.2. Unauthorized Budget Reallocations	During the year under review, Management undertook unauthorized reallocation of budgets by charging the inappropriate budget codes as detailed below:			The Management concurs with the auditors' observation on the Budget Reallocation between programs and sub programs.	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the adoption of this report.	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
	S/No.	PV No.	Description	However, the reallocation was authorized by a formal request to the County treasury for approval by the CEC-M finance explaining the reasons for reallocations.			
	1	29306	Payment to Department of Education and ICT	Further, the management ensured that the reallocations did not exceed 10percent of the total expenditures.			
	2	29573	Homa Bay County	In addition, management endeavors to ensure that the reallocation of votes will not reoccur in the subsequent financial years, by ensuring proper budgeting and implementation Appendix7a-Request for Reallocation Appendix7b-Authorization for reallocation			

Paragraph	Key Issue				Management Response	Committee Observations	Committee Recommendations	Timelines
			Salaries				audits the outstanding matter in the subsequent audit cycle.	
	3	29573	Homa Bay County Salaries	6,055,700				
	4	29330	Payments for Supply of Laptop	520,000				
			Total	9,052,700				
	Although Management has indicated the mispostings have been regularized by passing Journal vouchers, this is irregular and is contrary to Section 2							

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	of the Public Finance Management Act, 2012 that requires an accounting officer for a county government entity may reallocate funds between programs, or between Sub-Votes, in the budget for a financial year, but only if a request for the reallocation has been made to the County Treasury explaining the reasons for the reallocation and the County Treasury has approved the request; and the total of all reallocations made to or from a program or Sub-Vote does not exceed ten percent (10%) of the total expenditure approved for that program or Sub-Vote for that				

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	year.				

2.3. Proposed Construction of County Aggregation and Industrial Park	The statement of receipts and payments, reflects expenditure of Kshs.333,198,009 on other grants and transfers which as disclosed in Note 9 to the financial statements includes an amount of Kshs.36,194,302 in respect to Homa Bay County Aggregation and Industrial Parks. During the year under review, the County Executive entered into a contract with a Joint Venture of three companies to construct County Aggregation and Industrial Park at a contract sum of Kshs.498,338,151. This was preceded by an intergovernmental agreement between the National	The Management concurs with the findings and observation and would wish to respond as follows: The extensions have been occasioned by adverse climatic conditions as the project area experiences adverse floods during rainy seasons. In order to mitigate the perennial flooding, the Department in collaboration with the National Youth Service has commenced the construction of dykes along the two rivers of Tende and Riwa. Consequently, late disbursement of funds is another factor as the county government is unable to honor payment certificates on time. The management wishes to state further that the original drawings and designs provided were template drawings and did not take into account site specific conditions. Upon geotechnical survey and topographical surveys, the need arose to revise the project structural and architectural designs. The changes	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Executive promptly ensures that the project is finalise to facilitate value for money. The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60)	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines						
	Government through the Ministry of Investments, Trade and Industry and the County Government. Under this framework, the National Government was to contribute an amount of Kshs.250,000,000 and the County Government Kshs.250,000,000, which the County Executive allocated Kshs.100,000,000 in the 2022/2023 and Kshs.150,000,000 in the 2023/2024 financial year. Review of documents and the project inspection conducted on 5 September, 2024 revealed the following: i. The contract was to run for seven (7)	however will not drastically affect the estimated timelines. The current project implementation status and pictorials is hereby provided <table><tr><th>Item</th><th>Current Status as at 10th March 2025</th></tr><tr><td>Construction of Value 4 No. addition houses ware</td><td> ❖ Murram fill ongoing, ❖ Rock filling done ❖ Erection of Universal beams ongoing with 26 U/Beams done </td></tr><tr><td>Construction of 2 No, Aggregation warehouses @ 1,000 M/Square</td><td> ❖ Super structure walling ongoing, 6m high done with tie beams placed after every 3m ❖ All trusses are fixed ❖ Alignment of Z-purlins done using antisagrades </td></tr></table>	Item	Current Status as at 10 th March 2025	Construction of Value 4 No. addition houses ware	❖ Murram fill ongoing, ❖ Rock filling done ❖ Erection of Universal beams ongoing with 26 U/Beams done	Construction of 2 No, Aggregation warehouses @ 1,000 M/Square	❖ Super structure walling ongoing, 6m high done with tie beams placed after every 3m ❖ All trusses are fixed ❖ Alignment of Z-purlins done using antisagrades		days of the adoption of this report. The Committee further recommends that the Auditor General audits the outstanding matter in the subsequent audit cycle.	
Item	Current Status as at 10 th March 2025										
Construction of Value 4 No. addition houses ware	❖ Murram fill ongoing, ❖ Rock filling done ❖ Erection of Universal beams ongoing with 26 U/Beams done										
Construction of 2 No, Aggregation warehouses @ 1,000 M/Square	❖ Super structure walling ongoing, 6m high done with tie beams placed after every 3m ❖ All trusses are fixed ❖ Alignment of Z-purlins done using antisagrades										

Paragraph	Key Issue	Management Response		Committee Observations	Committee Recommendations	Timelines
	months to 6 April, 2024, with an extension of the contract period of one hundred and eighty (180) days being granted to 6 October, 2024. The basis of the extension was adverse climatic conditions (floods) which had led to work stoppages in November 2023. On 31 July, 2024 the contractor sought a second extension of eighty-eight (88) calendar days up to 9 January, 2025. The extension was however, granted to 13 October, 2024. Field verification conducted on 5		❖ Roof structure completed			
		Construction of 2 No. cold storage warehouses	☐ Foundation walling complete ☐ Alignment of Z-Purlins done ☐ Roof structure complete			
		Construction of borehole and pump house	Borehole complete but pump house not done			
		Boundary Wall	Complete			

Paragraph	Key Issue	Management Response		Committee Observations	Committee Recommendations	Timelines					
	September, 2024 and one month before the expiry of the contract revealed the following status on key components in the priced bills of quantities: <table><tr><td>Item</td><td>Current Status as per Audit Verification on 4 September, 2024</td></tr><tr><td>Construction of four (4) Value addition</td><td>Digging of column bases was in progress. The construction was approximat</td></tr></table>	Item	Current Status as per Audit Verification on 4 September, 2024	Construction of four (4) Value addition	Digging of column bases was in progress. The construction was approximat	<table><tr><td>Construction of office block, power house and ablution block.</td><td> ❖ Excavation of bases completed, ❖ casting of bases and starter columns done. ❖ Strip Excavation of 200mm to be done before fixing of ground beams. ❖ Excavation of trenches ongoing </td></tr></table> Appendix 8: Current status of the project to date and Photographs	Construction of office block, power house and ablution block.	❖ Excavation of bases completed, ❖ casting of bases and starter columns done. ❖ Strip Excavation of 200mm to be done before fixing of ground beams. ❖ Excavation of trenches ongoing			
Item	Current Status as per Audit Verification on 4 September, 2024										
Construction of four (4) Value addition	Digging of column bases was in progress. The construction was approximat										
Construction of office block, power house and ablution block.	❖ Excavation of bases completed, ❖ casting of bases and starter columns done. ❖ Strip Excavation of 200mm to be done before fixing of ground beams. ❖ Excavation of trenches ongoing										

Paragraph	Key Issue		Management Response	Committee Observations	Committee Recommendations	Timelines
	ware houses	ely at 8% based on engineers estimate. The constructio n had been impacted by flooding at the foundation level and setting out of column bases.				
	Constr uction of two (2) Aggre gation wareh ouses	Digging of column bases was in progress. The constructio n was approximat				

Paragraph	Key Issue		Management Response	Committee Observations	Committee Recommendations	Timelines
	@ 1,000 M/Squ are	ely at 8% based on engineers estimate. The constructio n had been impacted by flooding at the foundation level.				
	Constr uction of two (2) cold storag e wareh ouses	Not started				
	Constr uction	Borehole complete				

Paragraph	Key Issue		Management Response	Committee Observations	Committee Recommendations	Timelines
	of borehole and pump house	but pump house not done.				
	Completion of boundary wall	Complete				
	Construction of office block, power house and ablution block.	Not started.				

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	i. Out of the National Government's agreed contribution of Kshs.250,000,000 to the project, an amount of Kshs.62,500,000 had been received during the year under review. Part of these funds were used to settle the first certificate of Kshs.40,212,881 dated 7 June, 2024. ii. The project structural and architectural designs are the generic ones from the National Government and formed the basis of the procurement decisions (tender sum). However,				

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	due to the topography and nature of soil structure, the structural drawings have had to be revised at the County level. This is likely to have cost escalations on the project which is yet to be determined. This impact was also cited by the contractor in a letter dated 31 July, 2024 while requesting for extension of time.				

2.4. Rehabilitation of Kapana - Sombro Earth Dam	The County Executive awarded the contract for the rehabilitation of Kapana - Sombro Earth dam in Kanjira and Korokoth Kataa Locations, at a contract price of Kshs.22,894,018 on 28 October, 2022. The project's targeted completion date was 30 December, 2022. During the year under review, the contractor was paid an amount of Kshs.6,240,976 being the final payment and retention money. Physical verification on 5 September, 2024 revealed that although the project was complete and in use, the dam had a lot of idle water which ought to have been distributed to the community to realize	The management wishes to state that the contract was awarded and the project completed as per the scope of work and Bill of Quantities as per the physical verification done by the Auditor on 5th September 2024. The management concurs with the Auditor's observation that the dam had a lot of idle water which ought to have been distributed to the community. However, this was not in the initial scope of work and bill of quantities as per the contract agreement. In subsequent years, the management is considering allocating funds for the distribution of water. Appendix 9- Copy of BoQ and Contract documents	The Committee noted with concern that the County Executive embarked on a project without including its use in the contract. This led to loss of value for money that could have been avoided with proper planning. It makes no sense to contract for the rehabilitation of a dam and ignore the distribution of water to the community.	The Committee recommends that the County Executive promptly ensures that the project is utilized to realize value for money.	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	the optimal utilization of invested funds.				

2.5. Idle Projects - Solar Pump Kits and Farm Ponds	The statement of receipts and payments and as disclosed in Note 9 to the financial statements reflects an amount of Kshs.333,198,009 in respect to other grants and transfers, out of which Kshs.119,390,851 was transferred to the National Agricultural and Rural Inclusive Growth Project (NARIGP). During the year under review, the County Executive, through the NARIGP purchased fifty (50) solar pumps for Kshs.5,600,000 and constructed twenty-three (23) farm ponds for Kshs.1,050,000 to be used for irrigation by the farmers in various sustainable land management groups. The supply, delivery	The management concurs with the Auditors observation that the dam liners for the project had not been procured. This was because the projects were done in phases due to lack of funds in the year under review. In this regard, the management is considering including purchase of dam liners in the subsequent Financial Years Budgets.	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Executive promptly ensures that the project is finalise to facilitate value for money. The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60)	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	and construction were completed in October, 2023. However, physical verification conducted on 5 September, 2024, revealed that the Project was idle as the County Government had not purchased dam liners which are essential components before the equipment can be used. Management did not give a timeline for the purchase of the dam liners for the project to be into use.			days of the adoption of this report. The Committee further recommends that the Auditor General audits the outstanding matter in the subsequent audit cycle.	

2.6. Demolition of the Arujo Animal Feeds Milling Plant (Structure) in Arunjo Ward	As previously reported in 2021/2022, the Department of Trade and Industrialization awarded a contract to a local contractor for the construction and completion of an animal feeds factory and a godown at a contract sum of Kshs.45,160,064 in the financial year 2014/2015.	The management would like to state that all the machinery and equipment valued at Kshs. 74,212,711 are safely kept in the containers. The Photographical evidence is hereby attached for Auditor verification. Appendix 10- Documentation and Photographs of the Machinery and Equipment	The Committee observed that whereas the County Executive Management provided photos of the machinery, it did not indicate the custody and whereabouts of the machinery. The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Executive promptly ensures that the project is finalise to facilitate value for money. The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60)	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	to a new contractor at a contract sum of Kshs.24,239,267 on 24 May, 2022. However, physical inspection of the structure revealed that the project was incomplete and had stalled at the lintel level. Further review of documents confirmed that, Management resolved to convert the land under Arujo Animal Feed and utilize it to establish the County Headquarters. The main reason given was the resumption and expected expansion of the Kabunde Airport, where having an animal feed factor will be a flight risk due to flying birds.			days of the adoption of this report. The Committee further recommends that the Auditor General audits the outstanding matter in the subsequent audit cycle.	

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	Verification of the Project on 9 September, 2024 revealed that the animal feed building was demolished and the construction of the County Headquarters was underway. However, the following anomalies were noted on the Project: i. The County Government chose demolition method as a way of disposal which resulted in loss of value of the capital asset otherwise than by way of putting it into other usage. ii. Evidence of whether the Executive Committee				

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	Member for Trade published the process and procedures for the demolition of the Project in accordance with Section 7 of the Public Finance Management (County Governments) Regulations, 2015, that is public participation, was not provided for audit review the County Assembly involvement or approval of the demolition method as a way of disposal was not provided for audit. iii. The existence and location of machinery and				

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines									
	equipment valued at Kshs.74,212,711 as detailed below could not be confirmed: <table><tr><th>Particulars</th><th>Date</th><th>Amount (Kshs.)</th></tr><tr><td>Delivering the Machines to Homa Bay County</td><td></td><td>18,430,825</td></tr><tr><td>Installation and Commissioning</td><td></td><td>6,143,608</td></tr></table>	Particulars	Date	Amount (Kshs.)	Delivering the Machines to Homa Bay County		18,430,825	Installation and Commissioning		6,143,608				
Particulars	Date	Amount (Kshs.)												
Delivering the Machines to Homa Bay County		18,430,825												
Installation and Commissioning		6,143,608												

Paragraph	Key Issue			Management Response	Committee Observations	Committee Recommendations	Timelines
	First Payment	24/12/2014	1,266,726				
	Second Payment	04/03/2015	10,000,000				
	Third Payment	28/05/2015	3,127,414				
	Fourth Payment	10/07/2020	15,244,138				
	Fifth Payment	06/08/2021	20,000,000				
		Total	74,212,711				

2.7. Construct ion of JNC B2 - Lake Front Access Road Phase 1 and 2	The statement of receipts and payments reflects an amount of Kshs.1,197,293,186 in respect to acquisition of assets, which as disclosed in Note 7 to the financial statements, includes an amount of Kshs.263,654,743 spent on the construction of major roads, access roads and bridges. During the year under review, the County Executive invited tenders for upgrade to pavement standards of JNC B2 - Lakefront Access Road Phase 1 and 2 on 15 December, 2023 through restricted tendering. The two tenders were opened on 22 December, 2023. Ten (10) firms submitted bids for	The management wishes to state that pursuant to section 102(b) of the PPDA which provides that the procuring entity shall invite tenders from at least ten persons selected from the list maintained by the entity, the County found that the time required to examine and evaluate a large number of tenders would be disproportionate to the fact that there was Homa Bay County Investment Conference (HOBIC) which was soon approaching, since the tender documents were available for issue on 15th December 2023 and we needed the access road to be done by 27th of February 2024 which was the start day of the conference and we only had 73 days left inclusive of the project implementation period, this was found not to be practically possible to have the lake front accessible through an open tender method. Therefore, the department resorted to use of restricted tendering	The Committee observed that the County Executive used restricted tendering to facilitate prompt procurement in time for the Homa Bay County Investment Conference (HOBIC). The justification is however not contained under section 102(1) Public Procurement and Asset Disposal Act (Cap. 412C) and was therefore in breach of the Act. The time and cost of open tender was not disproportionate to the value of the	The Committee recommends that the Directorate of Criminal Investigations investigates breach of section 102(1) Public Procurement and Asset Disposal Act (Cap. 412C) by the county public officers, and where criminality is established, refer the matter to the Director of Public Prosecutions for prosecution. The Committee further recommends that the Auditor General audits the outstanding matter in the subsequent audit cycle.	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	Phase 1, while nine (9) bids were received for Phase 2. The tender evaluation was conducted and the report was issued on 27 December, 2023 recommending that a firm to be awarded the Phase 1 contract at a price of Kshs.9,240,970.12 and another be awarded the Phase 2 contract at a price of Kshs.7,031,737.56. Both tenders were awarded on 12 January, 2024 and payments were effected on 27 June, 2024. However, it was noted that the works were not complex and not specialized in nature as envisaged in Sub-section 102 (a) of the	method by inviting the registered contractors.	goods, works or services to be procured.		

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	Public Procurement and Asset Disposal Act, 2015. There was also no time constraint as envisaged under Sub-section (b) and no evidence was provided to allude to the fact that only a few suppliers of the works were available to warrant consideration under Sub-section 102 (c).				

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
2.8. Construction of Buildings – Non-Residential	Note 7 to the financial statements discloses expenditure on the construction of buildings – non-residential amount of Kshs.200,230,130. However, the following unsatisfactory observations were made:				

2.8.1. Incomplete Landscaping and Drive Way Works at Kigoto Milling Plant	As previously reported, an expenditure of Kshs.6,329,138 was incurred on landscaping and driveway works at Kigoto Milling Plant. However, physical inspection conducted on 30 October, 2024 revealed that the works were incomplete and the surface water drainage and vegetation works with bill of quantities valued at Kshs.710,230 were undone while the contractor was not on site.	Management is in agreement with the auditor's observation and has since made a formal communication to the contractor to return to site and complete the work as per the contract agreement before the balance payment can be made. The letter to the contractor is hereby attached for Audit verification. Appendix 11– Letter to Contractor to Return to Site	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Executive ensures the prompt finalization of the project to realise value for money. The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60)	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
				days of the adoption of this report. The Committee further recommends that the Auditor General audits the outstanding matter in the subsequent audit cycle.	

2.8.2. Incomplete Drilling and Equipping of Borehole , Installation of Underground Water Tank, Installation of Overhead Water Tank and Water Pump at Kigoto	As previously reported, an amount of Kshs.4,503,017 was paid to a contractor for drilling and equipping of the borehole, installation of the underground water tank, installation of overhead water tank and water pump works at Kigoto at a contract sum of Kshs.7,382,054. However, physical inspection conducted on 30 October, 2024 revealed that the project was incomplete due to the non-installation of the solar system. In addition, the four (4) water tanks each of ten thousand (10,000) litres, that were	Management is in agreement with the auditor's observation and has since made a formal communication to the contractor to return to site and complete the work. The contractor vide letter Ref: 43CG/OCA/13/VOL1/01 confirmed to return to site and complete the project. The letter has been attached for auditor's verification Appendix 12- Acceptance Letter by Contractor to return to site and complete works	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Executive ensures the prompt finalization of the project to realise value for money. The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60)	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	installed on the water tower were blown off due to lack of guard rails which were not placed to secure the water tanks.			days of the adoption of this report. The Committee further recommends that the Auditor General audits the outstanding matter in the subsequent audit cycle.	

2.8.3. Incomplete Fencing and Construction of Gate at Kigoto Maize Milling Plant	As previously reported, an amount of Kshs.4,728,786 was paid to a contractor for fencing and construction of Gate at Kigoto Maize Milling Plant. Records provided for audit revealed that the contractor was further paid an amount of Kshs.3,455,067 vide payment dated 12 January, 2024. Further, examination of the supporting documents revealed that three (3) members of the Inspection and Acceptance Committee did not append their signatures to the report. In addition, physical inspection of the works on 30 October, 2024 revealed that the two (2) pedestrian gates and one sliding truck	The management has noted with concerns the findings of the audit and wishes to respond as follows: - The contractor who was awarded the tender for Fencing and Construction of Gate at Kigoto Maize Milling Plant at a contract sum of kshs. 4,728,786.00 has only been paid kshs. 3,455,302.00 based on the interim certificate raised for the work that was already completed. The contract was however terminated due to failure by the contractor to return to site and complete the project and the procurement process to get another contractor to finish the job is ongoing Further, the Signed list of Inspection and acceptance Committee report is hereby attached.	The Committee observed that the County Executive did not provide the signed Inspection and acceptance Report and Appointment letters of the Inspection Committee. The Committee further observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	gates were not done, and the contractor was not on site.	Appendix 13a: Signed Inspection and acceptance Report Appendix 13b: Appointment letters of the Inspection Committee Appendix 13c: Letter of contract Termination		audits the outstanding matter in the subsequent audit cycle.	

2.8.4. Incomplete Construction of Sentry House, Changing Rooms, Generator Room and General Repairs at Kigoto Maize Milling Plant	As previously reported, an amount of Kshs.3,523,481 was paid against the contract sum of Kshs.4,979,700 for the construction of sentry house, changing rooms, generator room and general repairs. However, physical inspection on the 30 October, 2024 revealed that the sentry house and main gate works were incomplete, and the contractor was not on site.	The management wishes to state that the contractor abandoned the site and was terminated. The management is considering procurement of the remaining works. Appendix 14-Copy of termination letter	The Committee further observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
				audits the outstanding matter in the subsequent audit cycle.	

3.0. Non-Compliance with Fiscal Responsibility Principle on Development	The summary statement of appropriation: recurrent and development combined reflects total actual expenditure of Kshs.7,629,345,969, while the summary statement of appropriation: development indicates total actual expenditure of Kshs.1,922,220,129 representing 25% of the total expenditure. This is contrary to Regulation 25(1)(g) of the Public Finance Management (County Governments) Regulations, 2015, which stipulates that the county government actual expenditure on development shall be at least thirty percent	The management concurs with the auditors' observation and states that the budget absorption on some of the development programs and priorities fell short of the 30% as required by law, which in turn impacted the effectiveness and efficiency in service delivery for the people of Homa Bay. Whereas the county government is committed to maximizing output and results, the extent to which such is attainable is directly dependent on resource availability and particularly, revenue realized during the period. However, it is essential to note that the County Treasury is guided by the provisions of the law relating to public finance including the PFMA {(Sec.38(3-4))}, which clearly states that expenditure must be matched with revenue to avoid accumulating pending bills and operating a deficit budget. In light of the above context, the County Government of Homa Bay complied with the law by ensuring	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Executive adheres to Regulation 25(1)(g) of the Public Finance Management (County Governments) Regulations, 2015. The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	(30%) in conformity with the requirement under Section 107(2)(a) of the Act.	that only realized revenues are spent but within the approved budget estimates for the period. Since there was a significant shortfall in revenue realized during the FY 2023/24, it was impossible to achieve 100 percent budget absorption rate in many of the expenditure items/lines and programs as originally planned and budgeted. With a budget turnout of less than 100 percent due sub-optimally revenue performance in the FY 2023/24, it was unattainable to absorb the funds that were not realized without increasing our pending bills; a vice that our county is struggling with currently. Therefore, the County Treasury had to ensure that our expenditures balance with our actual revenue realized during the period. Complying with this fiscal discipline called for re- assessing our financial soundness and matching our		report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General audits the outstanding matter in the subsequent audit cycle.	

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
		expenditures. We had no otherwise but to cut our coat according to our size while ensuring services and development projects are provided to the people of Homa Bay.			

4.0. Non-Compliance with the Fiscal Responsibility Principle on Compensation of Employees	The statements of receipts and payments reflects compensation of employees amount of Kshs.4,205,707,306, representing 53% of the County total revenue of Kshs.7,967,540,682. This was contrary to Regulation 25(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015, which provides that the County Government expenditure on wages and benefits should not exceed thirty-five (35%) of the total County Revenue.	In compliance with fiscal responsibility a few factors influenced by the need to improve on staff welfare, this included, the confirmation of ECD teachers Promotion of Health Workers as per the Collective Bargaining Agreement, integration of officers into the automated payroll system from manual payroll to end use of manual payroll, and increased number of staff through recruitment to help curb imbalances in demographic, ethnic, and gender imbalances. Appendix 15a-Confirmation of ECDE teachers Appendix 15b-Collective bargaining agreement	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Executive adheres to regulation 25(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015. The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
				report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General audits the outstanding matter in the subsequent audit cycle.	

