

PARLIAMENT  
OF KENYA  
LIBRARY



REPUBLIC OF KENYA



REPORT

OF

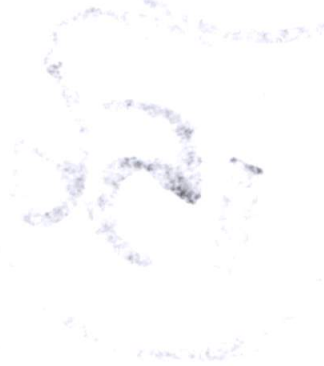
THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF MARSABIT

FOR THE YEAR ENDED  
30 JUNE, 2025

PAPERS LAID	
DATE	19/02/2026
TABLED BY	LEDANA OLEKINA
COMMITTEE	
CLERK AT THE TABLE	ABDIRAHMAN





---

*County Executive of Marsabit*

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2025**

---

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

Table of Contents

Page

<b>1. Acronyms, Abbreviations and Definition of Key Terms.....</b>	<b>ii</b>
<b>2. Key Entity Information and Management .....</b>	<b>iii</b>
<b>3. Governance Statement.....</b>	<b>ix</b>
<b>4. Foreword by CECM Finance and Economic Planning. ....</b>	<b>x</b>
<b>5. Statement of Performance against Predetermined Objectives.....</b>	<b>xiv</b>
<b>6. Environmental and Sustainability Reporting .....</b>	<b>xxi</b>
<b>7. Management Discussion and Analysis .....</b>	<b>xxiv</b>
<b>8. Statement of Management Responsibilities.....</b>	<b>xxvi</b>
<b>9. Report of the Independent Auditor for the Marsabit County Government.....</b>	<b>xxvii</b>
<b>10. Statement of Financial Performance for the year ended 30 June 2025 .....</b>	<b>1</b>
<b>11. Statement of Financial Position as at 30 June 2025 .....</b>	<b>2</b>
<b>12. Statement of Changes in Net Assets for the year ended 30 June 2025 .....</b>	<b>4</b>
<b>13. Statement of Cash Flows for the year ended 30 June 2025.....</b>	<b>5</b>
<b>14. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025 ...</b>	<b>6</b>
<b>15. Notes to the Financial Statements .....</b>	<b>8</b>
<b>16. Appendix.....</b>	<b>54</b>

## **1. Acronyms, Abbreviations and Definition of Key Terms**

### **A. Acronyms and Abbreviations**

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

### **B. Definition of Key Terms**

*Example*

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

**2. Key Entity Information and Management**

**a) Background information**

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

No.	Department	Major Responsibility
1.	Finance and Economic Planning	Management of County Treasury and Planning
2.	Agriculture and Livestock and Fisheries	Overseeing County Agriculture, animal husbandry and Fish farming
3.	Office of the governor	Management of County affairs
4.	Water, Environment & Natural Resources	Enhancing availability and access to potable water Reduce environmental degradation through conservation, protecting and managing of environment for present and future generation
5.	Lands Energy, Housing & Urban Development	Improve Management and administration of land Improve solid and liquid waste management Improve access to affordable, reliable, secure and climate friendly energy services Improve housing infrastructure
6.	Trade, Tourism, Industry & Cooperative Development	Trade promotion and development Cooperative societies registration and development Cottage industries and industrial parks development and promotion Tourism promotion and development
7.	Roads, Public Works & Transport	Improving road network infrastructure Improving transport mobility
8.	Education, Skills Development, Youth & Sports	Improving access to quality ECD Education Improving access to quality technical and vocational training Reduce unemployment rate among Youth
9.	Culture, Gender & Social Services	Improving, promoting, preserving and celebrating the county cultural heritage Promoting gender equality Increasing access to social services
10.	Health Services	Improving access to quality curative and rehabilitative services.
11.	County Public Service Board	Enhancing Public Service Delivery
12.	Public Service and Administration	Public service delivery systems and coordination of county affairs Public participation and civic education Integration, peace building and disaster management

**b) Key Management team**

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

No.	Designation	Name
1.	Office of the Governor	H.E Hon. Mohamud Mohamed. Ali EGH.
2.	Department of Finance and Economic Planning	Hussein Ali Hussein Fundi
3.	Department of Agriculture, Livestock and Fisheries	Adan Guyo Kanano
4.	County Public Service Board	Ambrose Lchokwe
5.	Department of Education, Youth, Sports and Skills Development	Ambaro Abdullahi
6.	Department of Health Services	Malicha Boru Wario
7.	Department of Administration and ICT	Dr. Armara Galwab
8.	Department of Lands and Urban Planning and Development	Amina Challa
9.	Department of Roads, Transport and Public Works	Guyo Guracha
10.	Department of Water, Environment and Natural Resources	Grace Galmo
11.	Department of Tourism, Trade, Industry and Enterprise Development	Adan Hirbo
12.	Department of Culture and Social Services	Jeremy Ledany

**c) Fiduciary Management**

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

No.	Designation	Name
1.	CECM Finance and Economic Planning	Hussein Ali Hussein Fundi
2.	Accounting Officer-Finance	Godfrey Godana
3.	Accounting Officer- Economic Planning and Budget	Ahmed Intallo Yusuf
4.	Accounting Officer Revenue and Resource Mobilization	Galm Guyo Rogicha
5.	Accounting Officer-Executive Department	Geoffrey Godana
6.	Accounting Officer- Food Security and Crop Development	Orge Guyo Baji

No.	Designation	Name
7.	Accounting Officer Livestock and Veterinary Services	Dr. Alamin Adan
8.	Accounting Officer Fisheries Development	Kula Phabbi
9.	Accounting Officer Education	Qabale Adhi Bulbul
10.	Accounting Officer Skills, Development and Vocational Training	Guyatu Wakalla
11.	Accounting Officer Youth and Sports	Adan Ali Osman
12.	Accounting Officer Medical Health Services	Dr. Arero Halkano
13.	Accounting Officer Public Health Services	Omar Boko Mohamed
14.	Accounting Officer ICT, Communication and Results Delivery	Eng. Mohamed Tache
15.	Accounting Officer Public Service and Devolved Units	Roba Qotto
16.	Accounting Officer Partner Coordination, Disaster management and Cohesion	Tache Elema
17.	Accounting Officer- Lands and Energy	Galm Guyo Rogicha
18.	Accounting Officer- Urban Development and Housing	Kazali Abdirizaq Bulle
19.	Accounting Officer –Roads and Transport	Rikoi Hitler
20.	Accounting Officer –Public Works	Anamaria Qalla Denge
21.	Accounting Officer- Water Services	Galma Halakhe
22.	Accounting Officer- Environment and Climate Change	Mr. Abdullahi Sheikh Ismail
23.	Accounting Officer Natural Resources, Forestry and Wildlife	Pauline Marheni
24.	Accounting Officer-Trade and Cooperative Development	Mahad Mohamed Dida
25.	Accounting Officer Culture, Gender and Social Services	Samuella Lolokuru
26.	Accounting Officer-Tourism	Guyo Ali Adano
27.	Director-Accounting services	CPA Dabasso Bonaya Adano
28.	Director-Revenue	CPA Shalle Ibrahim Shalle
29.	Director-Finance	CPA Ismail Jillo
30.	Director Internal Audit	CPA Simon Sibilet Khobes
31.	Director-Procurement	CPSP-K Francis Kariuki Kamendi

**d) Fiduciary Oversight Arrangements**

- a. The county Government of Marsabit has established an Internal Audit Committee pursuant to Section 155(5) of the PFM Act 2012. Whose activities during the year were to monitor implementation of recommendations made by external and internal oversight bodies.
- b. The Senate County Public Accounts Committee is established under standing order 193 of the Senate Standing Orders and is mandated- (a) pursuant to Article 96(3) of the Constitution, to exercise oversight over national revenue allocated to the county governments;

The senate committee considered the report of the Auditor General for the financial year 2023-2024 and made recommendations which are at the implementation stage;

- c. County Public Accounts and Investment Committee

Mandate

- i.* Examine accounts showing appropriation by the county Assembly to meet public expenditure.
- ii.* Examine reports, accounts & working of the county public investments.
- iii.* Examine whether the affairs of the county public investment are managed with sound financial or business principles.

The County Assembly Committee invited the county executive to consider the report on the pending bills verification process.

County Budget and Appropriation Committee

Mandate

- i. Investigate, inquire in to and report all the matters related to budget
- ii. Discuss and review the estimate and make recommendations to the County Assembly
- iii. Examine the County Budget Policy Statements
- iv. Examine Bills related to the County Budget, including appropriation bills
- v. Evaluate own source revenue estimates
- vi. Evaluate economic and budgetary policies and programmes with direct budget outlays.

The County Budget and Appropriation Committee considered the budget implementation process through invitation to the county treasury on project status and budget implementation process

- d. County Steering Group; The county has established the steering group whose mandate is to coordinate the activities between the county and our development partners to minimise and avoid duplication of functions and mobilize resources during emergencies.

During the financial year the group held meetings to deliberate among others;

- i. Discussion of smart survey;
- ii. Evaluation of short and long rain forecast within the county.
- iii. Development partners mapping
- iv. Assessment of cash transfer programs
- v. Discussion of technical working groups reports
- vi. Considering introduction of a restocking program as a result of drought.

**e) County Executive Headquarters**

P.O. Box 384 - 60500

County Headquarters

Marsabit - Isiolo Highway

Marsabit, Kenya.

**f) County Executive Contacts**

Telephone: (254)708852046

E-mail: [info@treasury.marsabit.go.ke](mailto:info@treasury.marsabit.go.ke)

Website: [www.marsabit.go.ke](http://www.marsabit.go.ke)

**g) County Executive Bankers**

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

**NAIROBI, KENYA**

2. Kenya Commercial Bank

Marsabit Branch

P.O Box 83 – 60500

Marsabit, Kenya

3. Co-operative Bank

Marsabit Branch

4. Equity Bank

Marsabit Branch

4. Co-operative Bank

Marsabit Branch

5. Equity Bank  
Marsabit Branch

**h) Independent Auditor**

Auditor-General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

**NAIROBI, KENYA**

**i) Principal Legal Adviser**

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

**NAIROBI, KENYA**

**j) County Attorney.**

Mrs. Flevia Kwamboka Gekone

P.O. Box 384 - 60500

County Headquarters

Marsabit - Isiolo Highway

Marsabit,

Kenya.