5.0. Unsupported Payments on Legal Expense	The statement of receipt and payments reflects an expenditure of Kshs.808,337,760 on use of goods and services as disclosed in Note 4 to the financial statements. Included in the expenditure is an amount of Kshs.53,753,975 for contracted professionals' services, out of which, an amount of Kshs.11,001,015 was paid as legal fees to various firms for representing the County Executive in various legal disputes/court cases during the year under review. However, records obtained from the Homa Bay County Law Office indicate	The management wishes to state that the following are citations for the matters that have been raised are as follows: 13.1 LEGAL LAW FIRM: WILBERFORCE AKELLO & CO ADVOCATE CITATION: HOMABAY CMELRC NO. 008 OF 2023 CALEB OUMA OCHOLA & 27 OTHERS VS COUNTY GOVERNMENT OF HOMA BAY & COUNTY PUBLIC SERVICE BOARD AMOUNT AS PER FEE NOTE: KSHS. 3, 712, 000/= STATUS: SUIT WAS DISMISSED ON 6TH OCTOBER 2023 AMOUNT PAID: KSHS. 3, 712, 000/= 13.2 LEGAL LAW FIRM: OJIENDA & CO ADVOCATE CITATION: NAIROBI CAUSE NO. 5234 OF 2015 DT DOBIE (K) LTD VS COUNTY GOVERNMENT OF HOMA BAY	The Committee observed that whereas the County Executive provided a status report of all the cases, the financial implication of these cases is unclear. The Committee further observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	that there were three hundred and fifty (350) court cases against the County Executive some were still ongoing, and others still pending before the courts dating back to the year 2020. However, the details of the court cases such as the subject matter, case files, period taken to complete the case, fee notes and the financial implication such cases may have on the County Executive were not provided for audit. Further, all the three hundred and fifty (350) court cases and matters were being handled by external law firms even though the	AMOUNT AS PER FEE NOTE: KSHS. 2, 900,000/= STATUS: IN ABEYANCE AMOUNT PAID: KSHS. 1, 450,000/= 13.3 LEGAL LAW FIRM: WESONGA MUTEMBEI & CO ADVOCATE CITATION: HOMABAY CMELC NO. E006 OF 2022 ZEDEKIA OKEYO(ADMIN OF THE ESTATE OF JACOB WANJARE VS COUNTY GOVERNMENT OF HOMA AMOUNT AS PER FEE NOTE: KSHS. 6, 960,000/= STATUS: SUIT DISMISSED ON 5TH MARCH 2024 AMOUNT PAID: KSHS. 1, 000,000/=.		audits the outstanding matter in the subsequent audit cycle.	

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	County Executive has a County Legal Unit with relevant human resources. No satisfactory explanation was given for outsourcing the legal services. In addition, it was not possible to ascertain the status of the court cases or legal fee and the potential financial impact that may result therefrom.	13.4 LEGAL LAWFIRM: MUMO & KANJAMA CO ADVOCATE CITATION: HOMABAY CMELRC NO. E048 OF 2021 MOSES OKEYO KIDEW VS MINISTRY OF LANDS, OCS OF HOMABAY AND COUNTY GOVERNMENT OF HOMA BAY AMOUNT AS PER FEE NOTE: KSHS. 5, 800, 000/= STATUS: SUIT WITHDRAWN AMOUNT PAID: KSHS. 2, 600,000/= 13.5 LEGAL LAWFIRM: MAUWA & CO ADVOCATE CITATION: KISUMU ELRC JR.NO. E042 OF 2023 KMPDU VS CHIEF FINANCE OFFICER AND COUNTY GOVERNMENT OF HOMA BAY.			

		AMOUNT AS PER FEE NOTE: KSHS. 445, 015/= STATUS: MATTER PENDING IN COURT AMOUNT PAID: KSHS. 445, 015/= 13.6 LEGAL LAWFIRM: OTIENO OJURO & CO ADVOCATE CITATION: KISUMU CACA. NO. 126 OF 2020 COUNTY ASSEMBLY OF HOMABAY VS DANIEL OMONDI & 2 OTHERS. AMOUNT AS PER FEE NOTE: KSHS. 1, 760, 000/= STATUS: IN ABEYANCE AMOUNT PAID: KSHS.1, 760, 000/= We have also attached herewith the following copies of documents in respect of the above matters in response to audit queries: a) Framework contract (service level agreements) between the County Government and the legal firms;			
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
		b) Complaints/claim, ruling/judgment, fee note as and payment vouchers The Advocates were prequalified through procurement where they conformed to prequalification requirement upon submission of requisite documents. Hence, threshold before applying framework contracting were met. The approval to engage private law firm was sought and approved by the Executive Committee way back in the year 2013 at the inception of the County. The approval was done based on the need to address legal representation of cases, many of which were historical and stem from periods long before 2023, prior to the establishment of the office of the County Attorney and there was need for representation. The Auditor has referred to the status of on-going legal proceedings			

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
		including the current status matters. At the time of the audit we had 350 cases at various stages of litigation. Appendix 16a: Status of concluded matters Appendix 16b: Status of pending matter			

6.0. Non-Submission of Municipal Financial Statements	The County of Homa Bay has four (4) established Municipalities of Mbita, Oyugis, Kendu Bay and Ndhiwa. However, the financial statements for all the municipalities for the 2022/2023 and 2023/2024 financial years were not prepared and submitted to the Auditor-General for audit. This was contrary to Section 180 of the Public Finance Management Act, 2012, which requires that, at the end of each financial year, the accounting officer of the City or Municipality established by the Urban Areas and Cities Act, 2011 shall prepare financial statements in	The Management Concurs with the Auditors observation that the Four (4) Municipalities (Mbita Municipality, Oyugis Municipality, Kendu Bay Municipality and Ndhiwa Municipality) should prepare financial statement. However, this was not possible during the year under review since the four municipalities did not receive funds as they were in the process of being fully inaugurated and operationalized. However, for the Current FY,2024/2025 the Municipalities have been made fully operational and will therefore be able to prepare financial statements at the end of the Financial year.	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board and the provisions of the Urban Areas and Cities Act, 2011.			audits the outstanding matter in the subsequent audit cycle.	

7.0. Late Submission of Financial Statements for Sub-County Hospitals	The financial statements for four (4) Sub-County Hospitals of Kabondo, Ndhiwa, Rangwe and Tom Mboya Memorial Sub-County Hospital for the year ended 30 June, 2024 were submitted late in December, 2024 to the Auditor-General for audit. This was contrary to Section 164(4)(a) of the Public Finance Management Act, 2012, which provides that within three months after the end of each financial year, the accounting officer for an entity shall submit the entity's financial statements to the Auditor-General.	The management concurs with the auditor's observation on late submission of Sub county Hospitals Financial statements for the year under review. However, the reports were submitted and audited. Further, the Management endeavors to comply with the provisions of PFM Act, 2012 on timely preparation and submission of financial statements in the subsequent Financial Years.	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
				audits the outstanding matter in the subsequent audit cycle.	

8.0. Failure to Prepare Financial Statements for Financing Locally-Led Climate Action (FLLoCA) Program	During the year under review, the County Executive received funding under Financing Locally-Led Climate Action (FLLoCA) Program. However, the financial statements were not prepared and submitted for audit contrary to Section 164(4)(a) of the Public Finance Management Act, 2012, which provides that within three months after the end of each financial year, the accounting officer for an entity shall submit the entity's financial statements to the Auditor-General.	The management concurs with the Auditors observation that at the time of Audit the Financial Statement of Climate change had not been Prepared. However, the management later prepared annual report and financial statements for Homa bay County Climate Change Fund for the year ended 30 June 2024 and submitted for Audit. The Audited financial statements are hereby attached for your Review. Appendix 17-Audited Financing Locally –Led climate change action Financial Statement	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
				audits the outstanding matter in the subsequent audit cycle.	

9.0. Failure to Submit of Climate Change Progress Reports	The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects capital grants and transfers of Kshs.391,728,933 which further includes Kshs.109, 113,464 in relation to Financing Locally-Led Climate Actions (FLLoCA) programme. Review of documents provided for audit revealed that the County Executive has put in place a climate change action plan to guide the implementation of the Homa Bay County Climate Change Policy, 2021 and the Homa Bay County Climate Change Risk Assessment and	The management wishes to state that at the time of the audit, the management had prepared climate change progress report and submitted to the County Assembly. The report has been availed for audit verification. Appendix 18a-Copy of climate change progress report. Appendix 18b-Homabay county climate change act extract.	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	Vulnerability Assessment Report, 2022. Among key elements of the Homa Bay Climate Change Policy is a requirement that the County shall prepare Annual Climate Change Progress Reports and submit them to the County Assembly . However, Management had not prepared Annual Progress Reports and submitted them to the County Assembly in line with the policy as at 30 June, 2024.			audits the outstanding matter in the subsequent audit cycle.	
REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE					

1.0. Employees with Duplicate Bank Account Numbers	Review of the payrolls revealed various officers shared bank accounts during the year under review; July, 2023 – four (4) officers, December, 2023 – twenty-two (22) officers, March, 2024 – fourteen (14) officers and June, 2024 – fourteen (14) officers. This is indicative of irregularities and internal control weaknesses over the payroll management processes.	The management wishes to state that there are few cases where individual SACCO's FOSAs have provided our officers with similar bank account numbers. These are FORTITUDE (SUBA), SHIRIKA, HAZINA amongst others. We have since taken up the observation and communicated the same to the individual officers and the financial institution with a view to providing the correct account numbers to minimize this anomaly. Appendix 19- Management Action Plan on Duplicate Accounts	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Executive promptly reviews its payroll to correct all anomalies. The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
				adoption of this report. The Committee further recommends that the Auditor General audits the outstanding matter in the subsequent audit cycle.	

2.0. Lack of Approved Organization Structure and Human Resource Management Instruments	During the year under review, the County Government did not have in place an approved organizational structure, staff establishment and human resource policies.	The management concurs with the Auditors Observation on lack of Approved Organization structure. However, Currently the Staff Establishment has been developed and approved by the cabinet and adopted by the Public Service Board. In the Staff Establishment and Human Resource Manual we clearly indicate the optimal level of staffing and also have an effective tool for governance system. Both documents are available. Appendix 20- Approved Staff Establishment (See separate file)	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process. The Committee further observed that the County Executive did not provide the approved staff establishment as indicated in the response.	The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
				audits the outstanding matter in the subsequent audit cycle.	

3.0. Engagement of Community Health Promoters (CHPs)	During the year under review, the County Executive engaged two thousand nine hundred and fifty-four (2,954) Community Health Promoters (CHPs) through the Department of Public Health to work as a link between the community and formal health facilities. This was under the formal arrangement between the National Government and County Governments. The County Government contributes an amount of Kshs.2,550 covering stipend (Kshs.2,000), NHIF (Kshs.500) and bank charges (Kshs.50). However, review of the	The Management wishes to state that the Acts allow the county Government to select PHOs through public participation by the community, this is based on Primary Health Care Act 2023 and community health policy of 2020-2023. They do not have job description or schemes of service but have roles well stipulated in the above legislation. In addition, a community health volunteer is selected at a community meeting or baraza called by the area leader or the community health committee. Once selected, the community health volunteers undergo training to prepare them to serve households that would be organized as a community health unit. Each community health unit should meet the minimum number of Workers required to serve a certain size of households/ population, as stipulated in the most Current	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	engagement process revealed that the identification criteria for the CHPs were not structured in a formal way posing the risk of engaging incompetent and non-committed persons to the program. In addition, there was no evidence of the scope of duties and the management controls of the activities of the CHPs hence likelihood of not achieving the intended objective.	guidelines/strategy, and subject to contextual factors such as population density and geographical coverage. Scope of Duties of CHPs are as follows; - Deliver key health messages to households as outlined in the Kenya Essential Package of Health (KEPH) - Registration of households at frequencies stipulated in current guidelines - Guide community on health improvement and disease prevention - Treat common ailments and minor injuries with support and guidance from CHAs including the implementation of Community-based Maternal and New-born Health (CMNH) and Integrated Community Case Management of Common Childhood diseases (iCCM).		audits the outstanding matter in the subsequent audit cycle.	

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
		e. Diagnose, treat, manage or refer accordingly, common childhood illnesses such as diarrhea, malaria, malnutrition and pneumonia. f. With support from the CHA, stock the CHV kit with supplies provided through the respective link facility or other mechanisms outlined in the guidelines/strategy g. Refer cases to respective link facilities h. Promote care seeking behavior and compliance with treatment and advice i. Visit homes to determine the health situation and initiate dialogue with household members to undertake the necessary action for improvement j. Recognize danger signs among household members and refer as appropriate Appendix 21- Kenya Community Health Policy 2020-2030			

4.0. Failure to Establish an Audit Committee	During the year under review, the County Executive had an internal audit unit. However, an Audit Committee had not been established. Further, contrary to Regulation 159(2) of the Public Finance Management (County Governments) Regulations, 2015, there were no published annual report on the review of the independence, performance, and competence of the Internal Audit Unit.	The management concurs with the Auditors observation on Establishment of an Audit Committee. However, the audit committee has since been appointed and gazetted. Further, the Head of Internal Audit undergoes annual performance contracting and performance review in line with the PFM Regulations 159 (1) which in a broad sense addresses the concerns of independence, performance, and competence. Compliance to regulations 159 (2) has been addressed following the appointment and gazettelement of the Audit Committee. Appendix 22- Audit Committee Gazette Notice extract	The Committee observed that the County assembly concurred with the Auditors observation that the audit committee was not in place during the year under review and had since been gazetted on 12th March, 2025. The Report on the performance of internal audit was however not provided. The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
				audits the outstanding matter in the subsequent audit cycle.	

5.0. Lack of Information Communication Technology Policy	As previously reported, review of ICT environment and its controls revealed that there is no ICT Policy in place to govern ICT environment. The Management had not approved draft ICT Policy to govern ICT environment and address areas of concern such as; i. Information Technology Governance to ensure ICT strategic committee is in place. ii. ICT security Management to ensure data confidentiality, integrity and availability and to ensure there is patch management process on all systems software's. iii. ICT Program	The management concurs with the auditor's observation on Lack of ICT Policy as at the time of audit. However, the Management has since put in place an ICT policy to govern IT environment and address the areas of concern. Appendix 23- ICT policy.	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	change management to ensure that there is formally documented and approved processes to manage upgrades made to all information systems. iv. Physical access controls to ensure physical access to sensitive areas like server rooms, storage rooms and network rooms are properly controlled. v. Environmental control to cover environmental controls like fire suppression system, ups and air conditioning systems especially in server rooms. vi. Logical Access			audits the outstanding matter in the subsequent audit cycle.	

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	Control to document and approve user management standards and procedures in the organization.				

6.0. Lack of an Assets Register	Annexure 4 to the financial statements reflects non-current assets with a historical cost balance of Kshs.8,797,568,719 as at 30 June, 2024. However, as previously reported, review of records revealed the following anomalies: i. Management did not maintain a fixed asset register in the prescribed format contrary to Regulation 136 (1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her	The management wishes to state the following: i. The management through the department of finance and economic planning is in the process of updating the County's asset register as per the copies provided. ii. The management has budgeted for the procurement of asset tags and tagging of the county's asset in the third quarter of 2024-2025 financial year. iii. To complement the softcopy registers, the management has approved the printing of the eleven classes of asset registers as per the national treasury guidelines on asset management. iv. The management has put in place an Asset Disposal Committee currently in the process of verification and valuation of all County assets including the ones inherited from the defunct local authorities. Appendix 24- Draft Asset Register	The Committee observed that the County Executive did not provide the documents to the Auditor-General during the audit process.	The Committee recommends that the County Governor undertakes administrative action against the officer(s) who failed to provide documents to the Auditor-General during the audit process in accordance with section 156 of the Public Finance Management Act (Cap. 412A) and provide a status report to the Auditor-General within sixty (60) days of the adoption of this report. The Committee further recommends that the Auditor General	Report back to the senate on the status of compliance with the recommendations within sixty (60) days of the adoption of this report.
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Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	control or possession as prescribed by the relevant laws. The register in place lacked identification or serial numbers, acquisition date, description of asset, location, class and cost of acquisition. ii. The register of land and buildings did not have a record of each parcel of land and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, leasehold terms, maintenance contracts and other			audits the outstanding matter in the subsequent audit cycle.	

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	pertinent management details as required under Regulation 136(2) of the Public Finance Management (County Governments) Regulations, 2015. iii. Management did not report on assets taken over or inherited from all the defunct Local Authorities. iv. Management is yet to establish policies and procedures on assets management as required under Part XII of Public Finance Management (County Governments) Financial Regulations, 2015.				

Paragraph	Key Issue	Management Response	Committee Observations	Committee Recommendations	Timelines
	v. The assets were also not tagged for ease of identification and tracking. vi. No evidence was provided indicating that the assets were regularly inspected to confirm existence, condition and location of the assets.				

**REPORT OF THE SENATE COUNTY PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE
AUDITOR GENERAL ON AUDITED FINANCIAL STATEMENTS OF SIAYA COUNTY EXECUTIVE FOR THE
FINANCIAL YEAR 2023/2024**

Basis for Qualified Opinion

SUMMARY OF UNRESOLVED ISSUES						
No	Audit Query	Audit Findings	Management Response	Committee Observations	Committee Recommendations	Timelines
REPORT ON FINANCIAL STATEMENTS						
1	Compensation of Employees i. The County Executive made salary payments amounting to	Evidence provided for issue nos ii,iii,and iv. Roman i not fully addressed.	Included in the figure of Kshs. 14,509,755 is Kshs.649,431.8 in respect of funeral expenses (Kshs 50,000) baggage allowances (kshs 3,618) unremitted gratuity (Kshs.595,813,8).Kshs. 13,860,323.20	The Committee observed that Salary payments totaling Kshs.14,509,755 were made outside the Integrated Payroll and Personnel	The Committee recommends that- 1. The Office of the County Governor undertakes administrative	Within 60 days after adoption of the report.

	ng to Kshs.14,509,755 to two hundred and forty (240) members of staff in the month of June, 2024 outside the Integrated Payroll and Personnel Database (IPPD) through	represents salary payments for staff who are yet to be issued with Unified Personal Numbers and are therefore paid outside the IPPD. The letter from the Director Public Health and Sanitation dated 8th March, 2011 on the Resolutions of the Health Sector Coordinating Committee held on 7th July 2010 at AFYA HOUSE stated that Recruitment of Community Health Workers (CHWs) and formation of the Community Units will be based on Country Zoning per population density where Western	Database (IPPD), Kshs.76,608,000 was spent on community health workers without recruitment records, and twenty staff members shared a bank account for salary payments, raising concerns over the completeness and accuracy of the Kshs.2,872,515,819 compensation cost, contrary to Section 96 of the Public Finance Management	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. 2. The EACC to investigate the	
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	voucher s. Management attributed the payments to funeral expenses, baggage allowances and unremitted gratuity. ii. The County Executive made salary payments amounting to		Kenya the ration of Community Health Workers (CHWs) per population will be 1: 500. Community Health Policy 2020-2030 Chapter 3.1 Leadership and Governance guide that in a Baraza setting, Community Health Committee (CHCs) are selected then trained and CHC members organize a Baraza for the selection of the CHWs using the set criteria. CHWs are then trained on their roles and responsibilities using the nationally approved CHW training Curriculum. The Community Health Policy 3.2.2 further guide that a Community	(County Governments) Regulations, 2015, which requires proper payroll management and accountability.	unsupported payments with a view to cause prosecution of responsible officers in accordance with Section 62(2) of the Public Audit Act, 2015 for failure to provide the documents to the auditors and provides a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report.	
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	Kshs.14,509,755 to two hundred and forty (240) members of staff in the month of June, 2024 outside the Integrated Payroll and Personnel Database (IPPD) through voucher	Health Promoter will be selected at a community meeting or Baraza called by the Area leader or Community Health Committee. Once selected the CHW would undergo training to prepare them to serve households that would be organized as a Community Health Unit. The Minutes would be prepared by the CHA and forwarded by the SCMOH. The CHW recruitment and Certification guidelines gives guidance on the process, criteria, training and Certification. The Revenue collectors were duly recruited by			
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	s. Management attributed the payments to funeral expenses, baggage allowances and unremitted gratuity iii. The County Executive engaged the services of two thousand one		the County Public Service Board. Details of the same are herewith annexed. The Fosa account in reference is a holding account at the Cooperative Bank of Kenya for all staff who earn from the Shirika FOSA Account, hence sharing the same account Number. The employer remits their earnings to the clearing Bank (Equity Bank) then it's wired to Cooperative Bank who is the Banker to all Saccos, which is then wired to respective Saccos including Shirika Fosa Sacco.			
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	hundred and twenty-eight (2,128) community health workers and had spent Kshs.76,608,000 on their wages in the year. Each of the Health Worker is paid an amount of					
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	Kshs.3,000 per month. However, records on how the workers were recruited were not provided for audit. It is therefore not possible to confirm their existence.					
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	iv. In addition, review of payroll for months of July and December, 2023 and January and June, 2024 revealed that twenty (20) members of staff were sharing a bank account					
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	number. Manage ment explain ed that the Account was held at Shirika Fosa account and it is a member 's holding account at the bank which the respective bank receives and						
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	dispatch es net earnings to their member s, upon recover y of loans advance s. It was howeve r not clear how the Executi ve would be paying net salaries to a joint account instead of					
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	remitting amounts owing to the FOSA. In the circumstances, the completeness and accuracy of the compensation of employees cost of Kshs.2,872,515,819 could not be confirmed. v.					
2	Use of Goods and Services The statement of receipts and payments and as indicated in Note 4 to the financial		The management did not respond to the issue.		The Committee recommends that the Office of the County Governor undertakes administrative action against the responsible	Within 60 days after adoption of the report.

	statements reflects an amount of Kshs.1,466,219,871 relating to use of goods and services. However, the following unsatisfactory matters were noted:				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	Domestic Travel and Subsistence Allowances Included in the use of goods amount is Kshs.348,443,387 expenditure on domestic travel and subsistence. Review of					

	expenditure records revealed the following;					
4	Amounts Paid to the County Government Review of the domestic travel and subsistence allowance revealed that an amount of Kshs.3,360,000 was paid as domestic travel and subsistence allowance described as payment to the Siaya County Government. It is not clear and Management did not explain the	- Payments of Kshs.3,360,000 not supported by a signed list of beneficiaries and tickets from outstations to confirm actual travel and no explanation has been provided to show why the per diems were not paid to the bank accounts of the beneficiaries - Further, the payments were made directly through a voucher	The payments of Kshs.3,360,000 were allowances paid to officers of the County Government of Siaya attending the same activity. The supporting documents indicated the reasons for payments and the beneficiaries to be paid. A single payment voucher is raised to pay activities attended by several officers. The three (3) payments totaling to Kshs.3,360,000.00 were for three activities as per the attached payment vouchers.	The Committee observed that payments of Kshs.3,360,000 were not supported by a signed list of beneficiaries or travel tickets, and were processed through vouchers instead of imprest warrants, contrary to Regulation 93(1) of the Public Finance Management (County Governments)	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	Within 60 days after adoption of the report.

	purpose for and the beneficiary of the payment. In the circumstances, the validity and occurrence of the expenditure totaling Kshs.3,360,000 could not be confirmed.	instead of imprest warrants.	Annex 5: Sample Payment vouchers	Regulations, 2015, which requires proper documentation and accountability in public expenditure.	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) takes action(s) against the responsible officer(s) for gross negligence in the conduct of professional duties which constitutes a professional misconduct pursuant to Section 8 (a) and 30 of the Accountants Act CAP 531; and	
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5	Irregular Payment of Sitting Allowances to Members of County Assembly Further, included in the domestic travel and subsistence expenditure is an amount of Kshs.2,903,600 paid to Members of the County Assembly of Siaya in respect of interrogation of the audit reports. However, the County Assembly has its own approved budget for appropriations of these meetings		The payments to Members of County Assembly were reimbursements for activities / meetings that had taken place. The County Executive conformed to the applicable accounting procedures and standards.	The Committee observed that the payment of Kshs.2,903,600 as sitting allowances to Members of the County Assembly for interrogation of audit reports was irregular, as the Assembly has its own approved budget for such activities, and the allowances were directly expensed before surrender, contrary to the Public Finance Management Act, 2012, which requires proper accountability	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 Auditor General within sixty (60) days from the	Within 60 days after adoption of the report.
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	and oversight roles. Further, the allowances were directly expensed before surrender hence not accounted for which was irregular. In the circumstances, the propriety, regularity and value for money from the expenditure of Kshs.2,903,600 could not be confirmed.			and transparency in the use of public funds.	adoption of this report; 2. The Institute of Certified Public Accountants of Kenya (ICPAK) takes action(s) against the responsible officer(s) for gross negligence in the conduct of professional duties which constitutes a professional misconduct pursuant to Section 8 (a) and 30 of the Accountants Act CAP 531; and	
6	Unsupported Training Expenses	Management in agreement with the observation made.	A consolidated Training Needs Assessment Report is not yet in	The Committee observed that		

Included in the use of goods and services amount is Kshs.14,596,631 incurred on training expenses. However, review of the supporting documents including payment vouchers, revealed that the expenditure was not supported by training need assessments from individual staff trained as required by Section H.3(1) of the Public Service Commission Human Resource manual of May, 2016 which states that training in the	And Training needs assessment report not in place. Issue not addressed	place, However, the departments identify and propose trainings for staff through the departmental training committee and this is processed through the County Human Resource Advisory Committee where the requests are vetted and approved. Under the Kenya Devolution Support Programme II, the department of Governance, Administration & ICT has initiated the process of preparing a comprehensive Training Needs Assessment for all the departments. This will provide baseline for future training needs.			
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	Public Service shall be based on training needs assessment. Further, Section H.3(3) states that selection of trainees for all training programme will be based on identified needs and will emphasize on training for performance improvement that address individual, organizational and national goals.					
7	Unsupported Legal Fees The County Executive had pending bills	Although a provision through budget allocation has been made in	The pending bills arising from court awards and fee notes has largely been occasioned by	The Committee observed that the managment pending bills for	The Office of the County Governor undertakes administrative action against the	Within 60 days after adoptio

	relating to decretal fees totaling Kshs.33,117,621. In the circumstances, the completeness, occurrence and accuracy of the reported legal fees could not be confirmed	the financial year 2024/2025, the pending bills are still outstanding. Issue not addressed.	insufficient budgetary allocation. In the current Financial Year, we have a budgetary allocation of Kshs. 22,682,880.00 the amount will be topped up in the Supplementary Budget FY 2024/2025.	decretal fees totaling Kshs.33,117,621 lacked supporting documentation, raising concerns over the completeness, occurrence, and accuracy of the reported legal fees, contrary to the Public Finance Management Act, 2012, which requires transparency and accountability in public expenditure.	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.	n of the report.
8	Inaccuracies in Bank Balances The statement of assets and	Regulation 97(4) of the Public Finance Management (County	During the year under review, County received exchequers as late as July 2024.At the closure	The Committee observed that the accuracy and fairness of the	The Committee recommends that; - 1. The Office of the County	Within 60 days after adoptio

	liabilities reflects bank balances of Kshs.89,024,823 as disclosed in Note 13A to the financial statements. Included in the bank balances are County recurrent and development accounts bank balances of Kshs.6 and Kshs.256 respectively. However, the bank reconciliation statements for the recurrent account includes receipts in bank not recorded in cash book amounting to Kshs.392,025,630 that took place in the month of July,	Governments) Regulations, 2015 provides that actual cash transactions taking place after 30 June shall not be treated as pertaining to the previous financial year even though the accounts for that year may be open for end of year procedures and adjustments.	of financial year and considering that these funds were meant to fund operations for the year ending June 2024, these late receipts were treated as revenue receipts in our Amended Financial statements for both Recurrent and Development bank accounts. It is upon these adjustments that the correct bank balances were arrived and reported in our Financial Statements. We can therefore confirm that the recurrent account balance was Kshs.6.35 while Development Bank Account balance was Kshs.256.20 as reported in our Amended Financial Statements.	reported bank balances of Kshs.89,024,823 could not be confirmed due to unrecorded receipts, transactions occurring outside the accounting period, and missing date details in the bank reconciliation statements, contrary to the Public Finance Management Act, 2012, which requires accurate financial reporting and adherence to accounting periods.	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; 2. The Institute of Certified Public Accountants of	n of the report.
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2024 outside the current accounting period. Further, the bank reconciliation statements for the development account includes receipts in cash book not recorded in bank statement amounting to Kshs.230,096,435 that took place in the Month of July, 2024 outside the accounting period. In addition, receipts amounting Kshs.279,096,435 had no date details indicated against it in the bank reconciliation		In regards to receipts amounting Kshs.279,096,435 which had no date details indicated in the reconciliation statements, we wish to confirm that we have revised our bank reconciliation statement to clearly indicate the date, details and amount as per the attached bank reconciliation statement in Annex 10		Kenya (ICPAK) takes action(s) against the responsible officer(s) for gross negligence in the conduct of professional duties which constitutes a professional misconduct pursuant to Section 8 (a) and 30 of the Accountants Act CAP 531; and	
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	statements. This is indicative of non-adherence to the cut-off period. In the circumstances, the accuracy and fair statement of the reported bank balances of Kshs.89,024,823 could not be confirmed.					
9	Unsupported Acquisition of Assets The statement of receipts and payments reflects an amount of Kshs.1,949,578,355, which includes Kshs.32,970,000 for the acquisition	Process of survey, beacon and transfer of ownership process started.	The parcels of land are surveyed. The acreage of the plot was verified/surveyed during purchase process. However, during the financial year under review, there was no budgetary allocation for beaconing and fencing of the parcels but for purchase of execution of	The Committee observed that the Ownership and valuation of land acquired for Kshs.32,970,000 could not be confirmed as the parcels were not surveyed, fenced, or	The Committee recommends that; 1. The Office of the County Governor undertakes administrative action against the responsible officer(s) who failed to provide	Within 60 days after adoption of the report.

of parcels of land. Review of documents provided for audit revealed that County Departments acquired nine (9) parcels of land through the Department of Lands, Housing and Physical Planning as shown in Annex 6 to the financial statements under summary of non-current asset register. However, physical inspection of the parcels of land revealed that the land was neither surveyed, fenced		transfer documents from all the vendors of the purchased parcels. The department will ensure such provisions are made in the subsequent budget. Transfer of ownership to the County Government is in process. Annex 11 (ii): Survey reports/transfer of ownership	beaconed, posing a risk of encroachment. No documentation was provided to verify registration in favor of the County Government or the basis for the payments, contrary to Section 149 of the Public Finance Management Act, 2012.	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 Institute of Certified Public Accountants of Kenya (ICPAK) takes action(s) against the responsible officer(s) for gross negligence in	
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nor beacons making it difficult to determine the boundaries. This poses risk of encroachment. Further, no documentary evidence was provided for audit verification to show that registration of the said land in favour of the County Government as well as the basis for the value paid as consideration. In the circumstances, the rightful ownership and the valuation of land valued at Kshs.32,970,000				the conduct of professional duties which constitutes a professional misconduct pursuant to Section 8 (a) and 30 of the Accountants Act CAP 531; and	
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	could not be confirmed.					
10	Non-Adherence to End of Period Cut-Off Procedures The statement of receipts and payments reflects an amount of Kshs.7,095,447,929 in respect of transfers from County Revenue Fund (CRF) and as disclosed in Note 1 to the financial statements. However, review of Central Bank of Kenya (CBK) bank statements revealed transfers from exchequer included transfers	According to Regulation 97(4) of the Public Finance Management (County Governments) Regulations, 2015, any cash transactions occurring after 30 June should not be recorded as part of the previous financial year, even if the accounts remain open for end-of-year procedures and adjustments.	The disbursing funds to the County Revenue Fund delayed, which subsequently delayed requisitions by the County hence the requisitions past the cut-off date. Kshs 710,018,02 was approved by the Controller of Budget on 2nd July 2024 evidenced by Payment Instruction to the Central Bank of Kenya (Form B) attached for your perusal.	The Committee observed that the County Executive did not adhere to end-of-period cut-off procedures as required by Regulation 97(4) of the Public Finance Management (County Governments) Regulations, 2015. Transfers from the County Revenue Fund (CRF) were overstated by Kshs.710,018,028 due to funds	The Committee recommends that the National Treasury ensure the timely release of funds to county governments in line with the cash disbursement schedules approved by the Senate.	Continuous

	of funds totaling Kshs.710,018,028 received between 2 July to 5 July, 2024 which was outside the cut off period of 30 June, 2024. In the circumstances, transfers from County Revenue Fund (CRF) is overstated by Kshs.710,018,028 .			received between 2 July and 5 July, 2024, which falls outside the financial year ending 30 June, 2024.		
1 1	Unexplained Voided Transactions Review of the IFMIS transactions revealed that one thousand five	Management have not provided Approval by the COB for the voided transaction.	As at the closure of the financial year the County had not received exchequer of Kshs.581,041,559 and therefore could not have paid all processed payments hence the	The Committee observed that the review of IFMIS transactions revealed that 1,500 transactions totaling	The Committee recommends that; - 1) The Controller of Budget to liaise with the Auditor General to confirm whether the payments were canceled	Within 60 days after the adoption of the report.

hundred (1,500) transactions valued at Kshs.560,626,783 were voided. Management did not explain satisfactorily why the payments were voided yet they had been approved. Further, no evidence was provided for audit review to confirm that the Controller of Budget approved the voiding of the payments and how the proceeds of the voided transactions have been applied.	Also, no current status report for the voided transaction.	clearing of transactions and, The transactions were cleared pursuant to closure of financial year circular Ref:AG.3/88/Vol.II(31) dated 15th May 2024 issued by The National Treasury	Kshs.560,626,783 were voided without satisfactory explanation from management, despite prior approval of the payments. Additionally, no evidence was provided to confirm that the Controller of Budget approved the voiding of these transactions or how the funds were subsequently utilized. This lack of transparency raises concerns over the	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 of this	
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	In the circumstances, the regularity of voided payments amounting to Kshs.560,626,783 could not be confirmed.			regularity and accountability of the voided payments.	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.	
OTHER MATTERS						
1 2	Budgetary Control and Performance The statement of comparison of budget and actual	Lack of an updated valuation roll -Partial automation of revenue collection.	In order to reduce under-funding of its budget, the County has put effort to ensure 100% collection of its Own Source Revenue (OSR).	The Committee noted that; 1. there was under-utilization of	The Committee recommends that; 1. The National Treasury	Continuous

amounts (recurrent and development combined) reflects final receipts budget and actual on comparable basis of Kshs.8,622,296,906 and Kshs.7,095,447,929 respectively, resulting in an underfunding of Kshs.1,526,848,377 or 18% of the budget. Further, the County Executive incurred an expenditure of Kshs.713,951,475 on other grants and transfers without having a budget for it. No		Currently the following revenue streams have fully automated` SBP, Market fee, Market rent, Bus park fee, Cess fee and parking fee while the following revenue streams are on piloting Hospital fee, Liquor license, Plot rates, Advertisement, Plan approval and Public health revenue. Note that we anticipate that by end the Financial Year, all revenue streams will have been automated. The valuation roll is currently at 40% and is envisaged to cover Siaya,Bondo and Ugunja Municipality, Sega Town,Yala Town,Usenge Town and Ukwala Town for ratable	appropriated funds by the County Executive as a result of delay in exchequer releases by The National Treasury; and 2. The County did not meet its own source revenue targets.	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 enhance its own generated revenue in order to meet its	
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	explanation has been provided why the Management failed to budget for it. The budget underfunding affected the planned activities and may have impacted negatively on service delivery to the residents of Siaya County.		properties at market rates for rents and rates. The expenditure on other grants and transfers are budgeted either under use of goods or Acquisition of assets as reported in the statement of comparison of Recurrent and Development combined. Annex 14: Valuation Roll status		revenue target and address revenue shortfalls.	
14	Pending Bills Information available indicate that the Executive had pending bills amounting to over Kshs.1,186,014,495, which	Outstanding pending bills now at Kshs.599,591,261.	It is true that the County accumulated pending bills due to delays and non-receipt of exchequers. However, the County government is committed to ensure that all long outstanding	The Committee observed that the county Executive had pending bills that had been outstanding for several years. Further, they continued to	The Committee recommends that: 1. all County Governments pay verified pending bills amounting to less than Ksh.	Within 60 days after adoption of the report.

remained unsettled as at time of audit. This is contrary to Regulation 150(1) of the PPAD Act Regulations, 2020 which requires that subject to availability of funds and after proper certification of goods, works or service prompt payments are made within 60 days from date of receipt of invoice. Further, review of Annex 2 to the financial statements revealed that some of the		pending bills are cleared by end of the Financial Year 2024/2025 as per the attached payment plan. Please note that despite cashflow challenges, the county is implementing the plan and reduced the pending bills as per the attached status report.	incur further bills without prioritizing payment of verified pending bills as a first charge in the subsequent financial year as required by law.	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	
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	pending bills relates to constructions of roads and civil works and supply of goods and services which were incurred between 2015-2023 financial years but had not been settled. The County Executive therefore is at risk of incurring significant unquantified interest's costs and penalties with the continued delay in settling invoiced bills.				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 releases will not be done; ii. the Controller of Budget takes into considerati	
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					on 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	
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					Finance Management (County Governments) Regulation s; 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	
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					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 formulating	
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					g supplemen tary budgets, failure to which the Controller of Budget (CoB) shall not approve the supplemen tary budgets.	
1 5	Unresolved Prior Year Matters In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in	PAIC report now obtained for implementation.	The management noted that at the time of Audit, the County Assembly had not adopted PAIC report for financial year 2022/2023. The County Government received the findings between 7 th and 11 th February, 2025.The County Executive shall implement the report	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	Within 60 days after adoption of the report.

	Use of Public Resources and Report on Effectiveness of Internal controls, Risk management and governance. However, the Management had not resolved the issues as at 30 June, 2024.		accordingly. We affirm that by implementing the recommendations of the county assembly, we shall have addressed effectiveness of internal controls, risk management and governance issues contained in the audit report		submits a report to the Auditor General within 60 days of the adopting this report.	
REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES						
1 6	Failure to Construct Governor's Residence and Irregular Rental Allowance Review of rental house allowance records show that the Executive incurred Kshs.3,600,000 on		The County Government of Siaya has not constructed the Governor and Deputy Governors' residence due to budgetary constraints. However, the Kenya Gazette dated 9 th August, 2023 No.10348 on remuneration and benefits for state officers	The Committee observed that the County Executive incurred Kshs.3,600,000 on rent for the Governor and Deputy Governor instead of constructing official	The Committee recommends that; - 1. The County Executive establishes a project management and monitoring System to help in proper project	Within 60 days after adoption of the report.

the Governor's and Deputy Governor's rent expenses. However, the expenditure would have been avoided had the Executive constructed and implemented Salaries and Remuneration Commission (SRC) Circular Ref. No. SRC/TS/CoG/6/61/48 Vol.II (64) dated 20 May, 2017 which gave guidelines on housing benefits for Governors, Deputy Governors and County Assembly Speakers. The		in the executive of the County Government provides for the cycle that covers for financial year 2021/2022 to 2024/2025. The said officers are currently being paid house allowance as per the attached SRC guidelines on payment of house allowance to the Governor and Deputy Governor.	residences as required by SRC Circular Ref. No. SRC/TS/CoG/6/61/48 Vol.II (64) of 20 May 2017, which set a deadline of 30 June 2022. This non-compliance resulted in avoidable expenditure and a breach of the law.	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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	Commission gave a deadline of 30 June, 2022 for the commissioning of the Governor's and Deputy Governor's residence. In the circumstances, Management was in breach of the law.				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; The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle.	
1 7	Failure to Pay Full Premium on	Documentation for renewal and policy	The audit observation are noted and state that	The Committee observed that the	The Committee recommends that	Within 60 days

Staff Medical Insurance Review of medical insurance records show that Management signed a contract for provision of employees' medical insurance services on 4 October, 2023 at a premium amount of Kshs.201,970,162 for the period commencing 22 October, 2023 to 21 October, 2024. However, payment records show that Management paid an advance premium amounting to	provided. Management to be paying contractual premium and not advance premium.	the policy documents and letter seeking renewal of medical cover were provided at the time of audit. The documents have are hereby submitted for your verification. County Government made a payment of Kshs.105, 040,484.00 leaving a balance of Kshs. 96,929,679.00 which remained unpaid by end of the Financial Year 2023-2024 because of the late disbursement of funds. The balance will be paid off during the current financial year 2024/2025.	Management signed a contract for employees' medical insurance on 4 October 2023 at a premium of Kshs.201,970,162 for the period 22 October 2023 to 21 October 2024. However, an advance payment of Kshs.105,040,484 (52%) was made instead of the full premium, violating Clause 4.2 of the contract and Section 156(1) of the Insurance Act, 2020. No prior notice for renewal was	management should comply with Clause 4.2 of the contract and Section 156(1) of the Insurance Act, 2020 by making full advance payments as required. Additionally, all insurance renewals should follow proper procurement procedures, including prior written notice, and the insurance policy document should be provided for audit verification.	after adoption of the report.
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	Kshs.105,040,484 or (52%) instead of the contractual premium of Kshs.201,970,162 payable in advance. This is contrary to provision of clause 4.2 of the signed contract. In addition, Section 156(1) of the Insurance Act, 2020 requires that no insurer shall assume a risk unless and until the premium payable thereon is received by the insurer. Further, although records indicate that renewal of the			documented, and the insurance policy document was not provided for audit, raising concerns over value for money.		
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medical cover for the Executive was agreed on 4 October, 2023 by National Hospital Insurance Fund, there was no prior notice in writing seeking for renewal of insurance cover before contract agreement was entered into and signed. In addition, insurance policy document was not provided for audit review. In the circumstances, value for money incurred on insurance						
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	premium could not be confirmed.					
1 8	Failure to Adhere to One Third of Basic Salary Rule Review of the payroll revealed that the Executive had two hundred and forty-five (245) employees whose net pay was below a third (1/3) of their basic pay contrary to Section 19(3) of the Employment Act, 2007 and Section C.1(3) of the Human Resource Policies and Procedures Manual for the Public Service,	-Issue explained reasonably but not legally addressed. Issue partially addressed.	We state that the breach of law was due to the following reasons: Due to COVID19 scourge in the year 2021, the Government offered tax relief for all public servants. This increased the disposable income of workers and a number of them committed their earnings to loans with the hope that the tax relief would last a long period. However, the relief was withdrawn after one year. During the financial year 2023/2024, the employees' contribution to NSSF were changed	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 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 the issue as well as	Contionious

	2016 on Salary and Allowances which states that public officers shall not over-commit their salaries beyond two-thirds (2/3) of their basic pay. In the circumstances, Management was in breach of the law.		vide notice to employers as attached below During the same period the government introduced and implemented contribution to House Levy at the rate of 1.5% of the Gross Earnings The Higher Education Loans Board (HELB) subjected some officers to loans recovery when the same officers had committed their earnings to other loans The above measures were implemented when the affected officers had already committed their earnings to loans, hence their net salaries went below 1/3 of their basic salary.		comply with the requirements of law. 2) the county should configure its Integrated Payroll and Personnel Database (IPPD) system such that it can lock out commitments beyond the accepted thresholds. 3) the Auditor General should	
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					continue monitorin g the issue in subsequen t financial years.	
1 9	Ethnic Composition of Employees-	Review of the June, 2024 IPPD and compliment controls revealed that eight-nine percent (89%) of the permanent employees are from the local dominant community contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which stipulates that all public establishments	The positions usually filled in the County Public Service are at the lowest level consisting mainly of revenue collectors, ECD teachers, Support Staff and Office Assistants which are low paying jobs and hence do not attract applicants from the non-dominant ethnic communities. a Despite the existing affirmative action mechanism in place to attract applicants from the non-dominant communities,	The Committee observed that review of the June 2024 IPPD and complement controls revealed that 89% of permanent employees are from the dominant local community, contrary to Section 7(1) and (2) of the National Cohesion and Integration Act,	The Committee recommends that; - 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	Continu ous

		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.	only about 5% of the applicants are received from the non-dominant ethnic communities and majority do not turn up for the interviews. The Board will however endeavor to progressively comply with law on ethnic inclusivity in the new appointments.	2008, which limits any ethnic group to one-third of the workforce. This indicates non-compliance with legal requirements on diversity in public service appointments.	ethnic inclusivity. 2) The Standing Committee on National Cohesion and Regional Integration to explore legal amendments to ensure progressive compliance with section 65(1)(e) of the County Government Act, 2012.	
20	Irregularities in Imprest Management	The statement of assets and liabilities reflect outstanding imprest of Kshs.5,026,471. Review of the imprest records revealed that out of	The management stated that the supporting schedule submitted during the audit exercise reflected outstanding imprests amount of	The Committee observed that the statement of assets and liabilities reflects outstanding imprests of Kshs.5,026,471,	The Committee recommends that;- 1. The recovery of the outstanding imprests with interest as per provisions Regulation 93 (6)	Within 60 days after the adoption of the report.

	this amount, Kshs.520,050 relate to 2022/2023 while outstanding imprests amounting to Kshs.5,307,721 were issued during the year. However, as at the time of audit in September, 2024, the imprests had not been surrendered. In addition, records revealed that nine (9) members of staff were issued with multiple imprests amounting to Kshs.1,297,900 before surrender of the previous imprests. This was contrary to Regulation 93(8) of the Public Finance	Kshs. 5,026,471.00 as reported in our financial statement, all these imprests were issued in the financial year 2023/2024. Attached please find the imprest report for your verification. To ensure sound management of the imprest system, management has put the following measures in place; No officer is issued with more than one imprest. The County Treasury has centralized	including Kshs.520,050 from 2022/2023 and Kshs.5,307,721 issued during the year but unsurrendered as of September 2024. Additionally, nine staff members received multiple imprests totaling Kshs.1,297,900 before surrendering previous ones, contrary to Regulation 93(8) of the Public Finance Management (County Governments)	of the Public Finance Management (County Governments) Regulation. 2. 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 within 60 days from the date of adoption of this report	
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		Management (County Governments) Regulations, 2015 which states that in order to effectively and efficiently manage and control the issue of temporary imprests, an Accounting Officer or AIE holder shall ensure that no second imprest is issued to any officer before the first imprest is surrendered or recovered in full from his or her salary. In the circumstances,	management of imprest i.e. authorization, issuance, and surrender of imprest. As a result, outstanding imprest has reduced from Kshs.47,838,660 in Financial Year 2022/2023 to Kshs.5,026,471 in Financial Year 2023/2024. In addition, to further streamline imprest management, the County Treasury issued Imprest management circular Ref.SYACUNTY/FIN/C	Regulations, 2015. This reflects weak imprest management and non-compliance with financial regulations.		
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		Management was in breach of the law.	.CIR/4/10(66) dated 24/2/2024.It is our submission that with these interventions, the County shall have nil imprest at the closure of subsequent financial year. Annex 19: Imprest Circular,Imprest Report as at 30 th June, 2024			
21	Failure to Implement Recommendations of the County Legislative Oversight Committee	It was noted that the County Public Accounts and Investment Committee (PAIC) had deliberated on the audit report for the financial year ended 30 June, 2022 and made twenty-three (23)	In the financial year ended June 2022 the County Executive had a total of 45 audit issues as contained in OAG report. Upon discussion with the County Assembly, a total of 23 issues were resolved. This implies that 22 audit issues were	The Committee observed that The County Public Accounts and Investment Committee (PAIC) made twenty-three (23) recommendations on the audit report for the	The Committee recommends that management must ensure full implementation of the County Public Accounts and Investment Committee (PAIC) recommendations	Within 60 days after adoption of the report.

	recommendations for the Management. However, a status of implementation report for the same year revealed that only one (1) recommendation had been implemented while twenty-two (22) others remained not implemented. This was contrary to Section 31(1)(a) of the Public Audit Act, 2015 which states that within three (3) months after Parliament or the County Assembly has debated and considered the final	recommended for County Executive action. Out of the 22 audit issues, the County Executive has implemented 19 of the County Assembly recommendations while 2 audit issues were referred to EACC for investigation. We can confirm that the investigation is ongoing. The recommendations on construction of Siaya County stadium has now been fully implemented. We affirm that by implementing the recommendations of the county assembly, we have addressed effectiveness of internal controls, risk management and governance issues	financial year ended 30 June, 2022. However, a review of the status of implementation report revealed that only one (1) recommendation had been implemented, while twenty-two (22) remained unaddressed. This was contrary to Section 31(1)(a) of the Public Audit Act, 2015, which requires audited entities to submit a report within three (3) months on actions taken	in accordance with Section 31(1)(a) of the Public Audit Act, 2015, which requires public entities to address audit findings and submit a report within three (3) months. Non-compliance may result in enforcement actions under Section 68 of the Public Finance Management Act, 2012, which holds Accounting Officers personally accountable for financial mismanagement.	
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		report of the Auditor-General and made recommendations, a State Organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit. In the circumstances, Management was in breach of the law.	contained in the audit report. We have attached status of implementation of audit recommendations for your review.	to address audit recommendations. In the circumstances, Management was in breach of the law.		
22	Failure to Insure the County Government Buildings	During the year under review, the County Executive incurred an amount	We are in concurrence with the Audit report and the recommendations provided. However, the	The Committee observed that the County Executive spent	The Committee recommends that the County Executive should	Within 60 days after adoptio

		of Kshs.112,440,484 on insurance covers for motor vehicles and employees' medical scheme. Review of the expenditure revealed that the County Government buildings did not have an insurance cover to mitigate against losses in case of disaster. This is contrary to Section 79(2)(c) of the Public Finance Management Act, 2012 which requires a public officer within his area of responsibility to ensure that	County Government is yet to get the Intergovernmental Relations Technical Team (IGRT) report on Assets to be handed over to County Governments. The County government will then embark on insurance of County Government Buildings.	Kshs.112,440,484 on insurance for motor vehicles and employees' medical cover but did not insure County Government buildings against potential losses. This contravenes Section 79(2)(c) of the Public Finance Management Act, 2012, which requires public officers to safeguard public property, raising concerns over risk management and financial prudence.	ensure full compliance with Section 79(2)(c) of the Public Finance Management Act, 2012 by procuring adequate insurance cover for County Government buildings to safeguard public property and mitigate financial risks in case of disasters.	n of the report.
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		adequate arrangements are made for the proper use, custody, safeguarding and maintenance of public property including application of best practice to prevent any damage from being done to the financial interest of the County Government. In the circumstances, Management was in breach of the law.				
2 3	Irregular Payments to Council of Governors and	The statement of receipts and payments reflects use of goods and	The County Government in its budget estimates for the year 2023/2024,	The Committee noted that payments made to the Council of Governors and	1. The Committee recommends that the irregular payments to the Council of	Immediate.