### **3. Governance Statement**

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

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

#### **The County Executive**

- a) The County Executive has 11 departments namely; Office of the Governor, department of finance and economic planning, department of agriculture, livestock and fisheries, department of education, youth sports and skills development, department of health services, department of administration and ICT, department of lands and urban planning and development, department of roads, transport and public works, department of water, environment and natural resources, department of trade, industry and enterprise development, and department of tourism, culture and social services.



- b) The Finance and Economic Planning department works closely with the County Assembly particularly the Finance, Budget and Appropriations Committee. This also extends to Parliament through the responsible Senate committees and other stakeholders through the director of communication. The county has a budget on public participation where forums are organized to engage stakeholders.
- c) County Government of Marsabit is a corruption free zone and this has been embedded in the governance structure of the county. The county has also employed a number of initiatives among them interdepartmental transfer of staff on a regular basis and employment of technology in revenue collection to reduce incidences of corruption.  
The county is in partnership with the investigative agencies and regularly involve them to build capacity and ability by the county to respond to the risks of errors, irregularities, misstatements and fraud. During the year there was no reportable incident.
- d) During the financial year ending June 30, 2025, the executive sponsored several bills and policy documents for consideration by the County Assembly among them were budget and appropriations bill, County Fiscal Strategy Paper and County Integrated Development Plan. The county has in place a policy that aids public participation during the initial stages of the bills. This is in line with Article 201 of the Constitution of Kenya, 2010 that stipulates principles of public finance listing them as openness and accountability including public participation in financial matters, clear fiscal reporting and prudent use of public money among others.

- e) The county is committed to Audit Risk management and control and has established the internal audit department headed by a director of Audit who is answerable functionally to the Audit committee with a budget for operations fully funded to enable effective performance of the audit work. It should be noted that County through its Directorate of audit has adopted a Risk Management policy while undertaking reviews of existing internal controls and organisational structure to establish and advise on the level and extent of risk exposure.

The county annual risk register depicts the commitment to identify and assess risks and put in place risk mitigation procedures and maintain it at low levels

- f) The county has an established Audit Committee pursuant to Section 155(5) of the PFM Act 2012. Whose activities during the year were to monitor implementation of recommendations made by external and internal oversight and whose charter provides guidelines on the terms of reference.
- g) The County operates and is bound by the Constitution of Kenya 2010, the County Governments Act, 2012, the Public Finance Management Act, 2012 and the consequent regulations that dictate usage of public funds. The County Government of Marsabit has adhered to Public Finance Management Act, 2012 on reporting as per Section 164(1) of the Act in respect to the annual accounting. This is also in the formats prescribed by the Accounting Standards Board.

To further ensure accountability, the prepared financial statements and reports are shared with the National Treasury, County Assembly, Commission on Revenue Allocation, Controller of Budget, and Auditor General where they are probed and scrutinised.

#### **4. Foreword by CECM Finance and Economic Planning.**

I am pleased to present to you the annual report and financial statements for the County Government of Marsabit for the financial year ended June 30, 2025. These financial statements also contain details on how the County Government performed over the past fiscal years;

- a) The County Government of Marsabit in line with the provisions of County Governments Act, 2012 has established twelve departments to undertake the implementation of the following activities;
- Agriculture, including crop and animal husbandry, livestock sale yards among others
  - County health services, including, in particular county health facilities and pharmacies. ambulance services and promotion of primary health care;
  - Control of air pollution, noise pollution, other public nuisances and outdoor advertising. - Cultural activities, public entertainment and public amenities
  - County transport, including county roads, street lighting, traffic and parking
  - Animal control and welfare, including licensing of dogs and facilities for the accommodation, care and burial of animals.
  - Trade development and regulation,
  - County planning and development, including statistics and land survey and mapping
  - Pre-primary education, village polytechnics, homecraft centres and childcare facilities.

- Implementation of specific national government policies on natural resources and environmental conservation.
  - County public works and services, including storm water management systems and water and sanitation services.
  - Firefighting services and disaster management.
  - Control of drugs and pornography.
  - Ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in governance at the local level
- b) The county executive had a budget of 9,036,122,480 during the 2024-2025 financial year for implementing the above captioned functions the cumulative expenditure by the end of the year was Kshs.7,673,354,995 or approximately 85% of the budget was absorbed.
- c) The county was established and the year 2013/2014 financial year being the first year of operation. As a consequence of a national push for devolution of functions from the national government the county has registered tremendous growth in primary health services through prudent management of facility improvement funds, enactment of the health service Act, 2016 and establishment of health centres and equipping new and existing facilities. The county has overseen the development of roads network as follows.

<b>Roads Sector</b>	
<b>Strategic Priorities</b>	<b>Achievements (2017-2025)</b>
Upgrading of urban roads to bitumen standards	Upgrading of 7.4 km (Marsabit-2.9 & Moyale 4.5Km town road to bitumen standard.
Upgrading of rural roads through Grading through routine and periodic maintenance	4217 km of roads graded
Upgrading of rural roads through gravelling	910 km of roads are gravelled
Opening up of New Roads	580 km of new roads opened up.
Construction of new drainage structures	450 lines of pipe culverts constructed  And constructed 7400 m of Concrete drainage slabs and drifts
Footbridges/Box culverts	809

- d) The county has established and operationalized 476 E.C.D.E centres across the county and issued bursaries and scholarships which has improved transition to institutions of higher learning. The county is awake on environmental conservation and climate change action and through FLOCCA the county has built capacity and encouraged planting trees and effective water conservation.

- e) Marsabit being a drought prone county has had its fair share of adverse effects of the harsh environment, on this the county has a robust drought mitigation program through the emergency relief and pro poor intervention measures.
- f) County flagship projects. The County since inception has implemented flagship projects aimed at addressing inherent challenges within the region as follows;
- Upgrading of Moyale and Marsabit Roads to bitumen standards
  - Construction of Sololo Level Four Hospital.
  - Construction to completion of KMTC Marsabit
  - Establishment of aggregate and industrial park in partnership with the National Government.
  - Upgrading and equipping of Marsabit County Referral hospital
- g) Infrastructural improvements withing the county has opened up access roads enabling residents to get their produce to the market. Access to health services has reduced mortality rates particularly infant mortality and all these has led to improvement of the standards of living in the county.
- h) Implementation challenges to the achievement of strategic objectives for the County over the years includes the Covid pandemic between 2019 and 2022 that brought to a halt economic activity affecting the livelihoods of citizens and the strategic objectives could not be implemented. The county over the years experienced its worst tribal clashes among the dominant communities that limited inter regional trade and implementation of projects. The geographical vastness of the county vis a vis the budget allocation limits the impact and part implementation of projects increasing the period within which projects are completed. The county over the resent years have been faced with harsh environmental conditions of drought. This has led to the county concentrating efforts towards emergency relief and drought mitigation program at the expense of development projects.
- i) The management of the county ensures adherence to risk management policy which includes but not limited to financial controls aimed at curbing growth of non-priority expenditure in order to create fiscal space for financing priority policy areas. Separating of duties and responsibilities among the staff to decrease risk occurrence and Monitoring and evaluation of budget implementation process and allocations by the relevant county assembe committee.



.....  
**CECM Finance and Economic Planning**

**County Government of Marsabit.**

## 5. Statement of Performance against Predetermined Objectives

### Strategic development objectives

The Marsabit County CIDP (2023-2027) has identified five key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's Vision 2030, MTP IV, Bottom-Up Economic Transformative Agenda (BETA) and SDGs.

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

Marsabit County CIDP (2023-2027) focuses on five main objectives;

1. To enhance availability and access to clean potable water
2. To improve access to quality and affordable health care
3. To improve Food and Nutrition Security
4. To improve transport mobility and accessibility
5. To increase access to quality Education.

Below we present the progress made in attaining the objectives of the Marsabit County CIDP (2023-2027)

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

<b>Sector</b>	<b>Strategic Objective as per CIDP</b>	<b>Targeted Outcome</b>	<b>Indicator</b>	<b>Performance/Progress</b>
Agriculture, Livestock & Fisheries	To improve Food and Nutrition Security	Improved crop production and food security	MT of cereals produced annually	100
			MT of beans produced annually	200
			MT of vegetables produced annually	
		Improved Livestock production and output	Livestock types traded annually	500,000
			Litres of milk produced (in Million)	0.7
			MT of honey produced annually	2.5
		Improved fish production and marketing	MT fish landed annually	1358
			MT fish marketed annually	
Water, Environment & Natural Resources	To enhance availability and access to clean potable water	Enhanced availability and access to potable water for both people and their livestock	Proportion of HH accessing potable water	30%
			Household return trekking distance covered	12Km
Roads, Public Works & Transport	To improve transport mobility and	Improved mobility and accessibility	Kms of road upgraded to bitumen standards	<b>2</b>
			Kms of rural roads upgraded to gravel	

	accessibility		standard KMs of new road opened	90 125
Education, Skills Development, Youth & Sports	To increase access to quality Education	Increased access to quality ECD Education	Number of ECDE pupils enrolled in ECDE Centre Teacher/Pupil ratio Transition rate from PP2 to grade 1	20000 1:44 96%
		Increase access to technical and vocational training	Number of trainees enrolled in Vocational Training Centres Trainer/Trainee ratio Trainee/Tools Equipment ratio	625 1:17 1:1
Health Services	To improve access to quality and affordable health care	Reduced morbidity and mortality due to preventable diseases	Maternal mortality ratio Neonatal mortality rate Infant mortality rate % of fully immunized children 12-23 months Global Acute Malnutrition rate (< 5s Wasting) HIV prevalence	1127  60 33 70 22.3 0.8
Finance and Economic Planning Sector	Improve revenue generation capacity	Improved financial management	Amount in own source revenue Absorption rate	110
	Enhance policy and	Improved economic policy	Alignment between key planning documents	80%

	plans formulation	formulation, planning and M&E	(CIDP, ADP, CFSP and budget	
Public Service and Administration	Public service delivery systems and coordination of county affairs	Enhanced service delivery	Employee satisfaction level No of offices constructed.	30 5
Culture, Gender & Social Services	Improving, promoting, preserving and celebrating the county cultural heritage	Cohesive Marsabit county that develop and conserve its cultural heritage	No of cultural and sacred sites protected No. of cultural festivals done	2 0
Trade, Tourism, Industry & Cooperative Development	Trade promotion and development	Enhanced conducive business environment	Number of single business permits issued Amount of revenue generated from single business permits, stall fees in million Ksh.	4500 110
Lands Energy, Housing & Urban Development	Improve Management and administration of land	Tenure security in the county enhanced	Number of sections demarcated/ surveyed; Number of title deeds issued	1
	Improve solid and liquid waste management	Improved safe and clean environment	No. of dumpsites Constructed/rehabilitated	0
	Improve access to affordable, reliable, secure and climate friendly energy services	Enhanced Supply of Sustainable energy	Number of households connected to clean & affordable energy	500
	Improve housing infrastructure	Improved quality & standard houses	Number of low-cost housing units constructed	0