	Lake Region Economic Bloc	services amounting to Kshs.1,466,219,870 which includes other operating expenses amounting to Kshs.310,398,410 as disclosed in Note 4 to the financial statements. The other operating expenses includes Kshs.3,000,000 and Kshs.1,500,000 paid to the Council of Governors and the Lake Region Economic Bloc respectively. This was contrary to Section 37 of the Intergovernmental Relations Act, 2012 which requires operational	budgeted for the payments to LREB as per the Budget extract in Annex 19. It is our considered view therefore that the approved budget is sufficient authorization to incur expenditure hence payment to LREB. The Expenditure of Kshs. 3,000,000 was as result of a resolution of the Council of Governors letter dated 31st July 2023. Siaya County being a member of the Council of Governors was obliged to support the initiative. The payments were towards inter-governmental contributions for the year 2023-2024 of Kshs.	Lake Region Economic Bloc 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.	Governors (COG) and Lake Region Economic Bloc be stopped and further recommends the surcharge of any Governor, in their capacity as Chief Executive Officer, who continues to make the irregular contribution. 2.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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		expenses of the institution established under the Act to be provided for in the annual estimates of revenue and expenditure of the National Government. In the circumstances, Management was in breach of the law.	2,000,000 and legal fees of Kshs.1,000,000. We have attached council of governors meeting minutes for your review			
24	Delay in Installation of the Three-Phase Electricity Power at the Siaya Stadium	The County Government engaged the Kenya Power and Lightning Company to install a three-phase electricity power at a cost of	We note your findings and wish to respond as below: The KPLC payment was made on 15th March 2024. The Transformer has been installed complete with cabling from transformer to	The Committee observed that the management paid Kshs.1,336,721 to Kenya Power and Lighting Company for three-phase	The Committee recommends that; - 1) The County Executive establishes a project management and monitoring System to help in proper	Within 60 days after adoption of the report.

		Kshs.1,336,721. The requisitioning memo was done on the 23 September, 2023 while the payment was made on 16 November, 2023. However, physical inspection of the stadium revealed that the transformer is yet to be installed and thus the stadium has no power connected to it. It was, therefore, not clear why the Company had delayed to install a three-phase electricity power.	stadium power room and new meter commissioned and Connected.	electricity installation, but as of the audit date, the transformer had not been installed, leaving the stadium without power.	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; 2) The Office of the County Governor to prioritise	
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					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.	
25	Installation of Stadium VIP Seats	The County Government signed a contract with M/s	The installation of VIP seats was done and completed on 31 st July	The Committee observed that the County	The Committee recommends that; -	Within 60 days after

	Fast Choice Limited on the 8 April, 2024 at a contract sum of Kshs.25,101,114 for the installation of stadium VIP seats. The seats were of two categories one being simple mounted middle backrest stadium seats 1494 (quantity) and foldable mounted middle backrest stadium seats 516(quantity). During the year under review, the contractor was paid Kshs.5,020,222, being advance payment as per	2024. See practical completion certificate attached for your verification. Further the project was certified complete, payment certificate prepared and signed by the supervision team (Consultants). Section 48(1) of PPADA of 2015 states that a procurement entity MAY establish an inspection team- "An accounting officer of a procuring entity MAY establish an ad hoc committee known as the inspection and acceptance committee." This particular project had appointed consultants who did the inspection and forwarded certificates for payment	Government awarded a Kshs.25,101,114 contract for stadium VIP seats and paid Kshs.5,020,222 as an advance, but the payment lacked an approved user department requisition and an inspection report. Additionally, physical verification revealed that only 471 foldable seats were installed instead of the contracted 516, raising concerns over contract	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	adoption of the report.
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		clause 14,2 which has been further defined on the special conditions of the contract being 20% of the accepted contract amount. The advance was meant to be an interest free loan for mobilization and cash flow support. However, an approved requisition from the user department was not provided for audit. Further, the payment was not supported with an inspection report from the project implementation committee to	The number of foldable mounted seats in the BoQ is 516 and the physical number installed on site and can be physically verified is 516.	adherence and value for money.	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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		certify work done before payment. In addition, physical inspection of the seats showed that the contractor installed 1,494 simple mounted middle backrest seats as in the Bills of Quantities (BQs) and 471 foldable mounted middle backrest seats being 45 less of what was stated in the BQs. Although the Management has explained that the contractor has not been fully paid, it was not clear why fewer seats were installed.				
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2 6	Delay in Construction of Perimeter Wall at Migwena Sports Cultural Center	The County Executive entered into a contract with a firm for the proposed construction of a perimeter wall at Migwena Sports Cultural Center at a contract sum of Kshs.33,841,097. Review of the status report provided for audit indicates commencement date was 31 January, 2024 for a contract period of 24 weeks. The intended completion date was indicated as 31 July, 2024. However, payment records revealed	The management responded that keying was done on one side and the other side plastered. This was done because it's NOT practical to have construction stones which are fair faced on both sides and also of equal dimensions to the millimeter hence while constructing the side to be keyed is normally aligned and the other side plastered. Contractor was therefore instructed to do horizontal keying externally and plaster internally after site management meeting. i) The contract did NOT require an extension of time and renewal of Performance Bond since the works were practically complete by 26th July 2024 as per	The Committee observed that the County Executive paid Kshs.28,718,584 (85% of the contract sum) for the construction of a perimeter wall at Migwena Sports Cultural Center, but physical verification revealed deviations from the Bill of Quantities, an expired performance bond, lack of approval for time extension, and absence of cultural center features, raising concerns over contract compliance and	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 as provided for in the Public Finance Management Act, 2012 and the Public Finance Management (County	Within 60 days after adoption of the report.
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	that cumulative payments amounting to Kshs.28,718,584 or 85% of the contract sum had been paid during the year under review for certificate number Nos 1 and 2. Further, Section M of the Bill of Quantities (BOQ) required the fence to have horizontal and vertical key pointing to wall surfaces both sides c/w black paint to keyed surface. However, physical verification in September, 2024 revealed that the	the attached practical completion certificate save for the listed snag list attached to the certificate. ii) The Cultural centre has other facilities under construction and for future development as per the attached master plan	project execution.	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	
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		inner wall was plastered and the keying was only done on the outside of the wall and was only horizontal key. This was contrary to the signed BOQ. It Is anticipated that the changes might lead to price variations on the project. It was not clear how the changes came about as there was no approved documentation provided for audit supporting the changes. In addition, the following anomalies were observed;			Committee in the subsequent audit cycle.	
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		i. The project is yet to be completed and yet the performance bond of Kshs.676,821 had expired on 22 August, 2024. No renewal of the performance was provided for audit review. ii. No approval had been given by the accounting officer for extension of time. iii. A Cultural Center would ordinarily be expected to have integration of architectural features, forms,				
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		materials, and artwork, etc. as an active part of the future. Physical verification revealed that only a perimeter wall existed in Migwena hence, does not meet the parameters of a cultural center.				
2 7	Delay in Completion of Proposed Washroom, Gravelling Works, Waterworks, Powerhouse and Electrification at Migwena	The Executive signed a contract with M/s Paco Investment Limited for Kshs.18,630,456 for provision of the proposed washroom, gravelling works, waterworks, powerhouse and electrification at	It is true that the intended contract completion date was 8/8/2024. The Contractor had been issued with a default notice dated 22/5/2024 due to the slow pace of the works (See attached Annex 26). The Contractor was requested again to provide a new work	The Committee observed that the County Executive paid Kshs.4,350,440 for works under a contract for washroom, gravelling, waterworks, powerhouse, and electrification at Migwena;	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	Within 60 days after adoption of the report.

		Miguena under contract No. CGS/SCM/TCSA/OT/2023-2024/017. Review of expenditure records revealed that the contractor was paid Kshs.4,350,440 for works done. The contract period was twenty-four (24) weeks with a commencement date of 8 February, 2024 and an intended completion date of 8 August, 2024. No approval had been given by the accounting officer for extension of time.	programe at a site meeting held on the 11/7/2024 after it became apparent the contractor would not complete by the intended completion date. request for extension of time by the contractor and recommendation of the project Manager	however, the project had exceeded its completion date of 8 August 2024 without an approved extension of time, raising concerns over project management and contract adherence.	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	
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					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.	
30	Irregular Escalation Project Cost and Delay in Construction of Stadium	The County Executive signed a contract on 30 August, 2018 with construction company for the construction of the stadium at a contract sum of Kshs.394,661,767	It is true that the intended contract completion date was 8/8/2024. The Contractor had been issued with a default notice dated 22/5/2024 due to the slow pace of the worksThe Contractor was	The Committee observed that the County Executive revised the stadium construction contract by Kshs.94,055,056 (24%) without	The Committee recommends that; 1. The County Executive establishes a project management and monitoring System to help in proper project	Within 60 days after adoption of the report.

		starting on 1 January, 2019 to 6 December, 2019. The contract sum was revised to Kshs.488,716,823 resulting to a contract variation price of Kshs.94,055,056 or 24%. However, there was no evidence of recommendations by an evaluation committee for these variations contrary to Section 139(1) and (2) of the Public Procurement and Asset Disposal Act, 2015. Further, the project status report provided for audit	requested again to provide a new work programme at a site meeting held on the 11/7/2024 after it became apparent the contractor would not complete by the intended completion request for extension of time by the contractor and recommendation of the project Manager The contractor has since delivered a renewed performance as attached in annex 26	an evaluation committee's recommendations and granted nine extensions without documented approval, contrary to Section 139(1) and (2) of the Public Procurement and Asset Disposal Act, 2015.	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	
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		showed that the project has had a total of nine (9) extensions as of 30 August, 2024. The same could not be verified as the said extension were not provided for audit review. In addition, no documentation was provided to confirm approval of the extension by the accounting officer.			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.	
3 1	Proposed Construction of County Aggregation and Industrial Parks	The County Executive contracted a firm vide Contract No. CGS/SCM/EID/OT	Project Brief: Works to be done under this contract involves construction of 4No. Aggregation warehouses & cold storages to	The Committee observed that the contractor for the County Aggregation and Industrial Park	The Committee recommends that; 1. The County Executive establishes a project management	Within 60 days after adoption of the report.

		/2022-2023/055 to construct County Aggregation and Industrial Park, a multi-year project at a sum of Kshs.483,688,922. 23. The firm took possession of site on 30 August, 2023 and was expected to take twenty-eight (28) weeks to completion from the date of possession. The Contract agreement was signed on the 18 August, 2023. The firm requested for a 15% advance of Kshs.72,553,338 vide their request letter dated 23 August, 2023. However, the	specifications, 4No. Value addition warehouses to specifications, Boundary wall to specifications, Office block to specifications, Power house to specifications, Sentry house to specifications, Pump house to specifications, Ablution block to specifications, Civil works to specifications, Electrical Installations and power connection works, Mechanical/Plumbing works to specifications. The firm took possession of the site on 31/8/2024 and was expected to take 18 months (72 weeks) to completion from the	project received an advance payment of Kshs.48,368,892 .20 but, despite exceeding 40% of the contract period, had minimal work done, no equipment or materials on-site, and no issued certificates, raising concerns over the contractor's capacity to execute the project.	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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		Executive paid Kshs.48,368,892.20 being advance payment. During the evaluation stage the firm gave a list of Property, Plant and Equipment (PPE) that would be at their disposal for the execution of the Contract and those to be hired had ownership documents confirmed as true copies of the originals by a law firm. However, no lease agreement of availability of assets for use by the firm from third	date of possession and NOT 28 weeks. The contract period is therefore expected to lapse on 31/3/2025. (Find in Annex 20 a copy of- contract agreement) The list of property, plant and equipment that the contractor stated in the tender document were being hired from Ministry of Transport, Infrastructure, Housing and urban development as indicated in their letter reference No. ME/KSM/CLIENT/VO L.1/136. The Practice in Mechanical Transport Fund (The Ministry of road and Public Works) is for the regional Managers across the		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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		party was provided for audit review. A physical inspection of the project on 16 September, 2024, revealed the following: i. The contractor had done foundation and skeleton bars, high yield steel structures for two warehouses ii. Levelling of foundation for two (2) value addition warehouses and one (1) warehouse had been	country to give undertaking to potential Bidders/Contractors on availability of the plants in their respective regions as indicated in the cited letter. Contractors to hire as and when in need (Find in Annex 20 a copy of-public works letter) The heavy plants and equipment were used earlier to level part of the site currently under construction. The current on-going work of is mainly steel fixing and masonry work which does not require heavy equipment. The contractor is also undertaking off-site fabrication of			
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		done but not completed iii. One warehouse and two value addition warehouses had not been started. The location where they would be built was still uncleared and bushy. iv. There was no property, plant and equipment on site v. There was no sign of any work on-going vi. There were no materials on site except for	construction components. The contract has taken 67% of the completion period of 72 weeks and so far three payment certificates have been raised to that effect totaling to Kenya Shillings fifty-four million (Kshs. 54,000,000). (Find in Annex 27 copy of payment certificate) On the general performance of the contractor, Contract Implementation Team had raised concern during its meeting of 4th January 2024 and suggested to the contractor to submit a revised work programme to cover the			
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		some few steel bars vii. The contract has taken slightly over 40% of the completion period of 28 weeks with no certificate being issued. Management has not explained the reason why the contractor was not on site and that there were no major works that had been done. In view of these, the capacity of the contractor to handle the above works is in doubt. Further, the Management has	four months lost as a result of formalizing agreement between national government and county government and creation of special purpose account. order to cover up for the lost period vide CIT minutes dated 24th June 2024. (Find attached in Annex 27 a copy of -CIT minutes). Progres after audit : Please note that the following progress had been attained as the attached photos. <u>1st</u> <u>Aggregation warehouses & cold storages</u> <u>substructure level</u>			
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		valued the works done so far in comparison with the advance payment of Kshs.48,368,892.20.	Formwork on going for Suspended slab of the Washroom. 55% Fabrication of the Superstructures on going 98% complete done outside the site for the Value Addition Warehouse 39NO. Columns, Trusses 44No.done Boundary wall on going 35% done Ablution Block :At ring beam level formwork on going 55% complete. Office Block : Ring beam casted, ongoing 55% complete			
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			Annex 27: Copy of contract Agreement, Letter from Public Works, payment certificates and revised work plan, CIT minutes and caption photo.			
3 2	Proposed Construction of Yala Cattle Ring in Yala Township Ward	The County Government signed a contract on 12 February, 2024 at a contract price of Kshs.4,500,962.55 inclusive of 16% VAT with a firm for completion of Yala market cattle ring in Yala township ward for a period of 12 weeks under Contract No. CGS/SCM/EID/OT/2023-2024/039. The firm took possession of site	The management stated that the Construction works have since been completed.	The Committee observed that the Yala market cattle ring project exceeded its completion date of 20 July 2024, yet the contractor was not on-site, and no explanation was provided for the delay. Additionally, there was no evidence of an approved extension of time	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	Within 60 days after adoption of the report.

		on 20 March, 2024 with an expected completion date on 20 July, 2024. A Physical inspection of the project revealed that the project completion date had elapsed. No reason was provided for the same and contractor not on site.		or justification for non-completion, raising concerns about project management and contract oversight.	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	
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					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.	
3 3	Construction of Four (4) Door Flushable Toilets and Four (4) Bathrooms at Akala Health Centre	The Executive awarded a firm Tender No: CGS/HEALTH/Q/2023-2024/034 for construction of four (4) doors flushable toilet and four (4) doors bathroom at Akala Health Centre in South Gem Ward. The contract was signed on 16 February,	The current status of the Four (4) Door Flushable Toilets and Four (4) Bathrooms as at 10th February, indicate that the roof has also been done (see attached photo). The departments intend to provide additional funds during the financial year 2024-25 in the supplementary budget. The extension letter for the contract is	The Committee observed that the construction of toilets and bathrooms at Akala Health Centre stalled at 36% completion, with no work since 8 April 2024. The contract period lapsed on 10 June 2024	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	Within 60 days after adoption of the report.

		2024 at a contract sum of Kshs.3,215,578.80. The works commenced on 7 March, 2024 with a contract duration of three (3) months, hence intended completion date was 10 June, 2024. The engineer of works certified the works at 36% complete on 8 April, 2024 and recommended payment of Kshs.1,157,394. The contractor presented an invoice no.651 date 8 April, 2024 and was paid Kshs.1,000,000. However, project	hereby attached for your verification	without an approved extension, yet the contractor was paid Kshs.1,000,000, raising concerns over value for money.	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	
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		inspection conducted on 17 September, 2024 revealed that no works have been ongoing since the date of the certification. Only substructure works and walls frame were done. Further, the contract period elapsed on 10 June, 2024 and the contractor had not sought approval for extension of the contract period. In the circumstances, the amount of money incurred on the projects that have delayed, stalled and incomplete are a		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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		waste of public funds and the Public may not have got value for money.				
3 4	Idle Equipment-X-Ray Machine at Got Agulu Hospital	The County Executive through the Department of Health awarded a firm tender number CGS/HEALTH/OT /2023-2024/019 for supply, delivery and installation of an X-Ray machine (Quantas model) at Got Agulu Hospital. However, a physical inspection in the Month of September, 2024 revealed that the X-Ray machine was not in use due to	the radiology department of Got Agulu sub-county hospital is fully functional with the two-probe ultrasound machine and a fully digital x-ray unit. The department has also posted a radiographer to the facility to perform ultrasounds and exposures of X-rays with digital prints of images.	The Committee observed that the County Executive procured an X-Ray machine for Got Agulu Hospital at Kshs.14,760,000 , but a physical inspection in September 2024 revealed it was not in use due to the lack of a radiographer, raising concerns over 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 as provided for in the Public	Within 60 days after adoption of the report.

		lack of a radiographer to operate it. In the circumstances, value for money for the amount of Kshs.14,760,000 spent on medical equipment 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 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	
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					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.	
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE						
3 5	Failure to Prepare a Risk Assessment Report	During the year under review, there was no documentary evidence to confirm that the Executive conducted a risk assessment to identify potential risk exposure, possibility of their occurrence and their mitigating strategies. This was contrary to	the County Government of Siaya has initiated the process of developing Risk Management Policy which is in Draft stage.	The Committee observed that The Executive did not provide documentary evidence of conducting a risk assessment to identify potential risks, their likelihood, and mitigation strategies, contrary to Regulation 158(1)(a) and (b) of the Public	The Committee recommends that the Accounting Officer for all county entities 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. The committee further	Within 60 days after adoption of the report.

	Regulation 158(1) (a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 states that an accounting officer of a County Government entity shall develop risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations. In the circumstances, the		Finance Management (County Governments) Regulations, 2015, which require the development of risk management strategies, including fraud prevention mechanisms and internal controls. Consequently, the effectiveness of internal controls over risk management could not be confirmed.	recommends that the Auditor General to closely monitor the development, documentation and communication of these policies within the county entities in the subsequent audit cycles.	
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		effectiveness of internal controls over management of risks 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 NANDI COUNTY EXECUTIVE FOR THE
FINANCIAL YEAR 2023/2024**

Basis for Qualified Opinion

N o	Audit Query	Audit Finding	Management Response	Committee Observation	Committee Recommendations	Timeline
1	Presentation, Accuracy and Completeness of Financial Statements	Budget execution by programs and sub-programs does not indicate programmes per vote and has been replicated (pages 8 and 9 is the same as pages 10 and 11). Further, budget execution by programs and sub-programs indicates final expenditure budget of Kshs.6,329,572 546 and a final expenditure of Kshs.5,447,556,271 which is at variance with statement of comparison of budget and actual performance	Issues stand as reported as the errors still Budget execution by programs and sub-programs now indicates programmes per vote and the duplication error has been corrected. The headers in all the pages are	The management did not provide documents to the OAG for verification	1. The Office of the County Governor (CEO) undertakes administrative action(s) against the responsible officer(s) who failed to provide documents to the auditors at the time of the audit, in accordance with section 156 of the Public Finance Management Act, 2012 and provide a	60 days from the date of adoption of this report

		(development and recurrent combined) of Kshs.8,988,667,004 and Kshs.6,971,536,463 respectively b) Headers for financial and non-financial statements are not similar. c) Progress on follow up of prior year audit recommendations have not been signed Contingent liability register does not indicate litigations against the County Executive and their current status. d) Note numberings for budget execution by programs and sub-	now rightly stated as required by the reporting template. Progress and follow up of prior year audit recommendations report has been signed accordingly. Litigations against the County Executive and their current status have now been indicated in the Contingent liability register		status report to the Office of the Auditor General. 2. The Institute of Certified Public Accountants of Kenya (ICPAK) takes action(s) against professional accountants who prepare financial reports that do not comply with the Public Sector Accounting Standards as it amounts to gross negligence in the conduct of professional duties which constitutes a professional misconduct	
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		programs is not consistent.			pursuant to Section 8 (a) and 30 of the accountants Act CAP 531	
2	Inaccuracies in Financial Statements	The statement of cash flow is now numbered and titled in the amended financial statements. Note 20(6)(v) on related party disclosures, on key management compensation (Governors, CEC Members and Chief Officers) reflects Nil balances in the current	The fund balance for the year was Ksh.214, 152,483 while Kshs.216,785,59 was the fund balances brought forward from financial year 2022-2023 as indicated in the new template	The management did not provide documents to the OAG for verification	1. The Office of the County Governor (CEO) undertakes administrative action(s) against the responsible officer(s) who failed to provide documents to the auditors at the time of the audit, in accordance	60 days from the date of adoption of this report

		year column whereas prior year audited financial statement reflects Kshs.94,380,180. This casts doubt that no payments were done in respect to management compensation during the year under review Note 16 to the financial statements reflects comparative fund balance of Kshs.216,785,559 whereas prior year audited financial statement reflects Kshs.573,945,875. The statement of receipts and payments reflects under payments, other payments amount of Kshs.521,140,659	and not current year balances.		with section 156 of the Public Finance Management Act, 2012 and provide a status report to the Office of the Auditor General. 2. The Institute of Certified Public Accountants of Kenya (ICPAK) takes action(s) against professional accountants who prepare financial reports that do not comply with the Public Sector Accounting Standards as it amounts to gross negligence in	
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		with a nil comparative amount and other grants and transfers nil balance with a prior year comparative amount of Kshs.589,372,404. However, it was noted that the same components listed under other payments were in the prior year reported under other grants and transfer			the conduct of professional duties which constitutes a professional misconduct pursuant to Section 8 (a) and 30 of the accountants Act CAP 53	
3	Payment of unreconciled salaries arrears	Salary arrears processed through IPPD paid to 3,346 employees across various departments totalled Kshs.40,421,632 for an eleven months (11) period excluding the month of September, 2023. The consolidated arrears paid ranged between Kshs.946,495 to Kshs.8,699,700 per month. However, the	The arrears payment was necessitated by the following; Delay in issuance of Appointment letters to staff whose contracts elapsed between August, 2023 and June, 2024	The management did not provide documents to the OAG for verification	The Office of the County Governor (CEO) undertakes administrative action(s) against the responsible officer(s) who failed to provide documents to the auditors at the time of the audit, in accordance with section 156 of the Public Finance	60 days from the date of adoption of this report

		reconciled staff arrears schedule payable in each month, the nature of arrears paid and the period the arrears relate to, was not provided for review. Further, there was no aging analysis of staff arrears to support the expenditure since all salaries were remitted monthly to employees through the IPPD system	Non-Payment of allowances i.e. Disability guide Allowance. Arrears paid were as a result of IPPD SYSTEM not automatically picking		Management Act, 2012 and provide a status report to the Office of the Auditor General.	
4	Unsupported Transfers to Youth Operation Account	Examination of schedules provided in support of the expenditure revealed a transfer to youth fund account of Kshs.10,000,000 which was not supported with payment vouchers and other appropriate authority and relevant documentation	The transfer of Ksh.10,000,000 to Youth fund was for payment of bursaries to students under the 'Nandi 2jiajiri program' run by the County Government of	The management did not provide documents to the OAG for verification	The Office of the County Governor (CEO) undertakes administrative action(s) against the responsible officer(s) who failed to provide documents to the auditors at the time of the audit, in accordance with section 156 of the	60 days from the date of adoption of this report

			Nandi in partnership with KCB. All the documents for transfer and fees payment schedule are attached herein		Public Finance Management Act, 2012 and provide a status report to the Office of the Auditor General.	
5	Cash and Cash Equivalents	Bank certificates of balance, cash book and bank reconciliation statements for Nandi County Primary Healthcare account balance of Kshs.17,364,750 and Nandi County Nutrition International Support account balance of Kshs.13,318 were not provided for audit verification	The bank certificates of balance for the above bank accounts have now been provided for your review.	The management did not provide documents to the OAG for verification	The Office of the County Governor (CEO) undertakes administrative action(s) against the responsible officer(s) who failed to provide documents to the auditors at the time of the 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.	60 days from the date of adoption of this report