**Progress on Attainment of Development Objectives from Annual Development Plan for FY 2024/2025.**

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

Below we provide the progress on attaining the stated objectives:

**Table 1: Programme performance**

Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY			Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
Public Works, Roads & Transport	To improve transport and mobility and accessibility	Improved mobility and accessibility	Increased road network	Kms of road upgraded to bitumen standards	4.5	4.5	0	4.5	4.5	0	
				Kms of rural roads upgraded to gravel standard	90	90	0	90	90	0	
				KMs of new road opened	125	125	0	125	0	125	

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

Agriculture, Livestock and Fisheries	To improve Food and Nutrition Security	Improved crop production and food security	Improved crop production and food security	MT of cereals produced annually	100	100	0	100	100	0	
				MT of beans produced annually	200	200	0	200	200	0	
				MT of vegetables produced annually	100	100	0	100	100	0	
		Improved Livestock production and output	Improved Livestock production and output	Livestock types traded annually	500,000	500,000	0	500,000	500,000	0	
				Litres of milk produced (in Million)	0.7	0.7	0	0.7	0.7	0	

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

				MT of honey produced annually	2.5	2.5	0	2.5	2.5	0	
		Improved fish production and marketing	Improved fish production and marketing	MT fish landed annually	1358	1358	0	1358	1358	0	

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

The County Government of Marsabit is committed to managing the environment in a sustainable manner through continuous improvements in the environmental performance that aims to:

- (i) Ensuring that processes and operations are safe to the environment.
- (ii) Reducing energy usage; conserve water; reduce, reuse and recycle waste
- (iii) Prevention of environment pollution
- (iv) Developing policy, legal and administrative framework for management of Environment.

To achieve a sustainable environment, the County Government developed a number of policies key among them;

- The Climate change policy with the aim of building resilient communities and natural systems to steer Marsabit County towards a low carbon pathway for sustainable development. This will contribute towards achieving the Marsabit County vision of a secure, just, integrated and prosperous county where all enjoy full potential and high quality of life.
- Assessing the environmental impacts of all County projects to develop a management plan for improving environment in coordination with the National Environment management Authority (NEMA).
- Complying with applicable legal and other requirements that affect the environment.
- Investigate all environmental incidents or complaints that have or could have an adverse environmental impact and act to prevent recurrence.
- Empowering County staff to manage environmental issues as an integral part of their duties and establish systems that provide for training and delineation of responsibilities and accountabilities with respect to the environment.
- Building the capacity of our business community and other stakeholders to improve their environment.
- Development of County Environmental Action plan. (CEAP)
- Implementation and mainstreaming of the County Environmental Action plan. (CEAP) in various development plans in the county. This will in turn ensure sustainable socio-economic development that safeguards the right of everyone within the Marsabit County to a healthy and clean environment.

### **i. Sustainability strategy and profile**

In the medium term, the County government is seeking to develop an energy master plan that aims to provide alternative energy sources with the primary aim of reducing dependence on fuel

and promote clean cooking technologies among others. The idea is aimed at ensuring sustainable renewable source of energy.

**ii. Environmental Performance**

The County Climate Change Fund Act enacted in 2020. The Act creates a fund in the County for the purpose of facilitating, establishment of a mechanism to finance climate change activities and programmes. The Act enabled establishment of institutions to coordinate climate change issues at the County; County Steering Committee, County Planning Committee and Ward Planning Committees. The Act also enabled commitment of 2% County development funds for interventions towards mitigating against effects of climate change and mainstreaming of climate change issues in County development. It also facilitates an enabling environment for accessing multilateral donor funding, and funding from the Financing Locally Led Climate Action (FLLOCA) programme among others. The process for the development of County Climate Change Policy is ongoing, after which County vulnerability Assessment will be undertaken and County Climate Change Action Plan developed.

**iii. Employee Welfare**

The County has put in place policies that ensure the employee welfare are well guarded and all staff are given fair and just treatment. All staff matters are considered through select committee that evaluates the staff matter and advise according for necessary action such promotion, deployment, reprimanding and or dismissal.

Marsabit County is equal opportunity employer with consideration for merit as prerequisite for hiring. The County ensures applicants are not discriminated by gender, religious background, ethnicity or any other form of personality.

The County conducts annual staff appraisal that helps to identify training needs and ways of improving staff productivity. The annual targets are negotiated and agreed between the officer and the supervisor at the beginning of the year. The County has clear career progression structure and staff are awarded promotion timely basis.

The County also provides medical cover for its staff and also ensures the salaries and other allowances are paid without delay.

**iv. Market place practices-**

Marsabit County is tasked with mandates as outlined on Constitutional of Kenya (2010) Forth Schedule. In delivering its mandates the county ensure maximum benefit to the citizenly and that public funds are utilized in the most efficient and effective manner.

The County executive strive to ensure transparency in all decisions made in the area of its jurisdiction e.g., Open tendering, and involvement of all stakeholders. The County also ensure impartiality at all times. County supply chain activities are usually guided by the provisions of the Public Procurement and Asset Disposal Act, 2015 and other procurement regulations. Open

tendering bidding is open to whoever is willing to participate and ensure the ultimate winner is awarded

**v. Community Engagements-**

The County has an established a Bursary fund to benefit needy students in all the Wards across the County. In the F/Y 2024/2025, The County budgeted and disbursed Kshs.155 million earmarked for disbursement to support the student.

The County will in the medium term allocate more funds the Bursary funds for the needy students.

In the period under review, the County Executive distributed food rations to the community within Marsabit County to deal with the unprecedented cases of drought. In the medium term the County Government will strive to deal with drought preparedness and response activities to assist the Community. The County continues to provide enormous resources in the health sector.

The County is also developing a modern infrastructure that is pivotal for the social economic development. These includes the development of a state-of-the-art stadium and a modern market to increase trading volumes to the Community.

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

Marsabit County is one of the counties formed under Article 176 of the Constitution of Kenya, 2010, as part of devolution that came into effect following the promulgation of the Constitution.

- The county's key programs are embedded in the various department and financing geared towards their implementation as follows;

Department of Roads; - Upgrading of Moyale and Marsabit Roads to bitumen standards project that is work in progress, a number of other rural/feeder roads are being graded to ease movement of human and goods.

Department of Health; Construction of Sololo Level Four Hospital that is expected to ease pressure on the county referral hospital as well as provide services to residents in the Northern part of the county and neighbouring counties without travelling long distance

Construction to completion of KMTC Marsabit; This is an expected game changer in providing training for the young generation to take up health care services within the county.

Department of trade, Industry and Enterprise development.; Establishment of aggregate and industrial park in partnership with the National Government. This project is anticipated to add value to local products ensuring durability and usefulness and increase competitiveness in the national market.

- Entity's compliance with statutory requirements.

- Major risks facing the county government include adverse climatic change affecting the region have always necessitated adjustment of priority spending areas to resonate with the needs of our citizens thus leading to concentrating efforts towards emergency relief and drought mitigation program at the expense of development projects.

Political risk; Leadership turns over that involves regime change before full implementation of projects and realization of their full benefits.

Financial risk; The country has been experiencing economic crunch partly due to global cost of fuel, exchange rates and inflation and currency instability which have affected the ability to collect and disburse revenue to devolved units affecting operations.

- The only arrears in statutory and other financial obligations within the county lies in the trade and other payables from both exchange and non-exchange transactions (pending bills). The pending bills for the county have been decreasing over the years, the county assembly introduced a special budget line dedicated to address the accounts payables on an annual basis.

- Review of the economy and sector; Although the general economic condition was expected to increase by 5.6% in 2025, an improvement compared to 4.7% growth in 2024 thereby exceeding estimates in the different sectors, public debt continues to affect the economic performance and straining the private sector from where the revenue is derived.

- The Future developments in the county lies in the following;

- Enhancing pastoral resilience through commercialization and drought buffers.

- Improving infrastructure to catalyse trade and market access.

- Embedding climate-smart development in county planning.
- Investing in water security for a sustainable future.
- Expanding trade, tourism, and industrialization, especially via cross-border synergies
- There is a need for the county to improve further collections from Own Source Revenue which has as much potential for financing the county as equitable share from the exchequer.

## **8. Statement of Management Responsibilities**

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

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

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

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

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

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

### **Approval of the financial statements**

The County *executive's* financial statements were approved and signed by the CEC member for finance on 5<sup>th</sup> November 2025.



.....  
**CECM – Finance and Economic Planning.**

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

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

---

### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying transitional IPSAS financial statements of County Executive of Marsabit set out on pages 1 to 62, which comprise of the statement of

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

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

## **Basis for Qualified Opinion**

### **1. Misclassification of Expenditure**

The statement of financial performance and Note 10 to the financial statements reflect use of goods and services balance of Kshs.942,141,669. Included in the balance is an amount of Kshs.72,843,573 in respect of training expenses out of which an amount of Kshs.14,013,160 was spent on purchase of medical supplies but classified under training expenses. This was contrary to Regulation 41(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which require that aggregate reallocations for a particular appropriation line in a given fiscal year not exceed the amount appropriated for that line in the annual Appropriations Act amended from time to time through budgetary reallocations.

In the circumstances, the accuracy and completeness of training expenses balance of Kshs.72,843,573 could not be confirmed.

### **2. Trade and Other Payables**

#### **2.1 Unsupported Trade Payables**

The statement of financial position and Note 32 to the financial statements reflect trade and other payables opening and closing balances of Kshs.2,581,102,130 and Kshs.1,805,275,078 respectively. However, the County Executive did not undertake the mandatory supplier circularization and reconciliation exercise as guided under Paragraph 2.3.1 of the National Treasury and Economic Planning Circular No.03/2025 of 14 April, 2025, which provided guidelines on transition from cash to accrual accounting. In addition, supplier confirmations, reconciliations, and supporting documentation including invoices and orders were not provided for audit.

In the circumstances, the accuracy and completeness of the opening and closing trade and other payables balances of Kshs.2,581,102,130 and Kshs.1,805,275,078, respectively could not be confirmed.

## **2.2 Long Outstanding Trade Payables**

The statement of financial position and Note 32 to the financial statements reflects trade and other payables balance of Kshs.1,805,275,078. Included in the balance is trade and other payables amounting to Kshs.1,450,651,625 that were to be paid during the year under review as a first charge but remained outstanding at the end of the year. In addition, trade and other payables amounting to Kshs.830,528,021 had been outstanding for more than three (3) years and no explanation was provided for non-payment. This was contrary to Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015 which states that debt service payments shall be a first charge on the County Revenue Fund and the Accounting Officer shall ensure this is done to the extent possible that the County Government does not default on debt obligations.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs.1,805,275,078 could not be confirmed.

## **3. Undisclosed Inventory**

The statement of financial position and Note 24 to the financial statements reflect Nil inventory balance. However, audit review established that the County Executive had not done a compilation of all the inventories at year-end including, medical drugs, non-pharmaceuticals, uniforms, food rations, spare parts, sports equipment, stationery and other general store items as required in the first year of transition from cash to accrual accounting.

In the circumstances, the accuracy and completeness of Nil inventory balance could not be confirmed.

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

## **Emphasis of Matter**

### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Kshs.9,036,122,480 and Kshs.7,742,021,252 respectively, resulting to a shortfall of Kshs.1,294,101,228, or 14% of the budget. Further, the County Executive spent a balance of Kshs.7,673,354,995 against actual receipts of Kshs.7,742,021,252, resulting to an under-absorption of Kshs.68,666,257.

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

## **2. Late Exchequer Releases**

The statement of financial performance and Note 6 to the financial statements reflects transfers from the County Revenue Fund (CRF) balance of Kshs.7,427,622,411. However, the amount includes disbursements totaling to Kshs.1,000,772,795 which were received after 30 June, 2025. This was contrary to Section 17(6) of the Public Finance Management Act, 2012 which states that the National Treasury shall, at the beginning of every quarter, and in any event not later than the fifteenth day from the commencement of the quarter, disburse monies to County Governments.

In the circumstances, the lack of disbursement affected the County Executive operations and service delivery. It also impacted negatively on its cash flow.

My opinion is not modified in respect of these matters.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year's Matters**

In the prior year's audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the County Executive in the year 2024/2025 revealed that twenty-one (21) matters remained unresolved as shown in **Appendix 1**.

### **Other Information**

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

In connection with my audit on the County Executive's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work

I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Compensation of Employees**

The statement of financial performance and Note 9 to the financial statements reflect compensation of employee's balance of Kshs.3,636,513,467. However, review of the payroll records provided revealed the following anomalies;

##### **1.1 Non-Compliance with the One-Third of Basic Salary Rule**

During the year under review, twenty-five (25) employees earned net salaries of less than one-third (1/3) of their basic pay. This was contrary to Section 19(3) of the Employment Act, 2007 which provides that the total amount of deduction of the wages of an employee shall not exceed two-thirds (2/3) of such wages.

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

##### **1.2 Salaries Paid Outside Integrated Payroll and Personnel Database System**

The County Executive paid salaries amounting to Kshs.88,545,699 to two hundred and seventy-six (276) staff members outside the Integrated Payroll and Personnel Database (IPPD) and Human Resource Information System-Kenya (HRIS) systems. This was contrary to Section 1.5.1 of The National Treasury Financial Accounting Recording and Reporting Manual which requires salaries, allowances or arrears of County Government employees to be processed through Integrated Payroll and Personnel Database (IPPD).

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

##### **1.3 Non-Remittance and Nugatory Expenditure on Statutory Deductions**

Review of the payroll records revealed that contributions to the LapFund were structured such that members contributed 12% and the County Executive contributed 15% of each

member's gross salary (comprising basic salary and house allowance). However, while these deductions were deducted in the payroll, an amount of Kshs.24,821,579 was not remitted to the members' accounts by the close of the financial year resulting in the County Executive incurring penalties totalling Kshs.2,539,950. This was contrary to Section 20(1A) of the National Social Security Fund Act, No.45 of 2013 which requires an employer to pay the contribution on the ninth day of each month following the end of the month.

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

## **2. Non-Compliance with the Fiscal Responsibility Principles on Wage Bill**

The statement of cash flows reflects compensation of employee's balance of Kshs.3,653,972,362 representing forty-nine (49%) of the total revenue received of Kshs.7,427,622,411. This was more than thirty-five per cent (35%) as provided for under Regulation 25(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which states that the County Government expenditure on wages and benefits for public officers should not exceed thirty-five per cent (35%) of the total County revenue.

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

## **3. Failure to Provide Work Injuries Benefit Cover**

During the year under review, the County Executive did not provide the Work Injuries Benefit Insurance Act (WIBA) Policy for its employees. This was contrary to Section 7(1) of the Work Injuries Benefit Act, 2007 which states that every employer shall obtain and maintain an insurance policy, with an insurer approved by the Minister in respect of any liability that the employer may incur under this Act to any of his employees.

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

## **4. Unsupported Training Expenses**

The statement of financial performance and Note 10 to the financial statements reflects use of goods and services balance of Kshs.942,141,669. Included in the expenditure is an amount of Kshs.72,843,573 in respect of training expenses. However, management did not provide evidence of training needs assessment, annual training projections and training program to justify the expenditure. Further, no quarterly trainings returns were prepared to evaluate the effectiveness of trainings conducted during the year. In addition, the County Executive staff claimed reimbursement of subsistence allowances and training fees amounting to Kshs.14,208,153 without evidence of prior approval, nomination by the Head of Human Resource, or confirmation that the trainings were sanctioned in accordance with established procedures.

In the circumstances, the regularity of the training expenditure of Kshs.72,843,573 could not be confirmed.

## **5. Nugatory Expenditure to Frontier Counties Development Council**

The statement of financial performance and Note 13 to the financial statements reflects other grants and subsidies balance of Kshs.1,298,646,535. Included in the expenditure is an amount of Kshs.939,998,885 in respect of other capital grants and transfers, out of which Kshs.6,000,000 was paid as annual subscription fees to Frontier Counties Development Council. However, the Council does not draw its mandate from the Constitution of Kenya or an Act of Parliament and payments to this organization were not based on any law. This was contrary to Section 162(2)(b) of the Public Finance Management Act, 2012 which requires a public officer to ensure that resources within the officer's area of responsibility are used in a way that is lawful and authorized, effective, efficient, economical and transparent.

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

## **6. Non-Registration with the Office of the Data Protection Commissioner**

Audit review established that the County Executive had not registered with the Office of the Data Protection Commissioner (ODPC) as a data controller and data processor, despite actively collecting, processing, and storing personal data of staff and service providers during the year under review. This was contrary to Section 18(1) of the Data Protection Act, 2019 which requires that data controllers and data processors who process personal data must register with the Office of the Data Protection Commissioner (ODPC).

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

## **7. Unapproved Late Commitments**

Review of procurement records revealed that expenditure commitments/contracts for various works and supplies of goods and services amounting to Kshs.85,735,089 were made after 31 May, 2025 without the written approval of the Accounting Officer. This was contrary to Regulation 50(1) of the Public Finance Management (County Governments) Regulations, 2015 which provides that all commitments for the supply of goods or services shall be done not later than the 31 May each year except with the express approval of the Accounting Officer in writing.

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

## **8. Failure to Disclose Contingent Liabilities**

Note 44 to the financial statements discloses a Nil balance in respect of contingent liabilities. However, review of the Legal Status Update by the Legal Department revealed that the County Executive had thirty-three (33) active court cases during the year under review. Management did not disclose any potential financial exposure or contingent liabilities relating to these cases, contrary to the requirements of the Public Sector Accounting Standards Board (PSASB), which mandate the disclosure of all significant contingent liabilities that may affect the financial position of an entity.

In the circumstances, the financial statements did not conform to PSASB's prescribed reporting and disclosure requirements.

## **9. Duplication of Roles with the Marsabit County Emergency Fund**

The statement of financial performance and Note 13 to the financial statements reflects other grants and subsidies balance of Kshs.1,298,646,535. Included in the balance is an amount of Kshs.195,802,370 in respect of emergency relief and refugee assistance. However, Management spent the monies at the department level instead of transferring the same to the Marsabit County Emergency Fund, a Fund established under Marsabit County Emergency Fund Act, 2014 to handle emergencies in the County. This was contrary to Section 110(1) of the Public Finance Management Act, 2012 which states that a County Executive Committee may, with the approval of the county assembly, establish an emergency fund for the county government under the name of the County Fund and the fund shall consist of money from time to time appropriated by the county assembly to the Fund by an appropriation law.

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

## **10. Weaknesses in Procurement of Goods and Services**

### **10.1 Procurement of Hospitality Services**

The statement of financial performance and Note 10 to the financial statements reflects use of goods and services balance of Kshs.942,141,669. Included in this expenditure is an amount of Kshs.59,594,580 in respect of hospitality supplies and services, out of which amounts of Kshs.1,975,000 and Kshs.2,074,800 were incurred on purchase of publicity materials and procurement of conferencing facilities respectively. However, the following anomalies were noted;

- i. The requisitions provided were incomplete as the item description, quantity, unit cost and date of requisition were not indicated, contrary to Regulation 71(2)(a) of the Public Procurement and Asset Disposal Regulations, 2020, which requires that the user department shall submit the requisition under paragraph (1) to the Head of the Procurement function for processing which shall be accompanied by applicable specifications, bills of quantities, technical drawings, or terms of reference.
- ii. The suppliers that submitted the successful quotation did not confirm the order in writing contrary to Section 87(2) of the Public Procurement and Asset Disposal Act, 2015, which provides that the successful bidder shall signify in writing the acceptance of the award within the time frame specified in the notification of award.
- iii. The professional opinion recommending the successful quotations was not signed by the head of procurement, contrary to Section 84(1) Public Procurement and Asset Disposal Act, 2015 which provides that the Head of Procurement Function of a procuring entity shall, alongside the report to the Evaluation Committee as secretariat comments, review the tender evaluation report and provide a signed professional opinion to the accounting officer on the procurement or asset disposal proceedings.