6	Voided Expenses Payments and Purchase Orders in IFMIS.	Statement of receipts and payments reflects total payments amount of Kshs.6,971,536,463 whereas IFMIS financial statement report indicates payments of Kshs.6,970,278,000 resulting to a variance of Kshs.1,258,463. -IFMIS reports provided for audit review revealed that voided payments totaling to Kshs.343,381,962 and seventy-seven (77) purchase orders for department of roads and forty (40) purchase orders for department of finance and economic planning were voided and no explanation nor reconciliation was provided in this regard.	One of the main reasons among others being inadequate or delayed funding. May funding of Ksh.584,423,520 was received after the close of the financial year while June funding was received in the subsequent financial year,2024/2025. Other items which are voided at the close of the financial year are Works in progress for tenders procured	The management did not provide documents to the OAG for verification. There was a variance of Kshs. 1,258,463. Payments totaling Kshs. 343,381,962 was voided.	1. 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 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	60 days from the date of adoption of this report
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		It was not clear why transactions duly processed and entered in the system transactions were later voided and how the voided transactions were finally settled	through e-sourcing.		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 EACC should expedite investigations	
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					on the matter in line with the Controller of Budget Act.	
7	Outstanding Imprests as per Imprest Register	Statement of assets and liabilities reflects under financial assets Nil outstanding imprests and advances. However, examination of imprest records as maintained in the Imprest register revealed outstanding imprests totaling to Kshs.6,294,745 which had not been surrendered and cleared	All the outstanding temporary imprests were surrendered within the required seven working days after return to the work station. No temporary imprest was outstanding as the close of the financial year.	Examination of the Imprest Register revealed outstanding imprests totaling Kshs. 6,294,745 that had not been surrendered or cleared.	1. The recovery of the outstanding imprests with interest as per provisions Regulation 93 (6) of the Public Finance Management (County Governments) Regulation. 2. 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 within 60	60 days from the date of adoption of this report

					days from the date of adoption of this report.	
8	Unsubmitted Financial Statements for Level-Four Hospitals	Four (4) level-four hospitals namely; Kaptumo Sub-County Hospital, Kibiyet Sub-County Hospital, Mosoriot Sub-County Hospital and Chepterwai Sub-County Hospital which are entities of the County Government of Nandi failed to submit financial statements to the Auditor-General for audit.	No response	Four level-four hospitals— Kaptumo Sub-County Hospital, Kibiyet Sub-County Hospital, Mosoriot Sub-County Hospital, and Chepterwai Sub-County Hospital— failed to submit financial statements to the Auditor-General for audit, contrary to financial reporting requirements.	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 Auditor General within sixty (60) days from the	60 days from the date of adoption of this report

					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 management should comply with the Public Sector Accounting Standards Board (PSASB) regulations by	
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					ensuring timely submission of financial statements for all Sub-County Hospitals to the Office of the Auditor-General.	
OTHER MATTERS						
9	Budgetary Control and Performance	The statement of receipts and payments reflect final receipts budget and actual on a comparable basis of Kshs.8,988,667,004 and Kshs.7,185,688,945 respectively resulting to an underfunding of Kshs.1,802,978,059 or 20% of the budget. Similarly, the county executive expended Kshs.6,971,536,463 against actual receipts of Kshs. 7,185,688,945 resulting to an under	The planned activities which were not executed during the financial year under review were re-budgeted for in the subsequent financial year hence no service delivery to the citizens of Nandi was affected	There was an underfunding of Kshs. 1,802,978,059 (20% of the budget). There was an under-expenditure of Kshs. 214,152,482 (3% of actual receipts). The underfunding and underperforman	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. 2) The County executive puts in place measures to enhance its own generated revenue in order to meet its revenue target and address revenue shortfalls.	Continuo us

		expenditure of Kshs. 214,152,482 or 3% of the actual receipts. The underfunding and under performance affected the planned activities and may have impacted negatively on service delivery to the people.		ce affected planned activities and may have negatively impacted service delivery		
10	Unexplained Variances with Prior Year Comparative Amounts	The statement of receipts and payments and the Notes to the financial statements reflects total payments amount of Kshs.6,971,536,463. A comparison of the reported payments in the Notes against comparative amounts revealed variances between the prior year amounts and current year amounts which were either less or more	No response	Prior year amounts revealed unexplained variances. No document was provided to OAG to support the fluctuations.	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	60 days from the date of adoption of this report

		than the current year amounts by 10% No explanations were given for the increases or decreases			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.	
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11	Unresolved Prior Years Audit Matters	In the audit report of the previous year, a number of issues were raised under the Report on Financial Statements, Report on lawfulness and Effectiveness in use of Public Resources and Report on the Effectiveness of Internal Control, Risk Management and Governance. However, the issues remain unresolved	No response	Prior year matters remain unresolved.	1. The County Executive should implement the Senate recommendations in the report on the Auditor General's report for the Financial Year once it's adopted by the Senate. 2. 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.	60 days of adoption of this report.
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REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

12	Compensation of Employees Employee with No Personal Files	Included compensation of employee's payments is gross salary of Kshs.6,560,559 that was remitted to one hundred and thirty-nine (139) staffs whose personal files did not contain their appointment letters -Included compensation of employee's payments is gross salary of Kshs.6,560,559 that was remitted to one hundred and thirty-nine (139) staffs whose personal files did not contain their appointment letters, academic qualification, National ID and other employee's employment records. Further, another one hundred and thirty-five (135) staffs with no	Every staff has a personal file which can always be retrieved when needed at the county registry	The management did not provide relevant documents to OAG for verification.	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	60 days from the date of adoption of this report
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		personal files were paid through manual excel sheet payroll and did not equally have personal file numbers, designation, KRA pin and job group yet they drew benefits equivalent to officers in Job Group K and above.				
13	Employees on Payroll Beyond Retirement Age	Analysis of monthly IPPD payroll supporting the expenditure revealed that twenty-seven (27) employees who attained the mandatory retirement age of sixty (60) years were still active in payroll and were paid total gross consolidated salary of Kshs.11,121,125	It is true that during the period under your review there were some officers whose age was beyond the mandatory retirement age of 60 Years. This is occasioned by: -Physically challenged and are registered	Twenty-seven (27) employees past the retirement age of 60 remained on the payroll, receiving Kshs. 11,121,125 in gross salary.	1. The Office of the County Governor undertakes administrative actions against the responsible officer(s) who failed to provide the documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management	60 days from the date of adoption of this report

			by the National council for people with disabilities which guarantees their retirement age to be 65. - Other officers are officers who were appointed for fixed contract terms		Act and submit a status report to the OAG, 60 days from the adoption of this report; and 2. The Office of the County Governor should give a list/report of special cases, retiring and those who should not be retiring	
14	Irregular Appointment and Promotion of Senior Officers	Compensation of employees' payment includes basic salaries and allowances paid to four (4) employees at director level totaling to Kshs.8,115,936 (average Kshs.676,328 per Month). Examination of the staffs' personal files revealed that some of the directors jumped	No senior officer was promoted irregularly. All the promotions were carried out accordingly to the law and the individual employee personal files have been	No documents were provided	The Office of the County Governor undertakes administrative actions against the responsible officer(s) who failed to provide the documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act and	60 days from the adoption of this report

		ranks and were promoted through several cadres up to their substantive posts. However, the promotions were not competitive and they did not have the requisite qualifications for the appointments. Other officers were promoted and yet they were having pending disciplinary/integrity issues which had not been concluded and recommendations had not been made by the accounting officers as required by the Regulations.	submitted for your review.		submit a status report to the OAG.	
15	Unprocedural Hiring of Casual Workers	Included in compensation of employees' expenditure is Kshs.66,853,488 paid to five hundred and	It is true that during the period under review, some expenditure	Compensation of employees includes Kshs. 66,853,488 paid to 555	The Office of the County Governor undertakes administrative actions against the	60 days from the date of adoption

		fifty-five (554) casuals' employees as wages. However, the payments to casuals were not supported sufficiently by appropriate authority to engage and documentation showing that the casuals were competitively hired. Further, it was noted that the casuals were appointed by the respective head of departments without due regard to fair competition and representation of the County diverse communities. In addition, there was no departmental master roll containing the details of specific worksite, designation and the casual	was incurred on compensation of five hundred and fifty-four (554) casual employees, the management acknowledges that all the casuals working in various departments never went through a competitive selection process as stipulated in section 37(1) (a) (b) and (3) of the Employment act of 2007. Going forward the management	casual workers without documentation on recruitment, authorization, or competitive hiring. There was no master roll detailing worksites, designations, or attendance, and no evidence of payments through bank accounts.	responsible officer(s) who failed to provide the documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act and submit a status report to the OAG.	of this report
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		attendance for specific period of time. Therefore, the casuals might have been paid monthly wages which were not commensurate to the services offered to the County Executive and/or no services may have been rendered at all as there were no underlying records of worksites and assigned duties. It was also noted that there were no evidences provided to show how the casuals were paid through their bank accounts.	shall through the County Public Service Board engage casuals on competitive selection process when such vacant posts are declared by the respective departmental heads. The departmental heads have been tasked to maintain departmental master rolls for all casuals serving in their departments			
16	Staff Being Paid in Both IPPD	Comparison of salaries paid in both the IPPD	County Executive of	Eleven (11) officers	The Senate notes that the process of	60 days from the

	and Manual Payrolls	system and Manual payroll revealed that eleven (11) officers were drawing allowances in both payrolls. The officers were paid a total of Kshs.34,856,231 in the IPPD and were also paid allowances totalling to Kshs.1,782,373 in the manual payroll. It was however, not clear why the officers were being paid in the manual payroll whereas they were already defined in Integrated Payroll and Personnel Database (IPPD) where they drew all basic salaries and allowances that they were entitled to.	Nandi maintained an IPPD payroll and manual excel spreadsheets payroll. It is true that some staff were paid in both IPPD and Manual payroll. All salaries are paid through the IPPD system. The payments made outside IPPD are i. Airtime allowances. ii. Legal Officers Non practising Allowances. The IPPD	received allowances from both the Integrated Payroll and Personnel Database (IPPD) and the manual Excel sheet payroll.	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	date of adoption of this report
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			System failed to pick the above allowances.			
17	Payment of Salaries Outside IPPD	Review on expenditure records for compensation of employees revealed that County Executive of Nandi uses both integrated Payroll and Personnel Database (IPPD) and Manual excel sheet in processing of payroll. Examination of monthly manual payroll indicated that fifteen (15) permanent staffs, two hundred contractual staff (200) and five hundred and fifty-four (554) casual staff were paid net salaries amounting	During the year under review the County Executive of Nandi maintained an IPPD payroll and manual excel spreadsheets payroll. It is true as at 30 th June, 2023 the staff on the manual payroll had not been incorporated in the IPPD. The management is working towards		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

		to Kshs.260,291,231 outside IPPD system. - In addition, examination of records held in personal files revealed that a senior payroll officer was interdicted for inclusion of non-existent (ghost) workers who were in the manual payroll system and later were converted into permanent and pensionable terms	achieving full transition of the staff to IPPD system and ensure all payroll data is managed in IPPD.			
18	Failure to Provide IPPD Payroll for the Month of September, 2023	Included in compensation of employees' expenses of Kshs.3,933,307,091 is basic salary and allowances paid to permanent and pensionable staffs for the month of September, 2023. However, the Management did not provide proper	County Executive of Nandi was compelled by the Public Service Management to process their payroll through the Unified Human	Management did not provide an explanation or supporting information for the processing of these payments.	The Office of the County Governor undertakes administrative actions against the responsible officer(s) who failed to provide the documents to the auditors at the time of audit in accordance with section 156 of the Public Finance	60 days from the date of adoption of this report

		explanation and information in respect of the processing of the aforementioned.	Resource System (UHR). The Directorate of personnel Management at the Ministry of Public Service, Gender and Affirmative Action being the champion of the new System did pilot of the new system.		Management Act and submit a status report to the OAG, 60 days from the adoption of this report	
20	Un-Authorized Payment of Allowances in Integrated Payroll and Personnel Database (IPPD).	Included in the employee costs payments of Kshs3,933,307,091 were allowances paid to nine hundred and fifty-three (953) staffs under IPPD code 877 (health services allowances) paid to nurses and public health officers	All the hardship allowances paid to staff are authorized in line with the set out County policies and guidelines as contained in the HR manual.	Management did not provide an explanation or supporting information for Un-Authorized Payment of IPPD	The Office of the County Governor undertakes administrative actions against the responsible officer(s) who failed to provide the documents to the auditors at the time of audit in accordance with section 156 of	60 days from the date of adoption of this report

		totaling to Kshs.228,720,000. However, it could not be confirmed whether Management was authorized by Salaries and Remuneration Commission (SRC) to pay the allowance and whether the allowances were paid at the correct rates.			the Public Finance Management Act and submit a status report to the OAG, 60 days from the adoption of this report	
21	Un-Authorized Payment of Hardship Allowance	Included in this payment is hardship allowance processed through IPPD system totalling to Ksh.37,232,084 paid to four thousand five hundred and twenty-one (4,521) staff for a period of 10 months (excluding the Months of September, 2023 and May, 2024). The payments ranged	All the hardship allowances paid to staff are authorized in line with the set out County policies and guidelines as contained in the HR manual	There was no confirmation of approval from the Salaries and Remuneration Commission (SRC) or whether the correct rates were applied. Kshs. 37,232,084 in	The Office of the County Governor undertakes administrative actions against the responsible officer(s) who failed to provide the documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act and submit a status report	60 days from the date of adoption of this report

		between Kshs.2,658,450 and Kshs.4,598,400 per month. However, the following irregularities and inconsistency were noted on analysis of the payment of the hardship allowance		hardship allowances was paid through the IPPD system to 4,521 staff over 10 months (excluding September 2023 and May 2024). Payments ranged from Kshs. 2,658,450 to Kshs. 4,598,400 per month, but irregularities and inconsistencies were noted in the analysis.	to the OAG, 60 days from the adoption of this report	
22	Non-Remittance of Payroll Deductions	Note 13 to the executive car and mortgage fund financial statements	No response	The management did not provide	The Office of the County Governor undertakes	60 days from the date of

		reflects current portion of long-term receivables from exchange transaction of Kshs.60,259,998 which include current loan repayments dues of Kshs.6,646,716 which comprise of payroll deductions that had not been remitted to the Fund by the Nandi County Executive as at 30 June, 2024.		relevant documents to the OAG for verification.	administrative actions against the responsible officer(s) who failed to provide the documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act and submit a status report to the OAG, 60 days from the adoption of this report	adoption of this report
23	Irregular Payment of Emergency Call Allowance	Included in these payments is emergency call allowance paid to two hundred and sixty-one (261) health workers totaling to Kshs.83,376,000 that was processed through IPPD system. However, review of the payments made revealed	During the year under review, it is not true that the County Executive of Nandi made irregular payment of Emergency call Allowances to medical staff. Medical doctors	The management did not provide relevant documents to the OAG for verification.	The Office of the County Governor undertakes administrative actions against the responsible officer(s) who failed to provide the documents to the auditors at the time of audit in accordance with section 156 of the Public Finance	60 days from the date of adoption of this report

		anomalies in the payment of the allowance where random rates of Kshs.80,000, Kshs.72,000 and Kshs.10,000 was paid to two hundred and sixty-one (261) staff leading to over payments in allowances of Kshs.2,998,000 and underpayments of allowances of Kshs.3,880,000 totaling to Kshs.6,878,000.	and Clinical Officers are entitled to Emergency call allowances. The amount to be paid to each officer is determined by: i.Staff Job Group ii.Staff cadres		Management Act and submit a status report to the OAG, 60 days from the adoption of this report	
24	Payment of Monthly Salary to Administration Police Officers	Included in these payments were extraneous allowance paid to eighteen (18) Administration Police Officers attached to the Governor and Deputy Governor totaling to Kshs.5,184,000. The officers were deployed	These are security officers serving in the office of the Governor and Deputy Governor and are paid as the advisory sought from	Management did not justify the payment of Kshs. 5,184,000 in extraneous allowances to 18 Administration Police officers,		

		to serve as personal body guard and residential guard to the two state officers. However, review of the security officers' files revealed; the following anomalies; The Administration police officers were being paid monthly wages of Kshs.24,000 each instead of the recommended monthly extraneous allowance of Kshs.5,000 for constable and Kshs.10,000 for the rank of inspector as communicated by Chief of Staff vide later dated 16 January, 2020. The money paid for the private use of the administration police officers was channeled		who received Kshs. 24,000 monthly instead of the approved Kshs. 5,000–10,000. Payments were made to their bank accounts instead of the National Treasury, were not budgeted, and the officers were already salaried by the National Police Service Commission.		
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		to their bank account contrary to National Police Service Act, 2011 which requires the money paid for the private use of private officers to be remitted to the National Treasury. The funds paid as allowances to the officers were not an authorized budgetary vote in the County Government financial estimate since allocation of personnel emoluments must be supported by IPPD. The officers were being paid by the National Police Service Commission as full-time employees.				
25	Failure to Comply with	Analysis of the monthly payrolls revealed that a total of three thousand	An officer is affected when a departmental	3,719 employees received a net	9. The County Executive should provide to the Auditor General	60 days from the date of

	One Third Rule on Basic Pay	seven hundred and nineteen Analysis of the monthly payrolls revealed that a total of three thousand seven hundred and nineteen (3,719) employees received net pay of less than a third of their basic salary in the twelve months period with the monthly numbers ranging between 26 and 513 employees	deduction is affected after the employee has attained a third of their basic pay. -New and increased deductions which were introduced upon the enactment of Finance Act 2023. i.Housing Levy ii.NHIF(New percentage of 2.75%) iii.The lapse of Kenya –Tax Relief Measures introduced to Cope with	pay of less than a third of their basic salary.	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. 10. The county should configure their IPPD system such that it is able to lock out commitments beyond the accepted thresholds. 11. The Auditor General should continue monitoring the issue in	adoption of this report
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			Covid -19 Crisis.		subsequent financial years.	
27	Failure to conform to ethnic balance in the staff composition	Review on the IPPD payroll records provided for audit indicated that, as at 30 June, 2024, the County Executive had a total of four thousand seven hundred and eighty (4,780) employees out of which four thousand six hundred and ten (4,610) or approximately 94% were from the dominant community	It's true that during the period under review officers from other communities working in Nandi County were about 5% of the total employees however upon the commencement of devolution most of the employees were seconded and transitioned to the Counties and in this regard the County Government of	4,610 out of 4,780 employees (94%) were from the dominant community, contravening Section 65(1)(e) of County Government Act on ethnic inclusivity	1. The County Executive should work progressively towards 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.	Continuous

			Nandi received most of her staff from the dominant community, but the Public Service Board applicants were from the dominant community, in addition most of the County employees are on contract hence there was need to advertise and fill the positions internally therefore slowing the target in achieving the National			
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			Cohesion and Integration requirement			
28	Use of goods and services Foreign Travel Expenses on Caucus Meetings	Examination of expenditure records relating to foreign travel and substance revealed payments amounting to Kshs.1,761,410 made to three officers towards the attendance of black caucus in the USA. Further, examination of foreign travel and substance expenditure revealed a payment of Kshs.1,317,316 made to a state officer to facilitate attendance of 68th session on the status of women in New York City for fourteen (14) days. This was contrary to the period of travel of seven (7) days	No response	The management did not provide relevant documents to the OAG for verification.	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	60 days from the date of adoption of this report

		inclusive of travel days allowed				
29	Failure to Remit National Industrial Training Authority (NITA) Training Levy	There was no evidence that Management of the County Executive paid training levy of Kshs.50 per employee to NITA during the yea	It is true that during the period under your review the County Government did not remit Kshs 50 per staff to NITA. NITA engaged the Services of Kenya Revenue Authority (KRA) as a sole collector of the It is true that during the period under your review the County Government did not remit Kshs 50 per staff to NITA.	Management did not provide evidence of payment of the Kshs.50 per employee training levy to NITA.	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 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.	60 days from the date of adoption of this report

			NITA engaged the Services of Kenya Revenue Authority (KRA) as a sole collector of the Levy which is being collected together with the Monthly Income Tax by the Employer, however the remittance of the Lavy was not remitted to KRA. The Management is working with KRA to see that all the outstanding arrears to NITA is remitted.			
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30	Car Hire Services	Examination of expenditure records relating to the specialised materials supplies revealed car hire services expenses of Kshs.42,829,062. However, it was noted that the County Government had not formulated a policy on transport to guide on the car hire services	All the supporting documents in relation to the Car hire services have been provided for your review	The County Government incurred Kshs.42,829,062 on car hire services without a policy on transport to regulate such expenditures. No documentation was provided for Auditor for verification	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 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.	60 days from the date of adoption of this report
31	Irregular Subscriptions to Council of Governors	Included in the operating expenses is subscriptions to Council of Governors	Payments to the Council of Governors was support for the County	The management made a subscription to Council of	3) the irregular payments to the Council of Governors (COG) be stopped and further	60 days from the date of adoption

		amount of Kshs.5,800,000	Executive during the annual devolution conference held in Uasin Gishu County during the financial year under review. The payment vouchers are herein attached for your review.	Governors amounting Kshs. 5,800,000	recommends the surcharge of any Governor, in their capacity as The Office of the County Governor, who continues to make the irregular contribution. 4) The EACC should oversee the recovery of all the public funds irregularly transferred to the Council of Governors (COG) by the Governor within 60 days of the adoption of this report. This is in line with the Resolution of the Senate.	of this report
32	Outsourcing of Legal Services	Examination of the expenditure records relating to other operating expenses revealed payments totaling to	From this reading, it is our position that Section 16 grants the County	The County made a payment amounting Kshs.36,820,03	1. The County Executive to make a provision in its budget for contingency liability in respect of legal fees	60 days from the date of adoption of this report

		Kshs.36,820,030 made towards legal expenses. However, it was not clear why the services which could be discharged by the Office of the County Attorney were outsourced.	Attorney the discretion to engage outside counsel as needed to fulfill the functions assigned under the Act, without requiring prior authorization from the County Executive Committee (CEC). the requirement for CEC approval, applies only to other departments or public entities within the County Government. When any other department	0 for legal services	pursuant to regulation 25(2)(e) of the Public Finance Management (County Government) Regulations, 2015. 2. Sanctions as outlined in Section 62(2) of the Public Audit Act, 2015 against the responsible officer(s) who failed to provide the documents to the auditors and provide a status report to the Office of the Auditor General within sixty (60) days from the adoption of this report; and	
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			seeks to engage outside counsel, they must first obtain CEC approval to ensure alignment with County policy and to prevent duplicating functions that fall within the County Attorney's mandate.			
33	Procurement of Fuel and Lubricants	Examination of expenditure records relating to purchase of fuel revealed that the County entered into framework agreement for supply and delivery of fuel and lubricants with seven (7) suppliers. In the year under review, six (6) firms	That the stated firms were procured under framework contract agreements for a period of two Financial Years - That the stated firms were procured under	The management did not provide relevant documents to the OAG for verification.	The Office of the County Governor (CEO) undertakes administrative action against the responsible officer(s) who fails to provide documents to the auditors in accordance with section 156 of the	60 days from the date of adoption of this report

		supplied fuel and lubricants amounting to Kshs.85,728,340 and the distribution of the tenders were as follows: - Firm 1 - 24%, Firm 2 - 57 %, Firm 3 - 9%, Firm 4 - 6%, Firm 5 - 2%, Firm 6 - 2%. The two suppliers (Firms 1 and 2) supplied over 80% of the total fuel supplies. However, no justification was provided as to why only two suppliers were given orders to supply over 80% of total fuel and lubricants supplies out of the seven contracted firms. - Management may have been unfair to other suppliers of fuel, oil and lubricants and	framework contract agreements for a period of two Financial Years 2022/2023 and 2023/2024 -Hass petroleum and Nandihills Petroleum (Total and Shell-vivo) fueling stations are within the Kapsabet Municipality, the County Headquarters. Hence fuel was drawn from them by all departments, leading to their percentages of		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	
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		the increase in the consumption of fuel may lead to waste of public resources.	fuel purchase being high. -Tandem, Junecode, Terigin logistics and Limken petroleum service providers supply bulk fuel to our fuel station at the department of Transport and Infrastructure, which is meant to only cater for the departmental activities, hence the low percentages.			
34	Ineligible Expenditure Under Kenya Informal	Examination of the documents for KISIP 2 revealed an expenditure amounting to	Intergovernmental Finance agreement between KISIP			