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

### **10.2 Procurement of Medical Equipment**

The statement of financial performance and Note 10 to the financial statements reflects use of goods and services balance of Kshs.942,141,669. Included in this expenditure is an amount of Kshs.290,697,213 in respect of specialized materials and services, out of which an amount of Kshs.4,960,000 was used for purchase and installation of a digital ultrasound machine at Laisamis Sub-County Hospital. However, the following anomalies were noted;

- i. The requisition from the user department was not complete as the item description, quantity and unit cost were not indicated. This was contrary to Regulation 71(2)(a) of the Public Procurement and Asset Disposal Regulations, 2020, which requires that the user department shall submit the requisition under paragraph (1) to the head of the procurement function for processing which shall be accompanied by applicable specifications, bills of quantities, technical drawings, or terms of reference.
- ii. The successful bidder did not provide a written confirmation of acceptance of the award, contrary to Section 87(2) of the Public Procurement and Asset Disposal Act, 2015 which states that the successful bidder shall signify in writing the acceptance of the award within the time frame specified in the notification of award.

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

### **10.3 Procurement of Patient Uniforms**

The statement of financial performance and Note 10 to the financial statements reflects use of goods and services balance of Kshs.942,141,669. Included in the expenditure is an amount of Kshs.290,697,213 in respect of specialized materials and services, out of which an amount of Kshs.2,799,080 was used for purchase of patients uniform and beddings for Sololo Level 4 Hospital. However, the following anomalies were noted;

- i. The notification of award was sent to the winning bidder on 28 March, 2025 but the bidder did not confirm the acceptance in writing as required by Section 87(2) of the Public Procurement and Asset Disposal Act, 2015 which provides that the successful bidder shall signify in writing the acceptance of the award within the time frame specified in the notification of award.
- ii. The winning bidder did not sign the purchase order as an intent to enter into contract with accounting officer. Additionally, there was no formal contract entered into by the supplier and the County Executive as required by Section 135(1) of the Public Procurement And Asset Disposal Act, 2015, which provides that the existence of a contract shall be confirmed through the signature of a contract document incorporating all agreements between the parties and such contract shall be signed by the accounting officer or an officer authorized in writing by the accounting officer of the procuring entity and the successful tenderer.

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

## **11. Irregular Funding of National Government Functions**

The statement of financial performance and Note 13 to the financial statements reflects other grants and subsidies balance of Kshs.1,298,646,535. Included in the expenditure is Kshs.939,998,885 in respect of other capital grants and transfers, out of which Kshs.49,967,065 was used in projects that fall under the exclusive mandate of the National Government as outlined below;

### **11.1 Deputy County Commissioner's Headquarters and Residence**

During the year under review a local company was awarded the tender for the construction of the Deputy County Commissioner Headquarters and residence in Uran Moyale Sub-County, at a contractual amount of Kshs.38,867,151. Audit inspection carried out in the month of July, 2025 confirmed that the facility had been completed and was in use for administrative functions by the National Government such as registration for Identity Cards (IDs).

### **11.2 Purchase of Furniture for Chalbi Boys High School**

During the year under review the County Executive spent an amount of Kshs.2,800,000 on purchase of lockers and chairs for Chalbi Boys High School in North Horr Sub-County.

### **11.3 Construction of Two-Bedroom Staff House at Bori Mixed Day/Boarding Secondary School**

During the year under review the County Executive spent an amount of Kshs.3,599,914 on construction of a two-bedroom staff house at Bori Mixed Secondary School at Moyale Sub-County.

### **11.4 Construction of Kitchen and Dining Hall at Korr School**

The County Executive spent an amount of Kshs.4,700,000 on the construction of a kitchen and dining hall at Korr School in Laisamis Sub County.

The above payments contravened the provisions of the Constitution of Kenya, Fourth Schedule on distribution of functions between the National Government and the County Governments, which stipulates that primary schools, special education, secondary schools, special education institutions among others, are functions of the National Government.

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

## **12 Delayed Completion of Capital Projects**

### **12.1 Delayed Utilization of Sololo Level 4 Hospital**

The County Executive engaged a local contractor for construction of Sololo Level 4 Hospital at a contract sum of Kshs.483,369,790. The sum was varied by Kshs.26,076,012, totalling Kshs.509,445,802. The project commenced on 01 July, 2019 and original completion date was set on 25 February, 2021. It was noted that an extension of thirty (30) weeks was given after a request dated 02 August, 2024, and the project completion and hand over new date was set as 30 March, 2025. A review of the project

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

file and physical inspection of the project carried out in the month of July, 2025 revealed that the Hospital was complete and certificate of practical completion issued on 4 February, 2025, however, the facility was not operational as the Kenya Defense Forces were on site equipping the Hospital and doing other auxiliary structures.

Further, physical inspection revealed that the structure had deteriorated due to lack of occupation and maintenance, including:

- i. Infestation by bats and rodents, resulting in soiling and damage to electrical fittings and surface finishes such as tiles, ceilings, walls, bathrooms, and toilet sinks.
- ii. Ceiling panels had fallen off in some sections.
- iii. Instances of leaking plumbing works.
- iv. Cabro paving works in the parking area were neglected and the surrounding areas were overgrown with bushes and weeds.
- v. Missing electrical fittings and exposed wiring, posing safety hazards.

In the circumstances, the value for money in the construction of the Hospital could not be confirmed.

## **12.2 Delayed Construction of County Aggregation and Industrial Park**

The County Executive entered into a contract with a local contractor for the construction of the County Aggregation and Industrial Park at a contract sum of Kshs.498,913,945 out of which Kshs.105,003,893 had been paid to the contractor at the time of the audit. Audit review of project records and physical inspection carried out in July, 2025 revealed that the project was behind schedule. The project commenced on 21 May, 2024, with an expected completion date of 21 November, 2025. However, only the perimeter wall, foundations, and floor slabs for the aggregation warehouse/cold storage and the value addition warehouse estimated at 21% of the works had been completed.

In the circumstances, the value for money in the construction of the County Aggregation and Industrial Park could not be confirmed.

## **12.3 Delayed Construction of Marsabit County Stadium**

The County Executive entered into a contract with a local contractor for the development of Marsabit county stadium in April, 2017, at a contractual sum of Kshs.77,051,120. The contract was to last for one hundred and eighty-four (184) weeks but at two hundred and fifty (250) weeks, the contract was terminated after the contractor had abandoned the works. The certified amount at the date of termination in January, 2022 was Kshs.61,788,200.

Records provided for audit indicated that after the termination of phase 1, the project was handed over to Sports Kenya for completion of unfinished works and subsequent phases

until completion. However, the contractual amount and the scope of works to be undertaken by Sports Kenya could not be determined.

In addition, physical inspection carried out during the month of October, 2025 revealed that the contracted company was not on site and the works had since stalled, the playing tuff was overgrown with weeds, the draining works were clogged and pavilions were incomplete.

In the circumstances, the value for money of the expenditure amounting Kshs.61,788,200 for the construction of the stadium could not be confirmed.

#### **12.4 Failure to Construct Governor's and Deputy Governor's Residences**

The County Government of Marsabit had not constructed official residences for the Governor and Deputy Governor and had continued paying house allowances to the Governor and the Deputy Governor totalling Kshs.3,600,000 during the year under review. This was contrary to the provisions of the Salaries and Remuneration Commission (SRC) Circular Ref No. SRC/TS/CGOVT/3/61/VOL.V(44) dated 14 August, 2020, which reaffirmed the Commission's directive issued during its 274<sup>th</sup> meeting held on 15 July, 2020. The circular reiterated that counties must comply with the earlier directive requiring the construction of official residences by the deadline of 30 June, 2022, after which leasing of residential premises would no longer be permitted.

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

#### **12.5 Delayed Works in the Construction of Sand Dam and Drainage Works to Control Sololo Flash Floods**

The Department of Water awarded a contract to a local contractor for the construction of a sand dam and associated drainage works to mitigate flash floods in Sololo, at a contract sum of Kshs.70,291,641 out of which an amount of Kshs.36,035,863 was paid during the year. Review of the project documents and physical inspection conducted in July, 2025 revealed that as per the Bills of Quantities, the contractor was required to construct two (2) cofferdams valued at Kshs.12,975,302 and Kshs.47,052,900 respectively. However, only one cofferdam valued at Kshs.12,975,302 had been constructed and the contractor was not on site. No explanation was provided for the delayed works. In addition, the contract commenced on 22 March, 2024 with an expected duration of two hundred and forty (240) days. However, according to the Engineer's Progress Certificate, only 51% of the project had been completed, and the project was at two hundred and ninety (290) days behind the schedule.

In the circumstances, the value for money in the construction of the sand and drainage works could not be confirmed.

### **13. Unutilized Projects**

Review of the County's Project Implementation Status and physical inspection done in the month of July, 2025 revealed that County projects done at cost of Kshs.19,668,295 were complete as at the time of the audit but had remained unutilized as detailed below.

	<b>Project Description</b>	<b>Contract Amount (Kshs.)</b>
1	Construction of Lependera Dispensary	4,963,035
2	Completion of maternity block at Butiye	2,300,000
3	Renovation of Antutta Dispensary	2,000,000
4	Solarization of Kituruni Bore Hole-Karare	4,905,260
5	Renovation and furnishing of Leiyai Dispensary	2,500,000
6	Piping from Hajo to Biashara street	3,000,000

The un-utilization of the projects was not explained. This was contrary to Section 162(1) of the Public Procurement and Asset Disposal Act, 2015 which requires that an Accounting Officer of a procuring entity shall ensure that all assets are accounted for and put into proper use as intended by the procuring entity.

In the circumstances, the value for money in the projects expenditure of Kshs.19,668,295 could not be confirmed.

#### **14. Project Implementation Status**

Review of the County's Project Implementation Status and physical inspection done in the month of July, 2025 revealed that County projects done at a cost of Kshs.30,935,706 had the following anomalies;

##### **14.1 Mini Irrigation Project and Construction of Fence and Double Pit Latrine in Dokatu**

The contractual amount for the project was Kshs.13,223,566. However, as per the project signboard, the project was started in the financial year 2023-2024 but as at the time of audit on July, 2025 the project was not complete, the irrigation drip lines had not been installed and the contractor was not on site.

##### **14.2 Expansion and Desilting of Hula Hula Water Pan**

The contractual amount for the project was Kshs.4,000,000. However, the expansion part of the water pan whose cost could not be quantified, was not done and the minutes of the meeting that effected the changes, if any was not provided. In addition, there was no project signage.

##### **14.3 Desilting of Ogah and Dirib Segi Water Pans**

The contractual amount for the projects was Kshs.6,015,640. However, it could not be ascertained whether the desilting was done as there was heavy siltation of the dams as at the time of audit.

##### **14.4 Equipping of the Serichoi Water Project**

The contractual amount for the project was Kshs.4,496,500. However, three of the supplied water tanks, two 5,000-litre tanks and one 10,000-litre tank, were observed to have sunk into the ground due to lack of proper installation on concrete bases. In addition,

the installed solar panels and water pressure pump were non-functional at the time of inspection, indicating potential defects or lack of post-installation testing and commissioning.

#### **14.5 Equipping of Dadach Lakole Dispensary**

The equipment were purchased at a cost of Kshs.3,200,000. However, the medical equipment supplied were stored in one of the rooms being used as a guard house as the dispensary was not operational. In addition, three rooms in the dispensary were being occupied by teachers of a nearby primary school.

In the circumstances, value for money in the expenditure of Kshs.30,935,706 could not be confirmed.

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

### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **1. Lack of Functional Audit Committee**

As previously reported, an Audit Committee was formally appointed on 17 October, 2023. However, following the resignation of one member in November 2023, no replacement had been appointed as at the time of audit. As a result, the Committee lacked the required quorum to convene and discharge its statutory oversight responsibilities, thereby rendering it non-functional and undermining effective governance and internal control processes.

In the circumstances, the effectiveness of internal controls and governance on appointment could not be confirmed.

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

As previously reported, review of records and processes revealed that the County Executive lacked a risk management policy. This was contrary to the requirements of

Regulation 158(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which obligates Accounting Officers to ensure that the county government entity develops risk management strategies, which include fraud prevention mechanism and develop a system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness of the internal controls built within the financial and operational system could not be confirmed.

### **3. Use of Unlicensed Operating System, Microsoft Office and Expired Antivirus**

Inspection of sampled user computers and staff interviews revealed that the computers were operating on Microsoft Windows operating systems whose support and security updates had expired. Additionally, the installed Microsoft Office software was unlicensed, and the antivirus software had expired, with the last update having been done in 2018.

In the circumstances, the effectiveness of the internal controls built within the financial and operational system could not be confirmed.

### **4. Irregular Use of Personal Emails in Official Communication**

Audit review revealed that the County employees were using personal email accounts to conduct official government business, despite having been issued with official government email addresses. This was contrary to the provisions of the Head of Public Service Circular Ref. No. 23(1) date 14 June, 2022, which emphasizes the mandatory use of official email addresses in line with Government ICT Standards, 2019, to enhance security, confidentiality and accountability in public service communication.

In the circumstances, the safety, confidentiality and accountability in managing official data could not be confirmed.

### **5. Failure to Provide Staff Medical Cover**

During the year under review, the County Executive had a budgetary allocation of Kshs.32,852,399 for staff medical insurance cover. However, Management did not provide medical insurance cover to the employees. No satisfactory explanation was provided for the failure.

In the circumstances, the effectiveness of the internal controls built within the budgeting process could not be confirmed.

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

## **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

11 December, 2025

## Appendix 1 Unresolved Prior Year's Matters

S/No	Financial Year	Audit Issue
1	2023/2024	Unsupported Legal Fees
2	2023/2024	Irregular Motor Vehicle Insurance Payments
3	2023/2024	Irregular Payment of Special House Allowances
4	2023/2024	Misclassification of Expenditure
5	2023/2024	Inaccuracy in Pending Bills
6	2023/2024	Wasteful Expenditure on Foreign Travel and Subsistence
7	2023/2024	Non-Compliance with the Fiscal Responsibility Principles on Wage Bill
8	2023/2024	Irregular Commitments for Supply of Goods and Services
9	2023/2024	Anomalies in Projects Implementation
10	2023/2024	Stalled/ Incomplete and Unused Projects
11	2023/2024	Regularity of Procurement Processes and Procedures
12	2023/2024	Irregular Funding of National Government Functions
13	2023/2024	Non-Compliance with Budget Formulation and Expenditure Classification Requirements
14	2023/2024	Irregularities in the Management of County Government Vehicles and Fire Equipment
15	2023/2024	Project Implementation Status
16	2023/2024	Non-Compliance with the Public Sector Accounting Standards Board Requirements
17	2023/2024	Failure to Maintain an Updated Fixed Assets Register
18	2023/2024	Use of Manual Payroll
19	2023/2024	Information, Communication and Technology Environment
20	2023/2024	Lack of Risk Management Policy
21	2023/2024	Lack of a Functioning Audit Committee

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

	Notes	F.Y 2024-2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from CRF	6	7,427,622,411
Miscellaneous Revenue	7	
<b>Total</b>		<b>7,427,622,411</b>
<b>Revenue from exchange transactions</b>		
Other income	8	
<b>Total revenue</b>		<b>7,427,622,411</b>
<b>Expenses</b>		
Employee costs	9	3,636,513,467
Use of goods and services	10	942,141,669
Transfers to other Government Entities	11	
Depreciation and amortization expense	12	56,570,720
Other Grants and Subsidies	13	1,298,646,535
Finance costs	14	
Social Benefits	15	
<b>Total expenses</b>		<b>5,933,872,391</b>
Gain/(loss) on sale of assets	16	
Gain/Loss on Foreign Exchange	17	
Gain/Loss on fair value of investments	18	
Impairment loss	19	
<b>Surplus/Deficit for the year</b>		<b>1,493,750,020</b>
Taxation	20	
<b>Net Surplus/Deficit</b>		<b>1,493,750,020</b>

The Financial Statements set out on pages 1 to 8 were signed by:

.....  
Name: Godfrey G Guyo  
Chief Officer Finance

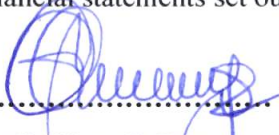
.....  
Name: Dabasso B. Adano  
Director: Accounting  
Services  
ICPAK M/No. 6604


## 11. Statement of Financial Position as at 30 June 2025

	Notes	F.Y 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	21	107,909,632	380,854,297
Receivables from Exchange Transactions	22		
Receivables from Non-Exchange Transactions	23		
Inventories	24		
Current portion of investments	25		
<b>Total Current Assets</b>		<b>107,909,632</b>	<b>380,854,297</b>
<b>Non-Current Assets</b>			
Receivables from Exchange Transactions	22(b)		
Non- Current portion of investments	25		
Property, Plant and Equipment	26	1,795,041,059	831,385,507
Intangible Assets	27		
Investment Property	28		
Right-of-use assets	29		
Biological Assets	30		
Tangible Natural Resources	31		
<b>Total Non- Current Assets</b>		<b>1,795,041,059</b>	<b>831,385,507</b>
<b>Total Assets (A)</b>		<b>1,902,950,691</b>	<b>1,212,239,804</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	32	1,805,275,078	2,581,102,130
Refundable Deposits and Prepayments	33	39,243,375	61,648,704
Current Provision	34		
Lease Liabilities	35		
Deferred Income	36		
Employee Benefit Obligation	37		
Current Portion of Borrowings	38		
<b>Total Current Liabilities</b>		<b>1,844,518,454</b>	<b>2,642,750,834</b>
<b>Non-Current Liabilities</b>			

	Notes	F.Y 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
Non-Current Provisions	34		
Lease Liabilities	35		
Deferred Income	36		
Non-Current Employee Benefit Obligation	37		
Borrowings – Non-Current Portion	38		
Service Concession Liability	39		
<b>Total Non- Current Liabilities</b>			
<b>Total Liabilities (B)</b>		<b>1,844,518,454</b>	<b>2,642,750,834</b>
<b>Net Assets(A-B)</b>		<b>58,432,238</b>	<b>(1,430,511,030)</b>
<b>Represented By:</b>			
Reserves			
Accumulated Surplus		58,432,238	(1,430,511,030)
Capital Fund			
<b>Net Assets</b>		<b>58,432,238</b>	<b>(1,430,511,030)</b>

The financial statements set out on pages 1 to 8 were signed by:

  
 .....  
**Name: Godfrey G Guyo**  
**Chief Officer Finance**

  
 .....  
**Name: Dabasso B. Adano**  
**Director Accounting Services**  
**ICPAK M/No. 6604**

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

	Accumulated Surplus	Reserves	Capital Fund	Total
<b>As at 30<sup>th</sup> June 2024 (cash basis)</b>	<b>319,205,593</b>			<b>319,205,593</b>
Adjustments:				
Recognition of assets	831,385,507			831,385,507
Recognition of liabilities	(2,581,102,130)			(2,581,102,130)
<b>As at July 1, 2025</b>	<b>(1,430,511,030)</b>			<b>(1,430,511,030)</b>
Return to CRF	(4,806,752)			(4,806,752)
Surplus/ deficit for the year	1,493,750,020			1,493,750,020
Other changes (specify)				
<b>As at June 30, 2025</b>	<b>58,432,238</b>			<b>58,432,238</b>

Note:

1. For items that are not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.
3. Entities have liberty to add additional reserves as appropriate. For all reserves presented provide the nature and purpose.