	Settlement Improvement Project (KISIP 2).	Kshs.1,288,000 paid to eleven (11) officers who attended a ‘workshop’ for evaluation of a contract for the construction of Mosoriot settlement infrastructure. It was noted that the evaluation of a contract for the construction of Mosoriot settlement infrastructure was a normal procurement function which could be done within the duty station. However, it was held outside the precincts of the duty station contrary to regulations.	and County Government of Nandi provides that 5% of the funds will go into administration of the fund. The 5% of the administration fees were utilized for tender evaluation which was an enormous exercise which could not be done within the precincts of the office. Therefore, an amount of Kshs,1,288,000 was an eligible expense			
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			provided for in the agreement falling under the purview of administration management expenses.			
35	Acquisition of Assets Construction of Nandi County Aggregation and Industrial Park	The statement of receipts and payments reflects acquisition of assets expenditure of Kshs.908,011,409 which includes construction of buildings expenditure of Kshs.227,392,588 as disclosed in Note 9 to the financial statements. However, the following observations were made;				
36		Review of records provided revealed that the County Government contracted a local company to construct	The Site handing over minutes together with the order to commence is in place at the office of the PM. It is hereby attached for your review. The contract duration is 2 years beginning August 2024 as specified in the contract agreement	The management did not provide relevant documents to auditor for verification.	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	60 days from the date of adoption of this report

		the Nandi County Aggregation and Industrial Park at a contract sum of Kshs.520,003,128 with effect from 15 August, 2023. This award was made after the first advertised tender was non-responsive prompting a re-tender where five (5) firms submitted their tenders. Included in this expenditure is an amount of Kshs.67,787,822 that was paid to the contractor towards construction of County Aggregation and Industrial Park during the financial year under review. However, the following anomalies were noted:			adoption of this report	
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		a) Examination of the project documents and physical verification on the project revealed that the engineer's estimate for the project were not provided, ground/site handing over report and order to commence work was not in file and the contract duration for the project was not specified. b) It was noted that the contractor requested for authority to increase excavation depth from the BQ depth of 1.2m to 2.7m being the depth of the				
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		black cotton soil dated 11 September, 2024 however, the departmental response was not in file nor any variation order. c) The Contractor made an application for first certificate payment of Kshs.118,306,343.74 which was received by the County Works officer on 10 November, 2023. However, this claim was not realistic as it included general preliminaries, claim of Kshs.7,012,500 for works not done. d) The Contractor made an application for				
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		first certificate payment of Kshs.118,306,343.74 which was received by the County Works officer on 10 November, 2023. However, this claim was not realistic as it included general preliminaries, claim of Kshs.7,012,500 for works not done. e) Particular preliminaries certified were the same as invoiced by the contractor and included the works which had not been done. f) The builders work certified was not confirmed during physical verification				
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		because only the column bases for four warehouses had just been excavated with no builder's works done. g) Request for approval of an amendment or variation of the bill of quantity by Kshs.39,547,500 was made by the Head of Procurement to the Chief Officer, Department of Trade and Tourism on 27 October, 2023 and this was endorsed on the same day by the accounting officer. h) Valuation of the substructure works (excavations)				
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		was done by the County works officer putting the current work done at Kshs.57,760,600 up from the BQ's amount of Kshs.18,213,100. i) The interim certificate No. 2 dated 12 September, 2024 for Kshs.30,100,000 was raised by the project engineer on builder's works which was not supported by actual measurements. j) Physical verification was done in October, 2024 and total amount that had been paid was Kshs.97,887,822 k) It was noted that the Performance				
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		Bond of Kshs.26,000,156 dated 14 August, 2023 from Rafiki Microfinance Bank Ltd. expired on 26 February, 2024 and no evidence was in file that a current performance bond is renewed. 1) Physical verification on 30 October, 2024 revealed that no adequate workforce was maintained by the contractor on site as there were only three workers present and no construction works was going on except for curing of a recently completed				
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					section of one side of the perimeter wall with the remaining 3 sides still not done. The site did not depict any construction activity going on and looked abandoned. Only earthworks had been done that included; excavations and filling using stones and marram, access road, one side of the perimeter wall completed with column bars erected on one of the sides and column bases for four warehouses excavated. m) The ability of the contractor to complete the	
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		project in good time was doubtful and it was not clear if any formal notices had been issued to the contractor on the inability to progress effectively and maintain adequate work force and equipment on site n) It was noted that the project was jointly funded between the National Government and the County Government. However, the level of funding that was to be provided by each Government was not clear since no agreements or commitment				
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		between the two levels of Government was provided.				
37	Delayed Completion of Construction of Avocado Aggregation Center	Review of the documents provided revealed that the County Government of Nandi – through the National Agricultural and Rural Inclusive Growth Project (NAGRIP) entered into a contract agreement for construction of avocado aggregation center with a local firm at a contract sum of Kshs.49,526,099. The contract duration was to be three (3) months with effect from 19 December, 2022. The contract was first extended for a period of six (6) months with effect from 7 March,	During the period of audit, electricity connection had not been done to the Avocado aggregation Center. This was due to delay by Kenya Power and Lighting Company (KPLC). KPLC has since connected electricity to the packhouse. Test runs for the cold room facility has been done and the packhouse	The project has not been commissioned, handed over, or confirmed to be in operation.	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	60 days from the date of adoption of this report

		2023 and again extended for a period of nine (9) months with effect from 15 September, 2023. Physical verification carried out in the month of September, 2024 indicated that the structure and the cold room were 100% complete and landscaping was ongoing. However, as per Engineer certificate, the project was 99% complete and was 3 months behind the completion period.	is ready for use by the farmers. The facility is awaiting commissioning by the Governor/CS Agriculture thereafter a handover to the cooperative Society.		Management (County Government) Regulations, 2015 within 60 Days from the date of adoption of this report; 2. The Office of the County Governor to prioritize 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	
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					status update to the Committee in the subsequent audit cycle.	
38	Proposed Construction of Perimeter Wall and External Works for the New Governor's Office	Review of records provided revealed that six (6) firms tendered for the contract of construction of the Perimeter Wall and External Works for the New Governor's Office. One of the local firms which won the tender entered into a contract with the County Government of Nandi to carry out construction works for perimeter wall and external paving works to the Governor's offices at Kapsabet on 10 July, 2023 at a contract sum of Kshs.24,659,930 and the project was expected	No response	The management did not provide relevant document to OAG for verification	The Office of the County Governor undertakes administrative actions against the responsible officer(s) who failed to provide the documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act and submit a status report to the OAG, 60 days from the adoption of this report	60 days from the date of adoption of the report

		to take twelve (12) months However, the following observations were noted; Two interim certificates were raised and a total of Kshs.19,487,859 was paid to the contractor in the year under review. However, the payment certificates were not supported by works measurement sheets/ appraisal document for the measured works. The detailed priced Bills of Quantities (BQ) was not provided for audit making it difficult to establish the detailed works and actual cost Review of the project expenditure records revealed that the bill of quantities included prime cost sum of				
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					Kshs.5,250,000 for construction of 10 cubic meter elevated water tank, including pumping system and collection of all roof catchment into an under-ground tank which was to be carried out by a sub-contractor. However, there was no, documentation provided to prove that the subcontracted works were competitively sourced Physical verification of the works for perimeter wall and external paving works in September, 2024 revealed that the elevated tank was already installed and paid under Interim certificate 01 for Kshs.2,625,000. It was also noted that the				
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		pumping system, underground tank and roof catchment works had not been constructed. Other observations made from the bill of quantities revealed that three (3) double steel gates each measuring 6000 x 2100mm high costed at Kshs.300,000 each and two (2) pedestrian gates each measuring 1300 x 2100mm high costed at Kshs.50,000 each were provided for in the bills of quantities. However, only two (2) double steel gates not of same size and one (1) pedestrian gate all made of metal bars were erected. The gates			
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		drawings were not provided for review.				
39	Construction of the Nandi Cooperative Creameries Kabiye Phase III	County Government of Nandi entered into a contract with a local construction firm to construct the Nandi Cooperative creameries Kabiye Phase III on 26 August ,2022 at a contract sum of Kshs.64,750,673. - The contract duration was twelve (12) months effective from the date of the agreement and was expected to end by 26 August, 2023. As previously reported, in 2022/2023 the County Executive had paid a total of Kshs.46,507,268 to the contractor. According to expenditure records	The contract period is one year running from May 2024 to May 2024. The work progress is good and will be finished within scheduled time. No payments have been made to date in regard to this works. - The changing of glass windows to toughened glass has been done and completed	The management did not provide relevant document to the OAG for verification	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)	60 days after the date of adoption of this report

		provided in the year under review, a total of Kshs.19,194,490 had been paid to the contractor both totaling to Kshs.65,701,758 which exceeded the contract sum by Kshs.951,085. - Physical verification revealed that the project was behind schedule, construction of ablution block was still not complete, reinforced glass cladding windows and doors, supply and delivery of milk cleaning materials, supply and delivery of fresh milk film, supply and delivery of fresh yogurt printed cups and trays were not yet started. As at the time of audit in September,			Regulations, 2015 within 60 Days from the date of adoption of this report.	
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		2024, although the contractor was still on site, the project				
40	Proposed Constuction of the Modern Atheletic Training Camp in Kabsabet	County Government of Nandi entered into contract agreement with a local company to construct the Modern Athletics Training Camp at Kapsabet Phase II at a contract sum of Kshs.53,222,000 on 3 July, 2019. - The contract duration was three (3) months effective from the date of the agreement and was expected to end by 3 October, 2019. Two (2) payments of Kshs.7,000,000 and Kshs.2,899,800 totaling to Kshs.9,899,800 were made to the contractor as final payments though the project was	No response	The management did not provide relevant documents to the OAG for verification	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 date of	60 days from the date of adoption of this report

		approximately 80% complete and had been put to use. - Although the project was already in use, it was noted that painting works were not completed and there was no formal handing			adoption of this report. 2) The Office of the County Governor to prioritize 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.	
41	Stalled Proposed Completion Works at Kapsengere	County Government of Nandi entered into contract with a local contractor for the proposed completion County Government of	The contractor has been paid the whole contract sum by the time of the Audit. The	The project was progressing as planned with adequate workforce and adherence to	The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit	60 days from the date of adoption of this report

	Hospital Phase II	Nandi entered into contract with a local contractor for the proposed completion works of Kapsengere Hospital (Phase II) in Terik Ward at a contract sum of Kshs.9,954,900 on 5 May, 2019. The contract duration was for three (3) months effective from the date of the agreement and was expected to end by 5 July, 2019. - However, review of documents provided and physical verification revealed that neither payments had been made nor any works done despite a budgetary allocation of Kshs.3,954,900 having been made during the year. The ablution	confirmation of the payment is shown in the final accounts for the project here attached which also indicates a variation for the extra works as done by the contractor. -The project was affected by the change of scope of the original work certificates no 7 had the accounts for the contract attached which is the full valuation for the works comparing the	quality standards	cycle. 60 days from the date of adoption of this report	
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		block, outpatient division building and site fencing were not complete. - Further, the ramp appeared structurally defective requiring demolition and this raised doubt on the competence of the contractor and effectiveness of supervision. In addition, the project appeared to have stalled and abandoned and the contractor was not on site at the time of the audit in September, 2024 -The County Government of Nandi entered into a contract with a local firm for construction of Kobujoi Sub-County Hospital. However, the contract	scheduled works in the award bill of quantities to the actually done works on the ground.			
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					sum could not be ascertained because signed contract documents were not provided for audit. It was also noted that payments totaling to Kshs.3,292,946 had been made to the local construction firm during the year under review. However, the payment vouchers and payment certificates were not provided for review. - Physical verification of the project carried out in the month of September, 2024 revealed that; the super structure was generally complete, inside walls had been plastered, skimming and undercoat applied on inside walls, floor tiling was	
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		complete, terrazzo works were in progress, electrical works and staircase works were still incomplete, roof ceiling works was at approximately 90% complete and the ramp was incomplete and work was in-progress, The project was generally progressing well with adequate workforce and adherence to quality.				
42	Construction of Mother and Child Hospital (MCH) at County Referral	As previously reported, the County Government of Nandi entered into a contract with a local firm for completion of MCH at the Kapsabet County Referral Hospital at a contract sum of Kshs.409,813,441 which was signed on 17	-The department of health has planned sectional takeover of the parts of the structure that are substantively complete for	The management did not provide the relevant document to the OAG for verification.	The Office of the County Governor undertakes administrative actions against the responsible officer(s) who failed to provide the documents to the auditors at the time of audit in accordance with section 156 of	60 days from the date of adoption of this report

		April, 2019. The Contract was to be for a duration of two years, two months and two weeks which was to end at the close of the financial year 2020-2021. As at the time of audit in 2022-2023 a total of Kshs.142,500,462 had been paid to the contractor - Review of the records provided du September, 2024 revealed that there was a budget allocation of Kshs.89,000,000 towards completion of the project out of which payments amounting to Kshs.66,333,788 were made to the contractor during the financial year under review resulting	the purpose of starting the process of equipping as evidenced by the first batch of equipment at the 1st and second floor. The process was slowed down by the Clients commitment to release the associated funds to wind up the process of partial take - over. -The contractor has floated a proforma invoice from his suppliers for the Elevators		the Public Finance Management Act and submit a status report to the OAG, 60 days from the adoption of this report	
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		to total payments of Kshs.208,834,250. However, the contract ring audit in agreement, payment vouchers supporting the payments made and the project file were not provided for audit verification. - Physical verification carried out in the month of September, 2024 revealed that the contractor was on site and the works were ongoing though at a slow pace. It was noted that the building was still incomplete and had not been put to use and the completion level was estimated at 75%. It was noted that since inception in 2019, electrical works, the ramp, external wall	who will embark on the process of assembly the lift once he pays them and cited the delay in release of his outstanding payments to the delay. -Floor tiling has remained a small part that is being done by now. - Curtain walling two pieces of glass that had not been fixed are now on site and will be placed. -The ramp is full complete with the			
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		finishes, the floor tiling and the basement were incomplete, two (2) elevators designed for the building had not been installed but curtain walling was on going.	stainless-steel balustrades / railings fully fixed			
43	Construction of the Governor's Office Building - Nandi County Headquarters	the County Government of Nandi entered into a contract with a local firm for the construction of Governor's Office Building - Nandi County Headquarters. A budgetary allocation of Kshs.20,000,000 was made towards the completion of the project however, out of Kshs.20,000,000 budgetary allocation, payments amounting to Kshs.4,326,400 were made to the local contractor during the	The Project file and Contract agreement for the construction of Governor's office Building are available. The payment vouchers and the supporting documents are also available and all have been provided for your audit review	The management did not provide relevant document to the OAG for verification.	The Office of the County Governor undertakes administrative actions against the responsible officer(s) who failed to provide the documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act and submit a status report to the OAG, 60 days from the adoption of this report	60 days after the date of adoption of this report

		year under review. Further, contract agreement, payment vouchers supporting the payment and the project file were not provided for audit review. - Although there was a sign of a recent external painting works on the building which was still incomplete, access to the physical site for verification was limited as the Project Manager was not available on site and the site was closed with no activity going on.				
44	Variation of Contract for the Proposed Construction of a Fresh Produce Market at Jua	County Government of Nandi through Department of Administration, Public Service and E-Government entered into a contract with a	We hereby confirm that the recommendations of the Ad-hoc committee were acted upon and	The management did not provide the OAG relevant documents for verification	The Office of the County Governor (CEO) undertakes administrative action against the responsible officer(s) who fails to provide	60 days from the date of adoption of this report

	Kali Area, Kapsabet Town.	local Contractor for proposed construction of a Fresh Produce Market at Jua-Kali area in Kapsabet Municipality on 31 March, 2022 at a contract sum of Kshs.92,509,873. The project execution and completion were expected to take twelve (12) months from the commencement date ending on the 31 March, 2023. Five (5) payment certificates totalling to Kshs.92,509,874 equivalent to the contract sum had been issued and paid. - Further, two contract extension periods of eighteen (18) weeks and another for forty weeks (40) were County	approved leading to a supplementary budget approved by the Nandi County Assembly herein provided. We confirm that the file provided for audit was a single file with all the necessary documents. We have since retrieved the additional documents required and submit to you for your audit. -We confirm that the letter		documents 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	
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		Government of Nandi through Department of Administration, Public Service and E-Government entered into a contract with a local Contractor for proposed construction of a Fresh Produce Market at Jua-Kali area in Kapsabet Municipality on 31 March, 2022 at a contract sum of Kshs.92,509,873. The project execution and completion was expected to take twelve (12) months from the commencement date ending on the 31 March, 2023. Five (5) payment certificates totalling to Kshs.92,509,874 equivalent to the	requesting for variations was done by the contractor on site as per section 139 of the Public Procurement and Asset Disposal Act of 2025 Revised Edition of 2022. Herein Provided for your perusal is the request letter. - We undertake to understand why a 5% variance exists between the correspondence to the donor and the monitoring and			
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		contract sum had been issued and paid. Further, two contract extension periods of eighteen (18) weeks and another for forty weeks (40) were granted together with a variation of contract amounting to Kshs.22,970,940 translating to 24.8% of the total contract sum. An addendum to the extension of contract period/time and variations to contract for the contract agreement was later entered into between Kapsabet Municipality and the Local Contractor on 6 February, 2024 for a period of twelve months ending February, 2025. - However, there was no evidence to confirm that	evaluation report.			
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		the Ad-Hoc Committee recommendations were acted upon before variation of contract was approved. Also, all payment certificates for the initial contract sum were never accompanied by a valuation report and inspection and acceptance certificates. It was also noted that there was no evidence of contract variation initiation neither was there any variation order by the project manager. The correspondences between the donor and the County Government dated 12 April, 2024 indicated that the project completion was at 95% as at the time of the last interim payment				
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		certificate while the monitoring and evaluation report before variation of contract was initiated, indicated that the project was 90% complete which is contrary to donor report. Physical verification carried out in the month of September, 2024 revealed that the project was not complete. the County Government risks losing Kshs.22,970,940 through irregular variation of project cost for a project which was 95% complete and the whole contract sum had been paid.				
45	Delayed Completion Works Phase II for Chepterwai	The County Government of Nandi entered into contract with a local contractor	No response	The project was incomplete	1. The County Executive establishes a project	60 days from the date of adoption

	Sub-County Hospital	for proposed completion works at Chepterwai Sub- County Hospital phase II on 31 March, 2022 at a contract sum of Kshs.41,538,221 for a contract duration of Twenty-four (24) months effective from the date of the agreement and was expected to end by 31 March, 2024. In the year under review, a total of Kshs.10,990,472 was paid for the completion works however, physical verification revealed that only one (1) interim payment certificate amounting to Kshs10,990,472 was paid during the year but there were no actual measured works for the			management and monitoring Committee or a Projects Delivery Unit 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;	of this report
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		paid certificate. Further, the contractor was not on site at the time of the audit, and the proposed works had not been completed and the project was behind schedule by six (6) months.			2. The County executive puts in place measures to enhance its own generated revenue to meet its revenue target and address revenue shortfalls.	
46	Delayed Operationalization of Kenya Devolution Support Project (KDSP) Funded Coffee Mill Project	The County Government of Nandi entered into contract with a local contractor for proposed design, drawing and construction of a coffee mill structure, and supply, installation, testing and commissioning of coffee milling equipment and associated structures/works on 22 March, 2022 at a contract sum of	The delay in power connection was occasioned by KPLC procedures. The power required was 3 phases hence the delay. However, the power has since been connected. Testing and Commissioning of the factory is on-going.		3. The OAG to keep the matter in view and provide a status update to the Committee in the subsequent audit cycle.	

		Kshs.60,018,462. The contract duration was twelve (12) months and remedying of defects for a period of 6 months effective from the date of the agreement. it was noted that the project was completed in September, 2024 and the whole contract amount of Kshs.60,018,462 had been paid. Retention money totaling to Kshs.2,482,400 was still held, however, it was not clear whether this amount retained would be sufficient to remedy defects on full operation of the coffee mill. Further, it was noted that Kenya Power and Lighting Company Limited quoted for	The bank balance is majorly the retention money which could not be paid until the machines			
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		electricity supply to the coffee mill on 6 January, 2023 a sum of Kshs.1,784,543 and the full amount had been paid however, at the time of audit, the electricity had not been supplied and the coffee mill was not operational. -The KDSP closing bank account balance was Kshs.2,841,406, however, there was no guidance on the closure of the project account since KDSP II had kicked off				
47	Delayed Operationalization of Nandi County Textile and Apparel Unit	The County Government of Nandi and Rivatex East Africa Limited entered into a Memorandum of Understanding on the	Management confirmed project still not complete and is being owed by Rivatex E	The management did not submit relevant document to the OAG for verification	The Office of the County Governor undertakes administrative actions against the responsible officer(s) who failed to provide	60 days from the date of adoption of the report

		16 January, 2018 and a contract signed on 12 February, 2019 for the proposed construction of textile training and production plant at Mosoriot centre.	Africa Kshs. 10,242, 342.ast		the documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act and submit a status report to the OAG, 60 days from the adoption of this report	
48	Fuel Expenses on Road Works by County Machinery	Examination of expenditure records relating to road works revealed fuel expenses that were incurred on various road works in the County Wards amounting to Kshs.36,670,400 which were utilized by the Department of Roads on County machinery carrying out various road works. However, records of all County machineries and the	No responses	Fuel expenses of Kshs.36,670,400 for road works could not be confirmed as records on County machinery, planned and actual road works, and scope of works were not provided for	The Office of the County Governor (CEO) undertakes administrative action against the responsible officer(s) who fails to provide documents 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	60 days from the date of adoption of this report

		planned and actual roads works performed by the Department through force account including scope of works were not provided for audit verification. - The regularity of fuel expenses of Kshs.36,670,000 could not be confirmed		audit verification.	General within sixty (60) days from the adoption of this report.	
49	Unconfirmed Purchase of Office Furniture and General Equipment	examination of expenditure records relating to the furniture purchased revealed lack of proper records indicating the distribution and location of the purchased furniture	The list of furniture purchased and the distribution list is hereby attached	The management did not provide OAG document for verification.	The Office of the County Governor undertakes administrative actions against the responsible officer(s) who failed to provide the documents to the auditors at the time of audit in accordance with section 156 of the Public Finance Management Act and submit a status report	60 days from the date of adoption of this report

					to the OAG, 60 days from the adoption of this report	
50	Roads Projects Verification	Review of records provided revealed expenditure relating to road works amounting to Kshs.59,341,253 which was incurred on sixteen (16) roads that were done by the County Government. Physical verification revealed that the works carried out included spot improvement, heavy grading, drainage/culverting works and road structures (box culverts). However, the following anomalies Review of records provided revealed expenditure relating to road works amounting	Contractors have been asked to redo works.		The County Executive establishes a project management and monitoring Committee or a Projects Delivery Unit 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; Act, 2012;	60 days from the date of adoption of this report

		to Kshs.59,341,253 which was incurred on sixteen (16) roads that were done by the County Government. Physical verification revealed that the works carried out included spot improvement, heavy grading, drainage/culverting works and road structures (box culverts). However, the following anomalies were noted; i.Signages were not erected on all the road works verified. ii.More protection works was required around box culvert drains			The County executive puts in place measures to enhance its own generated revenue to meet its revenue target and address revenue shortfalls; and 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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		iii.Culverts erected were already filled and required cleaning and opening up the drains. iv.Culverts had low back fill murrum or washed and were likely to collapse due to pressure on usage by motorists thereby requiring more back filling done. v.Continuous murraming should be considered as most roads were supposed to be improved. In the absence of road signages, it was not possible to differentiate roads which were done by the County Government from roads which were done by other entities and value				
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		for money may not be realized on the expenditure of Kshs.59,341,253 incurred on road works.				
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE						
51	Management of County Assets	Examination of County assets records revealed that the County Government had a total of nineteen (19) unserviceable and obsolete vehicles in their custody - It was also noted that the assets register was not updated with the asset details such as serial number, identification tags, make/model/brand, cost of acquisition. In addition, a newly procured truck skip loader was not captured	No response	Asset register was not up to date	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	60 days from the date of adoption of this report.