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

		<i>F.Y 2024-2025</i>
	Notes	Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from CRF		7,427,622,411
Miscellaneous Revenue		
Other income		
<b>Total receipts</b>		<b>7,427,622,411</b>
<b>Payments</b>		
Employee costs		3,653,972,362
Use of goods and services		976,370,699
Transfers to other Government Entities		
Other Grants and Subsidies		1,815,294,215
Finance costs		
Social Benefits		
<b>Total payments</b>		<b>6,445,637,276</b>
<b>Net cash flows from/(used in) operating activities</b>	40	<b>981,985,135</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE		(1,250,123,047)
Purchase Intangible assets		
Proceeds from sale of PPE		
Proceeds from sale of Biological Assets		
Purchase of investments		
Sale of investments		
<b>Net cash flows from/(used in) investing activities</b>		<b>(1,250,123,047)</b>
<b>Cash flows from financing activities</b>		
Returns to CRF		(4,806,752)
Proceeds from borrowings		
Repayment of borrowings		
<b>Net cash flows from financing Activities</b>		<b>(4,806,752)</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>(272,944,664)</b>
Cash and cash equivalents at 1 July	21	380,854,297
<b>Cash and cash equivalents at 30 June</b>	21	<b>107,909,633</b>

## 14. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

## Recurrent and Development Budgets Combined

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Budget carry overs (Special Purpose A/c)</b>	314,398,841		314,398,841	314,398,841		100%
<b>Receipts</b>						
Transfers from the CRF	7,918,336,846	693,386,793	8,611,723,639	7,427,622,411	1,184,101,228	86%
Other receipts	110,000,000		110,000,000		110,000,000	0%
<b>Total Receipts</b>	<b>8,342,735,687</b>	<b>693,386,793</b>	<b>9,036,122,480</b>	<b>7,742,021,252</b>	<b>1,294,101,228</b>	<b>86%</b>
<b>Payments</b>						
Compensation of employees	3,358,208,592	298,150,170	3,656,358,762	3,653,972,362	2,386,400	100%
Use of goods and services	1,507,574,010	(45,775,969)	1,461,798,041	976,370,699	485,427,342	67%
Subsidies						
Transfers to other government units						
Other grants and transfers	1,553,167,475	316,275,845	1,869,443,320	1,815,294,215	54,149,105	97%
Social security benefits	11,230,000	-	11,230,000	-	11,230,000	0%
Acquisition of assets	1,912,555,610	124,736,747	2,037,292,357	1,227,717,719	809,574,638	60%
Finance costs, including loan interest						
Repayment of principal on borrowings						
Other payments						
<b>Total</b>	<b>8,342,735,687</b>	<b>693,386,793</b>	<b>9,036,122,480</b>	<b>7,673,354,995</b>	<b>1,362,767,485</b>	<b>85%</b>
<b>Surplus</b>				<b>68,666,257</b>		

**Reconciliation table**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	68,666,257
1	Reason for differences	
2	Reason for differences	
3	Deposit payments	(22,405,328)
4	Deposit receipts	61,648,704
	Closing Cash and Cash Equivalent as per the statement of Cash flows	107,909,632

**Budget Notes**

***Under realizations***

*Transfers from the CRF the county realized 86% of the expected amounts since the National Treasury delayed transfers to CRF the equitable share.*

***Under Expenditure***

*The county executive reported an underspending of 67% and 60% on Use of goods and services and Acquisition of assets respectively to account for the deficit in the transfer from CRF*

***Changes between original and final Budget***

*The changes between original and final budget were caused by a supplementary estimate.*

## 15. Notes to the Financial Statements

### 1. General Information

Marsabit County Executive is established by and derives its authority and accountability from the Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are outlined in schedule four of the constitution.

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

#### Statement of compliance

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

#### Guiding note during the transition period:

*The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1<sup>st</sup> year financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33.*

*These financial statements were authorised for issue by the accounting officer on 5<sup>th</sup> November 2025*

#### Basis of Preparation

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

#### Reporting period

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

## Notes to the financial statements

### Critical accounting judgements

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

#### Recognition of revenue

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

#### Recognition of non-exchange expenses and liabilities

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

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

#### Purpose and nature of financial instruments

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

#### Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual

scenario of 143 MtCO<sub>2</sub>eq. Entities commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

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

## Notes to the Financial Statements (Continued)

## 3. Adoption of New and Revised Standards

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

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

Standard	Effective date and impact:
	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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

Standard	Effective date and impact:
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's</li> </ol>

Standard	Effective date and impact:
	financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

*iii) Early adoption of standards*

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

**Notes to the Financial Statements (Continued)**

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2024/2025 was approved by the County Assembly on 28 June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of Kshs. 693,386,793 on the 2024/2025 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

**Notes to the Financial Statements (Continued)**

**Budget information (continued)**

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

**c) Investment property**

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

**d) Property, plant and equipment**

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

**Notes to the Financial Statements (Continued)**

**e) Right of use asset**

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

**f) Tangible Natural Resources**

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

**Leases**

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

**Notes to the Financial Statements (Continued)**

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**i) Financial instruments**

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

**Notes to the Financial Statements (Continued)**

**i. Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

**Notes to the Financial Statements (Continued)**

**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

**Fair value through surplus or deficit**

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

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) the county has not made investments in financial assets.

**ii. Financial liabilities**

**Classification**

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

**Notes to the Financial Statements (Continued)**

**j) Inventories**

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

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

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

**k) Provisions**

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

**l) Contingent liabilities**

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

**Notes to the Financial Statements (Continued)**

**m) Contingent assets**

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

**n) Nature and purpose of reserves**

The Entity creates and maintains only the accumulated surplus and no other reserves in the mean time.

**o) Changes in accounting policies and estimates**

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

**p) Employee benefits**

**Retirement benefit plans**

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

**q) Foreign currency transactions**

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

from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

**Notes to the Financial Statements (Continued)**

**r) Borrowing costs**

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

**s) Related parties**

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

**t) Service concession arrangements.**

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

**u) Cash and cash equivalents**

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

**Notes to the Financial Statements (Continued)**

**v) Comparative figures**

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

**w) Subsequent events**

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

**Notes to the Financial Statements (Continued)**

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

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

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 34. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers F.Y 2024-2025
			Kshs
Recurrent	4,948,801,207		4,948,801,207
Development	2,093,138,536		2,093,138,536
Special purpose transfers	385,682,668		385,682,668
<b>Total</b>	<b>7,427,622,411</b>		<b>7,427,622,411</b>

7. Miscellaneous Revenue

Nature of Revenue	F.Y 2024-2025
	Kshs
In kind grants and donations	
Refunds & Reimbursements	
Revenues not classified anywhere else	
<b>Total</b>	

8. Other Incomes

Description	F.Y 2024-2025
	Kshs
Insurance recoveries	
Sale of tender documents	
Services concession income	
Other incomes not specified elsewhere	
<b>Total other income</b>	

Notes to the Financial Statements (Continued)

9. Employee Costs

Description	F.Y 2024-2025
	Kshs
Basic salaries of permanent employees	3,578,862,812
Basic wages of temporary employees	57,425,455
Personal allowances – part of salary	225,200
Pension and other social security contributions	
Employer contributions to compulsory national social security schemes	
Employer contributions to compulsory national health insurance schemes	
Employer contribution to compulsory housing scheme	
Other social benefit schemes	
Other personnel costs	
<b>Total Employee costs</b>	<b>3,636,513,467</b>

10. Use of Goods and Services

Description	F.Y 2024-2025
	Kshs
Utilities, supplies and services	19,693,631
Communication, supplies and services	1,396,000
Domestic travel and subsistence	48,446,743
Foreign travel and subsistence	11,959,735
Printing, advertising, and information supplies & services	28,127,362
Rentals of produced assets	35,837,549
Training expenses	72,843,573
Hospitality supplies and services	59,594,580
Insurance costs	-
Specialized materials and services	290,697,213
Other operating expenses <i>including bank Charges</i>	129,288,163
Office and general supplies and services	41,814,829
Fuel Oil and Lubricants	82,765,327
Routine maintenance – vehicles and other transport equipment	29,513,268
Routine maintenance – other assets	59,729,686
Research and prefeasibility	4,129,500
certified seeds	26,304,510
<b>Total</b>	<b>942,141,669</b>

Notes to the Financial Statements (Continued)

**11. Transfers to Other Government Entities**

Description	F.Y 2024-2025
	Kshs
Transfers to other County Government entities	
Transfers to self-reporting projects	
Transfers to car loan and mortgage schemes	
Others (specify)	
<b>Total</b>	

**12. Depreciation and Amortization Expense**

Description	F.Y 2024-2025
	Kshs
Property, plant and equipment	56,570,720
Intangible assets	
Investment property carried at cost	
<b>Total</b>	<b>56,570,720</b>

**13. Other Grants and Subsidies**

Description	F.Y 2024-2025
	Kshs
Membership dues and subscriptions to international organizations	
Scholarships and other educational benefits	155,000,000
Emergency relief and refugee assistance	195,802,370
Grants to small businesses, cooperatives, and self employed	
Subsidies to Public entities	
Subsidies to Private entities	
Other current transfers, grants	7,845,280
Other capital grants and transfers	939,998,885
<b>Total Grants and Subsidies</b>	<b>1,298,646,535</b>

**14. Finance Costs**

Description	F.Y 2024-2025
	Kshs
Interest Payments on Guaranteed Debt Taken over by Govt	
Interest on Domestic Borrowings (Non-Govt)	
Interest on Borrowings from Other Government Units	
Interest on bank overdrafts	
Interest on loans from commercial banks	
<b>Total finance costs</b>	

## Notes to the Financial Statements (Continued)

## 15. Social Benefits

Description	F.Y 2024-2025
	Kshs
Transfers to the elderly	
Transfers to orphans	
Transfers to the physically challenged	
<b>Total social benefit expenses</b>	

## 16. Gain/Loss on Sale of Assets

Description	F.Y 2024-2025
	Kshs
Property, plant and equipment	
Intangible assets	
Other assets not capitalised	
<b>Total gain on sale of assets</b>	

## 17. Gain/Loss on Foreign Exchange

Description	F.Y 2024-2025
	Kshs
Gain or loss on foreign exchange transactions	
Gain or loss on balances in foreign exchanges	
<b>Total</b>	

## 18. Gain/Loss on Fair Value Investments

Description	F.Y 2024-2025
	Kshs
Investments at Fair Value	
<b>Total Gain</b>	

## 19. Impairment Loss

Description	F.Y 2024-2025
	Kshs
Property, Plant and Equipment	
Intangible Assets	
<b>Total Impairment Loss</b>	

Notes to the Financial Statements (Continued)

20. Taxation

Description	F.Y 2024-2025
	Kshs
Current income tax charge	
Tax charged on rental income	
Tax charged on interest income	
Original and reversal of temporary differences	
<b>Income tax expense reported in the statement of financial performance</b>	