		in the motor vehicle register.			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. 3. Office of the Auditor General should progressively review and report on the matter in the	
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					subsequent Financial Years.	
52	Failure to develop organizational chart	Review of the organizational structure for Nandi County Executive revealed that the County had been operating without organization chart since commencement of devolution	No responses	Management did not have an organizational chart for the Nandi County Executive since the start of devolution.	The County Executive should expedite development and approval of an organizational chart status report should be submitted to the Auditor General for verification.	60 days from the date of adoption of this report
53	Weak controls in processing payments	Review of payment vouchers in support of the expenditure incurred during the financial year revealed that most of the payment vouchers did Review of payment vouchers in support of the expenditure incurred during the financial year revealed that most of the payment vouchers did not indicate cheque numbers or internet banking (IB) references,	Controls instituted	Controls instituted Management did not ensure proper documentation of payment vouchers, which lacked cheque numbers, IB references, cash book voucher numbers, and dates, making	Management should comply with Section 104(i) of the Public Finance Management Act, 2012, by instituting proper internal controls over payment processing.	60 days from the date of adoption of this report

		cash book voucher numbers and dates thereby making it hard to trace the payments in the cash book and bank statements. -payment vouchers and the attached supporting documents were not stamped with date paid stamps thereby posing a risk of recycling of payment vouchers. It was also noted that some of the payment vouchers were not examined and signed together with the supporting documents being marked by person examining using red ink. -payment vouchers that were sampled for audit revealed that the internal audit	tracing difficult.		
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		purchase orders indicated just summaries. There were no proper registers recording voucher movement from receiving section at the County Treasury to the cash office and storage (archives).				
54	Payment of pending bills not previously disclosed.	Examination of expenditure records Examination of expenditure records relating to use of goods and acquisition of assets revealed payment of pending bills amounting to Kshs.11,836,900 relating to various supplies and services and roads construction which were not disclosed in the audited financial statements for 2022-2023 under	These were eligible bills incurred during the financial year 2022/2023 as evidenced by the supporting documents. The omission in the final pending bills list at the close of the financial year is highly regrettable. However, the	The management failed to disclose pending bills.	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 accordance with section 156 of the Public Finance Management Act, 2012, and provides a status report to the	60 days from the date of adoption of this report

		disclosures on analysis of accounts payable. -Pending bills movement schedule was not prepared and it was not clear whether these bills were properly payable.	pending bills movement schedule was attached. Movement schedule of 2022/2023 pending bills		Office of the Auditor General within sixty (60) days from the adoption of this report.	
55	Lack of independent Internal Audit function	Review of governance structures revealed that the head of Internal Audit was assigned duty in the office of Secretary, Nandi County Public Service Board on 18 April, 2023 for period of six months to perform duties of the Board secretary/CEO, Nandi County Public Service Board. However, it was noted that there was no re-appointment letter to serve as Head of Internal Audit after	No response		1. The county Executive expedites sufficient staffing of the audit committee to enhance oversight over public resources and provide a status report to the Auditor General within sixty (60) days from the adoption of this report. 2. the Salaries and	60 days from the date of adoption of this report

		lapse of the 6 months. Further, the head of Internal Audit's last appointment letter in the file was dated 2 January, 2018 indicating he was appointed as Assistant Director of Audit.			Remuneration Commission (SRC) to review the compensation framework for Audit Committee members since the low sitting allowances may not attract seasoned professionals to the county Audit Committees	
56	Timing of Audit Committee Meetings	Examination of audit committee records revealed that the Committee met four times in the year under review. However, they did not meet on quarterly basis as stipulated in the Gazette Notice No.40. It was noted that the meetings took place on 22	The audit committee had their workplan for the FY under review indicating the meetings were to be held on quarterly basis. The committee adhered to the laid-out	The Audit Committee did not meet quarterly as required by Gazette Notice No. 40	Management should ensure the Audit Committee complies with Section 5.2 of Gazette Notice No. 40 by holding meetings at least quarterly and planning them annually.	Continuous

		February, 2023, 7 December, 2023, 8 December, 2023 and 27 December, 2023	program as hereby attached;			
57	Lack of management commitment to the internal audit charter	Examination of internal audit charter revealed that the Accounting Officer/County Executive Committee Member for Finance and Economic planning did not commit to the document by signing as required. In the circumstances, Management commitment to the internal audit charter could not be confirmed.	The internal audit Charter was signed by the CECM for finance on 15th may 2023 and copy was attached herein.	The Accounting Officer/County Executive Committee Member for Finance and Economic Planning did not sign the Internal Audit Charter	Management should ensure the Internal Audit Charter is signed as required by the PSASB template.	Continuo us



13TH PARLIAMENT 4TH SESSION

MINUTES OF THE FIFTH SITTING OF THE COUNTY PUBLIC ACCOUNTS COMMITTEE WITH THE COUNTY EXECUTIVE OF KIRINYAGA TO CONSIDER REPORTS OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE COUNTY EXECUTIVE OF KIRINYAGA COUNTY EXECUTIVE FOR FINANCIAL YEAR 2023/2024, THE RECEIVER OF REVENUE STATEMENT AND THE COUNTY REVENUE FUND FOR FINANCIAL YEAR 2023/2024 HELD ON MONDAY, 17TH MARCH, 2025 AT COMMITTEE ROOM 9, SECOND FLOOR, BUNGE TOWER AT 10.00 A.M.

PRESENT

- | | |
|---|--------------------|
| 1. Sen. Moses Otieno Kajwang', CBS, MP | - Chairperson |
| 2. Sen. Johnes Mwashushe Mwaruma, MP | - Vice Chairperson |
| 3. Sen. Mwenda Gataya Mo Fire, CBS, MP | - Member |
| 4. Sen. Fatuma Adan Dullo, CBS, MP | - Member |
| 5. Sen. (Dr.) Lelegwe Ltumbesi, CBS, MP | - Member |
| 6. Sen. Enoch Kiio Wambua, CBS, MP | - Member |
| 7. Sen. Edwin Watenya Sifuna, CBS, MP | - Member |

ABSENT WITH APOLOGY

- | | |
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| 1. Sen. Okong'o Mogeni, CBS, SC, MP | - Member |
| 2. Sen. Samson Kiprotich Cherarkey, MP | - Member |

SECRETARIAT

- | | |
|-----------------------|--------------------------------|
| 1. Mr. George Otieno | - Principal Clerk Assistant II |
| 2. Mr. Crispus Tima | - Clerk Assistant I |
| 3. Mr. David Angwenyi | - Clerk Assistant I |
| 4. Mr. Malcom Ngugi | - Legal Counsel |
| 5. Mr. Osman Mohamed | - Researcher |
| 6. Mr. Salat Hussein | - Fiscal analysts |
| 7. Mr. Willian Zenton | - Audio Officer |
| 8. Mr. John Chege | - Serjeant-at-arms |
| 9. Ms. Emily Murabula | - Intern |

IN ATTENDANCE

A. COUNTY GOVERNMENT OF KIRINYAGA

- | | |
|-------------------------|--------------------------------------|
| 1. Hon. Ann Waiguru | - Governor |
| 2. Ms. Jacqueline Njogu | - CECM-Finance |
| 3. Mr. H. Kimathi | - County Secretary |
| 4. Mr. Jared Wachira | - Chief of Staff |
| 5. Mr. Lawrence Muchira | - Director Budget |
| 6. Mr. Tom Nyatika | - Director Human Resource Management |
| 7. Mr. Kevin Mutinda | - Director Supply Chain |
| 8. Mr. Raphael Mwaura | - Ag. Director Accounting Services |
| 9. Ms. Pauline Kamau | - County Director Administrator |
| 10. Ms. Angela Wanhechi | - Communications Advisor |
| 11. Mr. Mark Irungu | - Senior Communications Officer |
| 12. Mr. Steven Gikonyo | - Advisor Executive Office |
| 13. Mr. Edward Nyaga | - Chief Officer Finance |

B. OFFICE OF THE AUDITOR GENERAL

- | | |
|------------------------|-------------------------|
| 1. Mr. Silvanus Obondi | - Principal Auditor-OAG |
| 2. Mr. Moses Murira | - Principal Auditor-OAG |
| 3. Mr. Patrick Muriuki | - Liaison Officer-OAG |

C. OFFICE OF THE CONTROLLER OF BUDGET

- | | |
|-------------------------|------------------|
| 1. Mr. Gilbert Gachanja | -Liaison Officer |
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D. OFFICE OF THE NATIONAL TREASURY

- | | |
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| 1. Ms. Edith Nkanata | -Liaison Officer |
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E. OFFICE OF THE ETHICS AND ANTI-CORRUPTION COMMISSION

- | | |
|------------------------|------------------|
| 1. Ms. Patricia Chebet | -Liaison Officer |
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MIN. NO. SEN/CPAC/024/2025 PRAYER

The meeting was called to order by the Chairperson at thirty minutes past nine O'clock followed by a word of prayer.

MIN. NO. SEN/CPAC/025/2025 ADOPTION OF THE AGENDA

The agenda of the meeting was adopted having been proposed by Sen. Johnes Mwashushe Mwaruma, MP and seconded by Sen. (Dr.) Lelegwe Ltumbesi, CBS, MP, as follows –

1. Prayer;
2. Adoption of Agenda;
3. Introductions;
4. Administration of Oath of Witness and Tabling of Documents;
5. Preliminaries;

6. Meeting with County Executive of Kirinyaga to consider Reports of the Auditor-General on the Financial Statements of the Kirinyaga County Executive for Financial Year 2023/2024, the Receiver of Revenue Statement and the County Revenue Fund for Financial Year 2023/2024;
7. Any Other Business; and
8. Date of the Next Meeting and Adjournment.

MIN. NO. SEN/CPAC/026/2025

**ADMINISTRATION OF OATH OF
WITNESS AND TABLING OF
DOCUMENTS**

The Governor of Kirinyaga County took Oath of Witness and tabled the Management responses and supporting documents for the Kirinyaga County Executive for Financial Year 2023/2024, the Receiver of Revenue Statement and the County Revenue Fund for Financial Year 2023/2024.

MIN. NO. SEN/CPAC/027/2025

PRELIMINARIES

The Chairperson sought clarity from the Clerk on-

- i). Update on the progress of invitation letters sent to Governors in relation to meeting the Constitutional timelines of 31st March, 2025;
- ii). Progress on the Report Writing; and
- iii). The preparation and readiness of the Special Sitting on 27th March, 2027 in regard to the Tabling and Adoption of the Report.

The Clerk informed the Committee invitation letters had been sent to all the forty seven County Executives and forty-seven County Assemblies.

Further, the Committee was informed report writing was in progress, as additional secretariate has been sought for the exercise, and that the secretariat was working to meeting the 31st March, constitutional timelines, and will be ready for the Special Sitting scheduled for the 27th, March, 2025.

MIN. NO. SEN/CPAC/028/2025

**MEETING WITH COUNTY EXECUTIVE OF
KIRINYAGA TO CONSIDER REPORTS OF
THE AUDITOR-GENERAL ON THE
KIRINYAGA COUNTY EXECUTIVE FOR
FINANCIAL YEAR 2023/2024, THE
RECEIVER OF REVENUE STATEMENT
AND THE COUNTY REVENUE FUND FOR
FINANCIAL YEAR 2023/2024**

The Committee considered and noted the contents of Committee Paper No. 5 (*Meeting with the County Executive of Kirinyaga*).

The following queries were interrogated on the County Revenue Fund—

- a) **For the Year ended 30th June 2024**

REPORT ON THE FINANCIAL STATEMENTS		
Audit Query	Concern	Observation and Recommendations
1. Statement of Comparison of Budget and Actual Amount	-Review of the financial statements showed prior year audited financial statements, CRF Central Bank Account reflected Kshs. 42,867,791 as opening balances resulting to budgeted receipts of Kshs. 614,495,587 whose source of funding could not be confirmed. In the circumstances, the accuracy and completeness of the statement of comparison of budget and actual balances could not be confirmed.	The Committee observed that receipts described as CRF were not based on realistic source of funding. The Committee directed the Accounting Officer to prepare a realistic budget. Further, to ensure that the entire budget process is aligned. The Auditor-General to confirm the progress of the mitigating measures put in the subsequent audit. The query remains unresolved.

The following queries were interrogated on the Receiver of Revenue–

b) For the Year ended 30th June 2024

REPORT ON THE FINANCIAL STATEMENTS		
Audit Query	Concern	Observation and Recommendations
1. Statement of Arrears of Revenue	The accuracy and completeness of the statement of arrears of revenue could not be confirmed.	The Committee observed that management did not provide supporting schedules for additional arrears. The Committee directed the Accounting Officer to ensure that supporting documents are availed to the Auditor during audit as required under section 9(1)(e) of the Public Audit Act, failure to which the Committee shall recommend for their investigation and prosecution in line with section 62(2) of the Public Audit in the subsequent audit cycle. The query remains unresolved.

The following queries were interrogated on the County Executive of Kirinyaga–

c) For the Year ended 30th June 2024

REPORT ON THE FINANCIAL STATEMENTS

Audit Query	Concern	Observation and Recommendations
1. Variances Between Financial Statements Balances and Integrated Financial Management Information System (IFMIS) Report	The accuracy and completeness of the respective payments amounts reflected in the statement of receipts and payments could not be confirmed.	The Committee observed that the Adjusted Trial balance supported by Journal Vouchers, supported by sufficient explanation authorization documentation was not provided. Further, the Committee observed that the variance of for each account balance not explained/supported. The Committee directed the Accounting Officer to submit the Adjusted Trial balance supported by Journal Vouchers, supported by sufficient explanation authorization documentation within one day from the date of the meeting. The query to be resolved subject to the submission to the auditor for verification the documents sought by the Committee.

REPORT ON IRREGULARITIES IN THE USE OF GOODS AND SERVICES

Audit Query	Concern	Observation and Recommendations
1. Irregular Payment of Revenue Collector's Allowances	-Review of the financial statements showed that there was no approved policy to guide on the basis of rate of payment. In the circumstances, the validity and accuracy of payments of allowances amount of Kshs. 4,301,100 could not be confirmed.	The Committee observed that the payments were made with no approved policy for payment of allowances. Further, the Committee observed that management violated the provisions of Regulation 104 (1) of the Public Finance Management. The Committee directed management to submit the list of beneficiaries to the OAG and institute administrative action on the accounting officer responsible. The query remains unresolved.
2. Unsupported Training Expenses	The validity and regularity of Kshs. 3,778,000 amounts incurred for training could not be confirmed.	The Committee observed that the number of participants in some invoices were more than the number of participants in the attendance list.

		The Committee directed the Accounting Officer to take administrative action on the officer responsible for payment of invoices for conference package with more participants than those who were in attendance. The query remains unresolved.
3. Lack of Ageing Analysis for Payables	The pending staff payables were not supported with an Ageing Analysis in the note to the financial statements. In the circumstances, the accuracy and completeness of the pending bills amount of Kshs. 1,229,536,760 could not be confirmed.	The Committee observed that pending bills increased by 48% during the year under review. The Committee directed the Accounting Officer to 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. The query remains unresolved.
4. Non-Disclosure of Bank Balances	The accuracy and completeness of bank balances totalling Kshs. 136,814,670 could not be confirmed.	The Committee marked the query as resolved, as advised by the Auditor. The query was resolved.
REPORT ON OTHER MATTER		
Audit Query	Concern	Observation and Recommendations
1. Unresolved Prior Year Matters	-Review of the financial statements showed that management has not resolved the issues as at 30 June, 2024.	The Committee observed that the prior year's audit issues were before the Committee. The Committee directed the Auditor-General to provide a status update on the progress made on the issues raised by the OAG as per Sec 53 of the Public Audit Act. The query remains unresolved.
REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES		
Audit Query	Concern	Observation and Recommendations
1. Non-Adherence to Fiscal Responsibility Principle	-Review of the financial statements showed that management violated the Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015, which states that the County Government expenditure on wages and benefits for public	The Committee observed that the payment for compensation of employees exceeded 35% allowable limit provided in the PFM (County Government Regulations).

	officers should not exceed 35% of the County Government total revenue.	The Committee advised the County to adhere to the Fiscal Responsibility Principle on Wage Bill. The query remains unresolved.
REPORT ON THE INEFFECTIVE MANAGEMENT OF CONTRACTS		
Audit Query	Concern	Observation and Recommendations
1. Construction of a Three Storey Medical Complex in Kirinyaga Sub County Hospital	-Review of the financial statements showed that management did not provide evidence of extension of contract provided since the last approved contract ended in November, 2024. Further, management did not provide evidence of current payment status. In the circumstances, the County may not get the value for money for the itemized projects on implementation.	The Committee directed the County executive to ensure adequate budget funding prior to the implementation of projects. Further, investigation of the subcontract's procurement should be instituted in the view of identifying the irregularities in the procurement process. The query remains unresolved.
2. Incomplete Ndaba Dispensary at Kagai Ward	During the physical verification of the project in the month of September 2024 it was noted the contract period had expired and physical works were at 67% completion level. In the circumstances, there is a risk that the projects with pending works may remain incomplete and the value for money on the amount already spent on the three projects may not have been realized. I	The Committee observed that evidence of reassessment and ongoing procurement process not provided. The Committee directed the Accounting Officer to ensure that the contractor is surcharged for liquidated damages for delay in completion of the project. The query remains unresolved.
3. Incomplete Hospital Management Information System (HMIS)	Value for money on the amount of Kshs. 27, 203, 450 for the design development, installation and commissioning of Integrated Hospital Management Information System may not have been realised.	The Committee directed the Accounting Officer to ensure contract sums attributable to the installation of the system in subcounty hospital are paid after full installation of the system.

		The Auditor-General to provide a status update on the progress made on the matter in the subsequent audit The query remains unresolved.
4. Ineffective Utilization of Public Resources for Legal Expenditure	The value for money may not have been realised on the expenditure of Kshs. 66, 212,341 for legal cases.	The Committee directed the Accounting Officer to ensure prudent use of public resources by utilizing the services of the County Legal Departments rather than outsourcing. Further, the Committee directed the Management to submit to the Auditor for verification a list of all the beneficiaries of the Kshs. 66, 212,341 after one day from the date of the meeting within one day from the date of the meeting. The query remains unresolved.
5. Delay in Construction of Fire Station Project	The value for money on the payment of Kshs. 44, 714,691 is doubtful.	The Committee observed that no evidence for extension of contract was provided, that the contract completion period expired and that the project is still pending. The Committee directed the Accounting Officer to provide justification for delay in completion of essential project for over four years within a day from the date of the meeting. The query remains unresolved.

REPORT ON THE IRREGULARITIES IN THE CONSTRUCTION OF COUNTY AGGREGATION AND INDUSTRIAL PARKS (CAIP)

Audit Query	Concern	Observation and Recommendations
1. Irregularities in the Construction of County Aggregation and Industrial Parks (CAIP)	-Review of the financial statements showed that management is in breach of the law and noncompliance with the Articles of the intergovernmental agreement on the establishment of County Aggregation and Industrial Parks.	The Committee directed the Accounting Officer to ensure County contribution of the project of Kshs. 250,000,000 requisitioned and approved by Controller of Budget was fully transferred to Special Purpose Account held at CBK.

	-The County did not comply with Treasury Order granted by Controller of Budget to transfer its own Counter Funding of Kshs. 250,000,000 only Kshs. 184,741,803 was transferred. -County did not comply with financial arrangements of operating of operating the activities of the Project at Special Purpose Account held at CBK.	The Committee directed the Accounting Officer to comply with Article 3 (c) on the financial arrangements of the Intergovernmental Agreement on Establishment of County Aggregation and Parks. The query remains unresolved.
2. Long Outstanding Pending Bill	Pending bills balance of Kshs. 1,229,536,760 include long outstanding debt balance of Kshs. 827,767,929 which did not form a first charge.	The Committee observed that no evidence was provided that pending bill of Kshs. 827,767,927 formed a first charge to the budget only Kshs. 100M was allocated. The Committee directed the County Management to ensure pending bills are paid as first charge to the subsequent budget. The Auditor-General to provide a status update on the progress made on the matter in the next audit cycle. The query remains unresolved.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Audit Query	Concern	Observation and Recommendations
1. Lack of Internal Audit Reports	-Review of the financial statements showed there was no evidence of internal audit report for the audit assignments carried out during the year under review. Further, there was no approved Internal audit plan provided. -The County did not comply with Treasury Order granted by Controller of Budget to transfer its own Counter Funding of Kshs. 250,000,000 only Kshs. 184,741,803 was transferred.	The Committee observed that in the absence of functional internal audit, the effectiveness of internal controls and risk management during the year under review could not be confirmed. The Committee directed the Accounting Officer to ensure the internal audit function is operating optimally in accordance with the approved plan.

	-County did not comply with financial arrangements of operating of operating the activities of the Project at Special Purpose Account held at CBK.	The Accounting Officer should strengthen internal audit controls and ensure proper record keeping in line with section 155 of the Public Finance Management Act, Cap.412A and submit a quarterly report to the County Treasury and the Controller of Budget in accordance with section 168(3) of the Public Finance Management Act, Cap.412A, failure to which the provisions of section 199 of the Public Finance Management Act, Cap.412A on penalties for offence shall apply The Auditor-General to provide a status update on the progress made on the matter in the next audit cycle. The query remains unresolved.
2. Lack of Valuation Report and Ownership Documents	The title deeds and valuation reports were also not provided. In the circumstances, the ownership and value of non-current assets could not be confirmed.	The Committee directed the Accounting Officer to ensure land title deed is obtained and valuation carried out. The Auditor-General to provide a status update on the progress made on the matter in the next audit cycle. The query remains unresolved.

MIN. NO. SEN/CPAC/029/2025

ANY OTHER BUSINESS

There was no any other business.

MIN. NO. SEN/CPAC/030/2025

DATE OF NEXT MEETING & ADJOURNMENT

The Chairperson adjourned the meeting at twenty-two minutes past five o'clock in the evening. The next meeting would be on Tuesday, 18th March, 2025.

SIGNED:  **DATE:** 26 March 2025

(CHAIRPERSON: SEN. KAJWANG' MOSES OTIENO, CBS, MP.)



MINUTES OF THE SIXTY (6TH) MEETING OF THE COUNTY PUBLIC ACCOUNTS COMMITTEE TO CONSIDER REPORTS OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR THE COUNTY EXECUTIVE OF UASIN GISHU FOR FINANCIAL YEAR 2023/2024 AND THE RECEIVER OF REVENUE AND COUNTY REVENUE FUND STATEMENTS FOR FINANCIAL YEAR 2023/2024, HELD ON TUESDAY 18TH MARCH, 2025 AT 10.00 AM AT COMMITTEE ROOM 9, SECOND FLOOR, BUNGE TOWER

PRESENT

1. Sen. Kajwang' Moses Otieno, CBS, MP- Chairman
2. Sen. Johnes Mwaruma, MP -Vice Chairman
3. Sen. (Dr.) Ltumbesi Lelegwe, CBS, MP -Member
4. Sen. Sifuna Edwine Watenya, CBS, MP - Member
5. Sen. Adan Dullo Fatuma, CBS, MP - Member
6. Sen. Mwenda Julius Gataya, CBS, MP - Member
7. Sen. Enoch Wambua, CBS, MP -Member

ABSENT WITH APOLOGY

1. Sen. Okong'o Mogeni, SC, CBS, MP -Member
2. Sen. Cherarkey Samson Kiprotich, MP - Member

COUNTY EXECUTIVE OF UASIN GISHU

1. Hon. Jonathan Bii, EGH - Governor Uasin Gishu County
2. Mr. Philip Meli -County Secretary
3. Mr. Micah Kosgei Rogony -CECM Finance
4. Mr. Stephen K Metto -County Attorney

- | | |
|---------------------------|--------------------------|
| 5. Mr. Joseph Lagat | -CECM Roads |
| 6. Mr. Eliud Kipkorir | -CO Finance |
| 7. Ms. Stella Rotich | -Finance Officer |
| 8. Ms. Priscilla Koech | -Finance Officer |
| 9. Mr. Boaz Kimeli Bulbul | -County Solicitor |
| 10. Mr. Selah K Ronoh | -Secretary CPSB |
| 11. Ms. Josiah K Metto | -Director Liaison |
| 12. Mr. Nathan Koech | -Director HRM |
| 13. Ms. Chelagat Carolyne | -Deputy Director Finance |
| 14. Ms. Mary Kiarie | -Internal Audit |

THE NATIONAL TREASURY

Ms. Edith Nkanata -Liaison Officer

OFFICE OF THE AUDITOR GENERAL (OAG)

- | | |
|------------------------|---------------------------------|
| 1. Mr. Gabriel Juma | - Auditor |
| 2. Mr. Isaiah Kanithi | -Auditor |
| 3. Mr. Patrick Kimani | -Auditor |
| 4. Mr. Patrick Muriuki | - Parliamentary Liaison Officer |

ETHICS AND ANTI-CORRUPTION COMMISSION

- | | |
|------------------------|-------------------|
| 1. Ms. Patricia Chebet | - Liaison Officer |
|------------------------|-------------------|

CONTROLLER OF BUDGET

- | | |
|-------------------------|-------------------|
| 1. Mr. Gilbert Gachanja | - Liaison Officer |
|-------------------------|-------------------|

SENATE SECRETARIAT

- | | |
|-------------------------|-------------------------------|
| 1. Mr. George Otieno | - Principal Clerk Assistant I |
| 2. Mr. Crispus Tima | -First Clerk Assistant |
| 3. Mr. Hussein Salat | - Fiscal Analyst II |
| 4. Mr. Malcom Ngugi | - Legal Counsel II |
| 5. Ms. Annette Khaeyela | - Research Officer III |
| 6. Mr. William Zenton | - Audio Officer |
| 7. Mr. Ibrahim Oruko | -Media Relations Assistant |
| 8. Ms. Emily Murabula | - Intern |

MIN/SEN/CPAC/031/2025

PRELIMINARIES AND PRAYERS

The Chairperson called the meeting to order at 10:30 am followed by a word of prayer. Thereafter introductions followed.

The Committee was informed that the County Executive of Nakuru vide letter ref NKR.C/CECFIN/Senate/VOL.1/47 wrote requesting for postponement of the meeting scheduled for 18th March 2025 for the reason that the Governor was still on official leave.

The Committee directed the secretariat to prepare an advisory regarding official leave management for state officers serving in county governments.

MIN/SEN/CPAC/032/2025

ADOPTION OF AGENDA

The agenda of the meeting was adopted having been proposed Sen. Adan Dullo Fatuma, CBS, MP and seconded by Sen. Enoch Wambua, MP as follows;

1. Prayer.
2. Adoption of Agenda.
3. Introductions.
4. Administration of Oath.
5. Preliminaries.
6. Brief on the Audit Reports on the Financial Statements of the County Executive of Uasin Gishu for the Financial Year 2023/2024 (*Committee Paper No.6*).
7. Consideration of the Report of the Auditor General on the Financial Statements of the County Executive of Uasin Gishu for Financial Year 2023/2024.
8. Consideration of the Report of the Auditor General on the Receiver of Revenue Statements of the County Executive of Uasin Gishu for the Financial Year 2023/2024.
9. Consideration of the Report of the Auditor General on the County Revenue Fund Statements of the County Executive of Uasin Gishu for the Financial Year 2023/2024.
10. Any Other Business.
11. Date of the Next Meeting and Adjournment.

MIN/SEN/CPAC/033/2025

ADMINISTRATION OF OATH

The Governor of Uasin Gishu County, Hon. Jonathan Bii, EGH took Oath of Witness and tabled the Management responses and supporting documents for the Financial Year (FY) 2023/2024, the Receiver of Revenue Statement and County Revenue Fund for Financial Year 2023/2024.

MIN/SEN/CPAC/034/2025

CONSIDERATION OF THE REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE COUNTY EXECUTIVE OF UASIN GISHU FOR THE FINANCIAL YEAR 2022/2023

The Committee raised concern that in the audit signed by the Auditor- General, Forty-six (46) audit queries were raised. However, at the time of appearance before the Committee of the Senate, twenty-eight (28) of those queries were resolved, ten (10) were not resolved and eight (8) were partially resolved.

The Committee raised concerns on the inconsistency and noted that the supporting documents to answer to the queries had now been provided and could not vouch the authenticity of the supporting documents submitted outside the time of audit.

The Committee therefore recommended that responsible officers be charged for violation of section 62 of the Public Audit Act.

The Committee further resolved to undertake a county visit in Uasin Gishu County to ascertain status of project implementation within the month of April 2025.

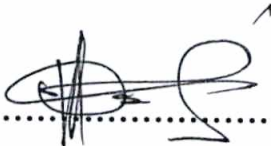
The Committee resolved to use management responses to write its report on the report of the auditor General for FY 2023/2024, the Receiver of Revenue and County Revenue Statements for FY 2023/2024.

MIN/SEN/CPAC/036/2024

**ADJOURNMENT AND DATE OF
NEXT MEETING**

The meeting was adjourned at 12.25 pm. The next meeting would be held on Thursday, 20th March, 2025 at 10:00 a.m.

SIGNATURE.....



(CHAIRPERSON: SEN. KAJWANG' MOSES OTIENO, MP)

DATE.....

26 March 2025



MINUTES OF THE SEVENTH (7TH) MEETING OF THE COUNTY PUBLIC ACCOUNTS COMMITTEE TO CONSIDER REPORTS OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR THE COUNTY EXECUTIVE OF KISII FOR FINANCIAL YEAR 2023/2024 AND THE RECEIVER OF REVENUE AND COUNTY REVENUE FUND STATEMENTS FOR FINANCIAL YEAR 2023/2024, HELD ON MONDAY 24TH MARCH, 2025 AT 10.00 AM AT COMMITTEE ROOM 9, SECOND FLOOR, BUNGE TOWER

PRESENT

1. Sen. Kajwang' Moses Otieno, CBS, MP- Chairman
2. Sen. Johnes Mwaruma, MP -Vice Chairman
3. Sen. (Dr.) Ltumbesi Lelegwe, CBS, MP -Member
4. Sen. Sifuna Edwine Watanya, CBS, MP - Member
5. Sen. Adan Dullo Fatuma, CBS, MP - Member
6. Sen. Mwenda Julius Gataya, CBS, MP - Member
7. Sen. Enoch Wambua, CBS, MP -Member

ABSENT WITH APOLOGY

8. Sen. Okong'o Mogeni, SC, CBS,MP -Member
9. Sen. Cherarkey Samson Kiprotich, MP - Member

FRIEND OF THE COMMITTEE

Sen. Onyonka Richard Momoima, MP -Senator Kisii County

IN ATTENDANCE

COUNTY EXECUTIVE OF KISII

- | | |
|-----------------------------|--------------------------|
| 1. Hon. Paul Simba Arati | - Governor, Kisii County |
| 2. Mr. Earnest Osoro | -County Secretary |
| 3. Mr. Kennedy Abincha | -CECM Finance |
| 4. Mr. Alfred Nyandieka | -County Attorney |
| 5. Mr. Ronald Nyakweba | -CECM Health |
| 6. Dr. Otucho Obure | - Chief Officer |
| 7. Mr. Conrad Owino | - C.O Revenue Management |
| 8. Mr. Vincent Okioma | -CO Roads |
| 9. Mr. Cleophas Okioi | -CO Water |
| 10. Mr. John Nyandanyi | -HOA |
| 11. Dr. John Kennedy Omanga | -P.A Governor |
| 12. Ms. Lydia Moindi | -Accountant |

THE NATIONAL TREASURY

CPA Lawrence Kwiriga -Liaison Officer

OFFICE OF THE AUDITOR GENERAL (OAG)

- | | |
|------------------------|---------------------------------|
| 1. Dr. Simon Nabosu | -Director Audit |
| 2. Mr. Anthony Muriuki | -Deputy Director Audit |
| 3. Mr. Patrick Muriuki | - Parliamentary Liaison Officer |

CONTROLLER OF BUDGET

Mr. Gilbert Gachanja -Fiscal Analyst

SENATE SECRETARIAT

- | | |
|-------------------------|-------------------------------|
| 1. Mr. George Otieno | - Principal Clerk Assistant I |
| 2. Mr. Crispus Tima | -First Clerk Assistant |
| 3. Mr. Hussein Salat | - Fiscal Analyst II |
| 4. Mr. Malcom Ngugi | - Legal Counsel II |
| 5. Ms. Annette Khaeyela | - Research Officer III |
| 6. Mr. William Zenton | - Audio Officer |
| 7. Mr. Ibrahim Oruko | -Media Relations Assistant |
| 8. Ms. Emily Murabulu | - Intern |

MIN/SEN/CPAC/37/2025

**PRELIMINARIES AND
PRAYERS**

The Chairperson called the meeting to order at 10:30 am followed by a word of prayer. Thereafter introductions followed..

MIN/SEN/CPAC/38/2025

ADOPTION OF AGENDA

The agenda of the meeting was adopted having been proposed Sen. Enoch Wambua, MP, CBS, MP and seconded by Sen. Johnes Mwaruma, MP as follows;

1. Prayer.
2. Adoption of Agenda.
3. Introductions.
4. Administration of Oath.
5. Preliminaries.
6. Brief on the Audit Reports on the Financial Statements of the County Executive of Kisii for the Financial Year 2023/2024 (*Committee Paper No.11*).
7. Consideration of the Report of the Auditor General on the Financial Statements of the County Executive of Kisii for Financial Year 2023/2024.
8. Consideration of the Report of the Auditor General on the Receiver of Revenue Statements of the County Executive of Kisii for the Financial Year 2023/2024.
9. Consideration of the Report of the Auditor General on the County Revenue Fund Statements of the County Executive of Kisii for the Financial Year 2023/2024.
10. Any Other Business.
11. Date of the Next Meeting and Adjournment.

MIN/SEN/CPAC/39/2025

ADMINISTRATION OF OATH

The Governor of Kisii County, **Hon. Paul Simba Arati**, took Oath of Witness and tabled the Management responses and supporting documents for the Financial Year (FY) 2023/2024, the Receiver of Revenue Statement and County Revenue Fund for Financial Year 2023/2024.

MIN/SEN/CPAC/40/20245

**CONSIDERATION OF THE REPORT OF
THE AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF THE
COUNTY EXECUTIVE OF KISII FOR THE
FINANCIAL YEAR 2023/2024**

Basis for Qualified Opinion

No.	Audit query	Concern	Observation/Recommendation
1.	Unexplained Voided Transactions	Review of the Integrated Financial Management Information System (IFMIS) system payments indicated that six hundred and four (604) transactions amounting to Kshs.232,358,841 were voided during the year 2023/2024. Information provided indicate that the Controller of Budget (CoB) had approved payment of the voided transactions. Management did not provide explanations as to why the payments were voided after approval.	- Directed the auditors to carry out a comparative analysis of the voided transactions amounting to Kshs 232, 358, 841 and confirm the actual beneficiaries of the approved disbursement. The analysis be included in the next audit report. - Directed the OAG to verify if the suppliers affected by the voiding were later paid or if budgeting has been made for their payment - The Committee directed that the matter is remains unresolved. - Proposed that the PFM Act be amended to prescribe academic qualifications for CECM and Chief Officer Finance. - The Committee recommended that the CBK allows the COB visibility of the actual payments made through the IB system for accountability purposes.

No.	Audit query	Concern	Observation/Recommendation
2	Irregular Earnings of Salary by the County Attorney	Review of the records of the County Executive revealed that the Governor appointed an officer as the County Attorney vide a Gazette Notice No. 14717 on 30 November, 2022 and a letter of appointment issued on 1 December, 2022. However, a private citizen proceeded to the Employment and Labour Relations Court at Kisumu to contest the employment of the County Attorney and filed a petition under Petition. On 24 January, 2024, the Employment and Labour Relations Court at Kisumu quashed the appointment of the officer through a judgement delivered virtually. However, as at the time of audit, in September, 2024, the officer continued being in the payroll and had received salary of Kshs.3,384,632 from January, 2024 to August, 2024.	• The Committee observed that the position of the OAG and that of the county contradict on the status of the court ruling regarding the recruitment of the county attorney. • The Committee directed the county to submit to the OAG the court of Appeal ruling on the case for verification. • The OAG to report if the County Attorney is legally in office.
3	Incomplete Projects - Department of	Review of the records in the Department of Trade Development and Regulations revealed the following	• The Committee was informed that the contracts were procured as one LOT contract

No.	Audit query	Concern	Observation/Recommendation
	Roads and Public Works	unsatisfactory matters: a) The County Executive awarded a contract valued at Kshs.26,641,662 to a Company for construction, repair and maintenance of Lot 2 roads in Bonchari Sub-County, on 7 December, 2023. The contract was to run for 24 weeks. At the time of audit majority of the projects were incomplete b) The Department awarded a contract at a sum of Kshs.62,415,692 for construction, repair and maintenance of Lot 2 roads in Bobasi Sub-County. Audit inspection revealed that a of Kshs.1,149,003.20 was paid for repair and maintenance of Riamiyungo-Nyakegara-Nyachenge Junction Road before proper completion of the Project. A section of the road covering a distance of 1.7km was graded but not gravelled. In	construction and improvement of roads. • The contractor had challenges to complete the projects which led to termination of the contract • The governor informed the Committee that there was no payment to the contractor. • The Committee directed the County to carry out due diligence on contractors before award of contractors. • The Committee resolved to carry out project inspection in the County of Kisii. • The Committee implored on the County Assembly of Kisii to be proactive in carrying out its primary oversight mandate.

No.	Audit query	Concern	Observation/Recommendation
		addition, a number of projects were not completed within the project period and the contractors did not request for approval of variation of contract period	

The Committee made the following resolutions

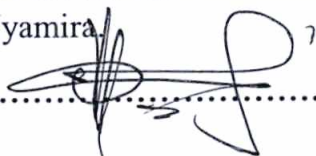
1. Noted that the Auditors queried sixty four issues; out of which only eight queries were resolved, four partially addressed and fifty two unresolved. The Committee therefore resolved to adopt the resolved issues and carry the 52 unresolved issues to the Senate for resolution and seek the direction of the House to make follow up on their implementation within sixty days upon adoption of the report.
2. Resolved to adopt the Auditor's brief on the Receiver of Revenue and County Revenue Fund Statements for FY 2023/2024 in writing its report of the financial statements.
3. Noted that the County has weak internal controls occasioned by absence of an internal audit committee to superintend the audit function.
4. Directed the governor to recruit and audit committee and have it operationalized within a month.
5. Directed the Governor to fill the vacancies in the offices of the Chairman and Secretary to the County Public Service Board.

MIN/SEN/CPAC/41/2025

**ADJOURNMENT AND DATE OF NEXT
MEETING**

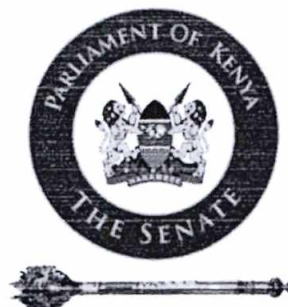
The meeting was adjourned at 2.45 pm. The next meeting would be held on Wednesday, 26th March 2025 at 9:00 a.m. to confirm minutes, adopt reports and meet with the County Executive of Nyamira.

SIGNATURE.....



(CHAIRPERSON: SEN. KAJWANG' MOSES OTIENO, MP)

DATE..... 26 March 2025



13TH PARLIAMENT 4TH SESSION

MINUTES OF THE EIGHTH SITTING OF THE COUNTY PUBLIC ACCOUNTS COMMITTEE WITH THE COUNTY EXECUTIVE OF NYAMIRA TO CONSIDER REPORTS OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE COUNTY EXECUTIVE OF NYAMIRA COUNTY EXECUTIVE FOR FINANCIAL YEAR 2023/2024, THE RECEIVER OF REVENUE STATEMENT AND THE COUNTY REVENUE FUND FOR FINANCIAL YEAR 2023/2024 HELD ON WEDNESDAY, 26TH MARCH, 2025 AT COMMITTEE ROOM 9, SECOND FLOOR, BUNGE TOWER AT 9.00 A.M.

PRESENT

- | | |
|---|---------------------------|
| 1. Sen. Moses Otieno Kajwang', CBS, MP | - Chairperson |
| 2. Sen. Johnes Mwashushe Mwaruma, MP | - Vice Chairperson |
| 3. Sen. Fatuma Adan Dullo, CBS, MP | - Member |
| 4. Sen. Okong'o Mogeni, CBS, SC, MP | - Member |
| 5. Sen. (Dr.) Lelegwe Ltumbesi, CBS, MP | - Member |
| 6. Sen. Enoch Kiio Wambua, CBS, MP | - Member |
| 7. Sen. Mwenda Gataya Mo Fire, CBS, MP | - Member |
| 8. Sen. Edwin Watenya Sifuna, CBS, MP | - Member |

ABSENT WITH APOLOGY

- | | |
|--|----------|
| 1. Sen. Samson Kiprotich Cherarkey, MP | - Member |
|--|----------|

SECRETARIAT

- | | |
|-----------------------------------|--|
| 1. Mr. Fredick Muthengi
Office | - Deputy Director Parliamentary Budget |
| 2. Mr. Joash Kosiba | - Chief fiscal analysts |
| 3. Mr. George Otieno | - Principal Clerk Assistant II |
| 4. Mr. Crispus Tima | - Clerk Assistant I |
| 5. Mr. David Angwenyi | - Clerk Assistant I |
| 6. Mr. Malcom Ngugi | - Legal Counsel |
| 7. Mr. Osman Mohamed | - Researcher |
| 8. Ms. Joan Mahinda | - Researcher |
| 9. Ms. Annette Khayela | - Researcher |
| 10. Mr. Salat Hussein | - Fiscal analysts |
| 11. Mr. Willian Zenton | - Audio Officer |

12. Mr. John Chege
13. Ms. Emily Murabula

- Serjeant-at-arms
- Intern

IN ATTENDANCE

A. COUNTY GOVERNMENT OF NYAMIRA

- | | |
|----------------------|-------------------------|
| 1. Hon. Amos Nyaribo | - Governor |
| 2. Mr. Jones Omwenga | - CECM-Finance |
| 3. Mr. Steven Oboso | - CECM-Lands |
| 4. Dr. Mogui Donald | - CECM-Health |
| 5. Mr. Erastus Orina | - County Attorney |
| 6. Dr. Asmath Maobe | - Chief Officer Finance |
| 7. Mr. Harbert Obegi | - Senior Accountant |
| 8. Ms. Rael Nyandika | - Senior Accountant |
| 9. Mr. Aloys Matara | - Accountant |
| 10. Mr. Misati Amos | - SCMO-Finance |

B. COUNTY ASSEMBLY OF NYAMIRA

- | | |
|-----------------------|-------|
| 1. Hon. Josiah Magoma | - MCA |
| 2. Hon. Miinda Riechi | - MCA |
| 3. Hon. Cheloo Kegwa | - MCA |
| 4. Hon. James Matinda | - MCA |

C. OFFICE OF THE AUDITOR GENERAL

- | | |
|------------------------|-------------------------|
| 1. Mr. Francis Kaboi | - Deputy Director-OAG |
| 2. Mr. Joseph Irungu | - Principal Auditor-OAG |
| 3. Mr. Patrick Muriuki | - Liaison Officer-OAG |

D. OFFICE OF THE CONTROLLER OF BUDGET

- | | |
|-------------------------|------------------|
| 1. Mr. Gilbert Gachanja | -Liaison Officer |
|-------------------------|------------------|

E. OFFICE OF THE ETHICS AND ANTI-CORRUPTION COMMISSION

- | | |
|------------------------|------------------|
| 1. Ms. Patricia Chebet | -Liaison Officer |
|------------------------|------------------|

MIN. NO. SEN/CPAC/042/2025 PRAYER

The meeting was called to order by the Chairperson at thirty minutes past nine O'clock followed by a word of prayer.

MIN. NO. SEN/CPAC/043/2025 ADOPTION OF THE AGENDA

The agenda of the meeting was adopted having been proposed by Sen. Edwin Watenya Sifuna, CBS, MP and seconded by Sen. Fatuma Adan Dullo, CBS, MP, as follows –

1. Prayer.
2. Adoption of Agenda.

3. Confirmation of Minutes of previous Meetings.
4. Matters arising from Minutes of previous Meetings.
5. Introductions.
6. Administration of Oath of Witness and Tabling of Documents;
7. Preliminaries;
8. Consideration and Adoption of Reports for the forty-Seven (47) County Executives and forty-seven (47) County Assemblies;
9. Brief on the Audit Report of the Financial Statements of the County Executive of Nyamira for Financial Year 2023/2024 (*Committee Paper No. 012*).
10. Meeting with County Executive of Nyamira to consider Reports of the Auditor-General on the Financial Statements of the Nyamira County Executive for Financial Year 2023/2024, the Receiver of Revenue Statement and the County Revenue Fund for Financial Year 2023/2024.
11. Any Other Business.
12. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPAC/044/2025 ADMINISTRATION OF OATH OF
WITNESS AND TABLING OF
DOCUMENTS**

The Governor of Nyamira County took Oath of Witness and tabled the Management responses and supporting documents for the Nyamira County Executive for Financial Year 2023/2024, the Receiver of Revenue Statement and the County Revenue Fund for Financial Year 2023/2024.

MIN. NO. SEN/CPAC/045/2025 CONFIRMATION OF MINUTES

The Committee confirmed the following sets of minutes-

- i) The Minutes of the Fifth Sitting held on Monday, 17th March, 2025; were confirmed as a true record of the proceedings and signed by the Chairperson after being proposed by Sen. Johnes Mwashushe Mwaruma, MP and seconded by Sen. Sen. (Dr.) Lelegwe Ltumbesi, CBS, MP.
- ii) The Minutes of the Sixth Sitting held on Tuesday, 18th March, 2025; were confirmed as a true record of the proceedings and signed by the Chairperson after being proposed by Sen. (Dr.) Lelegwe Ltumbesi, CBS, MP and seconded by Sen. Fatuma Adan Dullo, CBS, MP.
- iii) The Minutes of the Seventh Sitting held on Monday, 24th November, 2024; were confirmed as a true record of the proceedings and signed by the Chairperson after being proposed by Sen. Johnes Mwashushe Mwaruma, MP and seconded by Sen. Enoch Kiio Wambua, CBS, MP.

Members raised concern on the format of drafting the Minutes and the way
interrogated
issues were being captured in the Minutes.

The Committee directed, the secretariate to have a standard way of drafting the minutes and on the how issues interrogated are being captured.

MIN. NO. SEN/CPAC/046/2025 MATTERS ARISING FROM THE PREVIOUS MINUTES

There was no matter arising from Minutes of previous Meetings.

MIN. NO. SEN/CPAC/047/2025 PRELIMINARIES

In the preliminary, the Clerk informed the Committee that, the secretariate had prepared for consideration by the Committee Forty-Seven (47) reports of the County Executives and forty-seven (47) reports of the County Assemblies from various Counties, noting that some Counties had submitted their management responses beyond the timelines stipulated in the invitation letters.

Upon deliberations, the Committee resolved to invoke Article 125 of the Constitution and Section 18 and 20 of the Parliamentary Powers and Privileges Act, Cap 6, that empower the Senate and any of its Committees to summon any person to appear before it for purpose of giving evidence or providing information.

MIN. NO. SEN/CPAC/048/2025 CONSIDERATION AND ADOPTION OF REPORTS FOR THE FORTY-SEVEN (47) COUNTY EXECUTIVES AND FORTY-SEVEN (47) COUNTY ASSEMBLIES

The Committee considered and adopted the report of the County Public Accounts Committee on the Assessment of Risk Exposure on County Executive on County Executives for the financial year 2023/2024 having been proposed by Sen. Enoch Kiio Wambua, CBS, MP and seconded by Sen. Okong'o Mogeni, CBS, SC, MP.

Further, the Committee considered and adopted its Report on the Report of the Auditor General for the forty-Seven (47) County Executives and forty-seven (47) County Assemblies having been proposed by Sen. Enoch Kiio Wambua, CBS, MP and seconded by Sen. Okong'o Mogeni, CBS, SC, MP.

The Committee directed the secretariat to incorporate the amendments given by the members of the Committee and present the aforementioned reports for Tabling in the House.

MIN. NO. SEN/CPAC/049/2025 MEETING WITH COUNTY EXECUTIVE OF NYAMIRA TO CONSIDER REPORTS OF THE AUDITOR-GENERAL ON THE

**NYAMIRA COUNTY EXECUTIVE FOR
FINANCIAL YEAR 2023/2024, THE
RECEIVER OF REVENUE STATEMENT
AND THE COUNTY REVENUE FUND FOR
FINANCIAL YEAR 2023/2024**

The Committee considered and noted the contents of Committee Paper No. 12 (*Meeting with the County Executive of Nyamira*).

The Auditors from the hub raised concern, informing the Committee that management responses were submitted late; hence they were not ready to proceed and guide the Committee.

The Committee displayed its displeasure owing to the fact the management responses were submitted to auditor, the very day the Governor was meant to appear before the Committee.

Consequently, the Committee was informed that the County Assembly has not been able to consider the Auditor-General Reports, noting that the management responses were sort by the County Assembly, but were not submitted as sort.

After deliberations the Committee resolved to-

- i) Reschedule the meeting to a later date that will be communicated to the Governor in due course to respond to the audit issues raised in the aforementioned reports.
- ii) Do a special inquiry on the Governance of Nyamira, and confirm whether the approvals were done within the law.
- iii) The Office of the Auditor-General to undertake a special audit on the financial statements of the Reports of the Auditor-General on the Financial Statements of the Nyamira County Executive for Financial Year 2023/2024, the Receiver of Revenue Statement and the County Revenue Fund for Financial Year 2023/2024.
- iv) The Committee further directed the management to resubmit the management responses that are clear, legible with no ambiguity to the auditor and Senate.

The Committee urged the County executive and the County Assembly of Nyamira to come together and provide leadership in working towards achieving a common goal aimed at improving the lives of the people of Nyamira County.

MIN. NO. SEN/CPAC/050/2025 ANY OTHER BUSINESS

The Chairperson, thanked the Secretariate for burning the midnight oil in seeing the exercise of drafting these reports come true. Further, the Chairperson also thanked the technical team led by the Office of the Auditor-General, the Ethics and Anti-Corruption Commission and the National Treasury for their input in fine tuning the final drafts of the reports.

MIN. NO. SEN/CPAC/051/2025

DATE OF NEXT MEETING &
ADJOURNMENT

The Chairperson adjourned the meeting at thirty minutes past six o'clock in the evening. The next meeting would be on notice.

SIGNED:

DATE:

26 March 2025

(CHAIRPERSON: SEN. KAJWANG' MOSES OTIENO, CBS, MP.)