21. Cash and Cash Equivalents

Description	F.Y 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Recurrent Account	2	3,297
Development Account	637	4,803,455
Deposits Account	39,243,375	61,648,704
Special Purpose Accounts	68,665,618	314,398,841
Other operating commercial accounts ( <i>Specify</i> )		
<b>Total</b>	<b>107,909,632</b>	<b>380,854,297</b>

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

Financial Institution	Account number	F.Y 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
Recurrent Accounts			
<i>Central Bank of Kenya, Recurrent.</i>	1000170492	2	3,297
Development Accounts			
<i>Central Bank of Kenya, Development</i>	1000170514	637	4,803,455
Deposits Accounts			
<i>Co-operative Bank, Marsabit Branch</i>	01141551311100	39,243,375	61,648,704
Special Purpose Accounts			
<i>Central Bank of Kenya, World Bank/Danida Account no.</i>	1000274328	3,360	6,986
<i>Central Bank of Kenya, Village Polytechnic Project Account no.</i>	1000367377	347	555,347
<i>Central Bank of Kenya, Agriculture Sector Development Support Project</i>	1000367393	0	0
<i>Central Bank of Kenya, Kenya</i>	1000367385	15,729	15,729

		<i>F. Y 2024-2025</i>	<i>Opening Statement 1<sup>st</sup> July 2024</i>
<b>Financial Institution</b>	<b>Account number</b>	<b>Kshs</b>	<b>Kshs</b>
<i>Climate Smart Agriculture.</i>			
<i>Central Bank of Kenya, Kenya Devolution Support Project</i>	1000454318	184,483	184,483
<i>Central Bank of Kenya, Covid-19</i>	1000470143	9,766	9,766
<i>Central Bank of Kenya, Food and Agriculture Organisation</i>	1000375744	0	0
<i>Central Bank of Kenya, Emergency Locust Response</i>	1000530081	1	1
<i>Central Bank of Kenya, Drought Resilience</i>	1000512288	25,004,748	145,038,663
<i>Central Bank of Kenya, Climate Change Fund</i>	1000506587	27,901,650	127,721,671
<i>Primary health care</i>	1000574054	433,785	433,785
<i>Aggregate and industrial park</i>	1000739177	104,713	10,108,606
<i>Marsabit County 2nd Kenya Devo S Pr</i>	1000746327	5,000,000	0
<i>Marsabit County Food Sys Resilience (KES</i>	1000763108	10,000,000	0
<i>Central Bank Fuel Levy</i>	1000299134	7,037	30,323,806
<i>Cash on Hand</i>			
<b>Total</b>		<b>107,909,632</b>	<b>380,854,297</b>

## Notes to the Financial Statements (Continued)

## 22. Receivables from Exchange Transactions

Description	F.Y 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Total receivables</b>		
Other exchange debtors ( <i>Specify</i> )		
Less: impairment allowance		
<b>Total receivables</b>		
a) Current receivables		
b) Non-current receivables		
<b>Total Receivables (a+b)</b>		

## i) Ageing analysis for Receivables

Description	F.Y 2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year				
Between 1- 2 years				
Between 2-3 years				
Over 3 years				
<b>Total (a+b)</b>				

## ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance	F.Y 2024-2025
	Kshs
At the beginning of the year	
Additional allowance during the year	
Recovered during the year	
Written off during the year	
At the end of the year	

## Notes to the Financial Statements (Continued)

## 23. Receivables from Non-Exchange Transactions

Description	F.Y 2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Other debtors (non-exchange transactions)				
Less: impairment allowance				
<b>Total receivables from non- exchange transactions</b>				
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>Insert Current FY</b>	<b>% of the total</b>	<b>Opening Balance</b>	<b>% of the total</b>
Less than 1 year				
Between 1-2 years				
Over 3 years				
<b>Total</b>				

## i. Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	F.Y 2024-2025
	Kshs
At the beginning of the year	
Additional provisions during the year	
Recovered during the year	
Written off during the year	
At the end of the year	

Notes to the Financial Statements (Continued)

**24. Inventories**

Description	F.Y 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Spare parts		
Goods held for distribution		
Less: allowance for impairment		
<b>Total</b>		

Detailed disclosure on inventories

	F.Y 2024-2025
Opening balance	
Additional Inventory in the year	
Inventory expensed in the year	
Write-downs in the year	
Others specify	
Closing balance	

**25. Investments**

Description	F.Y 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>a) Investment in Treasury bills and bonds</b>		
Financial institution		
CBK		
CBK		
Sub- total		
<b>b) Investment with Financial Institutions/ Banks</b>		
Bank		
Bank		
Sub- total		
<b>c) Equity investments (specify)</b>		
Equity/ shares in Entity		
Sub- total		
Grand total		
<b>Analyzed as:</b>		
Current portion of Investment		
Non-current portion of investment		

**d) Movement of Equity Investments**

	<i>F.Y 2024-2025</i>
	<b>Kshs</b>
At the beginning of the year	
Purchase of investments in the year	
Sale of investments during the year	
Increase /(decrease ) in fair value of investments	
At the end of the year	

**Notes to the Financial Statements (Continued)****e) Shareholding in other entities**

For investments in equity share listed under note 25 above, list down the equity investments under the following categories.

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Kshs	Kshs
					<i>F.Y 2024-2025</i>	<i>Opening Statement 1<sup>st</sup> July 2024</i>
Entity A						
Entity B						
Entity C						

County Executive of Marsabit  
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	specialized plant & equipment	Computers & ICT Equipment	Work in progress	Total
Depreciation Rate		2%	16.67%	2%	12.5%	12.5%	33.3%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 <sup>st</sup> July 2024		182,495,633	999,980	619,582,547	3,289,335	23,818,012	1,200,000		831,385,507
Additions		279,417,590	80,838,002	532,073,879	1,940,000	51,413,473	599,800	73,943,529	1,020,226,273
Disposals									
Transfer/Adjustments									
As At /Jun 2025		461,913,223	81,837,982	1,151,656,426	5,229,335	75,231,485	1,799,800	73,943,529	1,851,611,780
Depreciation And Impairment									
Depreciation for the year	-	9,238,264	13,642,392	23,033,129	653,667	9,403,936	599,333	-	56,570,720
Disposals	-								
Impairment	-								
Transfer/Adjustment	-								
As At Jun 2025	-	9,238,264	13,642,392	23,033,129	653,667	9,403,936	599,333	-	56,570,720
Net Book Values									
As At 30 <sup>th</sup> June, 2025		452,674,958	68,195,590	1,128,623,298	4,575,668	65,827,549	1,200,467	73,943,529	1,795,041,059

(The work in progress relate to 2024-2025 payables on payment of assets which expects to be complete over a period of more than one year)

Notes to the Financial Statements (Continued)

27. Intangible Assets

Description	F.Y 2024-2025
	Kshs
<b>Cost/Opening balance at the beginning of the year</b>	
Additions	
Disposal	
<b>At end of the year</b>	
Additions–internal development	
Disposal	
<b>At end of the year</b>	
<b>Amortization and impairment</b>	
<b>At beginning of the year</b>	
Amortization	
<b>At end of the year</b>	
Impairment loss	
<b>At end of the year</b>	
<b>NBV</b>	

28. Investment Property

Description	F.Y 2024-2025
	Kshs
<b>Cost/Opening balance at the beginning of the year</b>	
Additions	
Disposal during the year	
Depreciation	
Impairment	
<b>At end of the year</b>	

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

## Notes to the Financial Statements (Continued)

## 29. Right-of-use assets

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

## 30. Biological Assets

<b>Description</b>	<i>F.Y 2024-2025</i>	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	<b>Kshs</b>	<b>Kshs</b>
Specify		
Specify		
<b>Total</b>		

## 31. Tangible Natural Resources

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

Notes to the Financial Statements (Continued)

32. Trade and Other Payables

Description	F.Y 2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Trade payables				
Use of Goods and Services	348,741,444		382,970,474	
Other Grants and Subsidies	649,145,768		1,165,793,448	
Acquisition Of Assets	547,439,751		754,931,197	
Payments received in advance				
Employee payables	259,948,115		277,407,011	
Third-party payments				
Other payables				
<b>Total trade and other payables</b>	<b>1,805,275,078</b>		<b>2,581,102,130</b>	
<b>Ageing analysis: (Trade and other payables)</b>	<b>F.Y 2024-2025</b>	<b>%</b>	<b>Opening balance</b>	<b>% of the Total</b>
Under one year	354,623,453	20%	467,407,011	18%
1-2 years	1,199,000	0%	1,081,833,490	42%
2-3 years	618,924,604	34%	980,437,092	38%
Over 3 years	830,528,021	46%	51,324,537	2%
<b>Total (tie to above total)</b>	<b>1,805,275,078</b>	<b>100%</b>	<b>2,581,102,130</b>	<b>100%</b>

33. Refundable Deposits and Prepayments

Description	F.Y 2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Customer deposits	39,243,375		61,648,704	
Prepayments				
Other deposits				
<b>Total deposits</b>	<b>39,243,375</b>		<b>61,648,704</b>	
<b>Ageing analysis: (Refundable deposits)</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Opening Balance</b>	<b>% of the Total</b>
<b>Under one year</b>	39,243,375	100%	61,648,704	100%
1-2 years		%		
2-3 years		%		%
Over 3 years		%		%
<b>Total</b>	<b>39,243,375</b>	<b>100%</b>	<b>61,648,704</b>	<b>100%</b>

Notes to the Financial Statements (Continued)

34. Provisions

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

35. Lease Liabilities

Description	F.Y 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Balance at the beginning of the year</b>		
Discount interest on lease liability		
Paid during the year		
<b>At end of the year</b>		

**Maturity Analysis**

Period	Amount
Year 1	
Year 2	
Year 3	
Year 4	
Year 5 and onwards	
Less: unearned Interest	

**Analysed as:**

Description	Amount
Current	
Non- Current	
<b>Total</b>	

Notes to the Financial Statements (Continued)

**36. Deferred Income**

Description	F.Y 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
National Government		
International Funders		
Public Contributions and Donations		
<b>Total Deferred Income</b>		

The deferred income movement is as follows:

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

Analysed as:

Description	Amount
Current	
Non- Current	
<b>Total</b>	

**Notes to the Financial Statements (Continued)**

**37. Employee Benefit Obligations**

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	F.Y 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation					
Non-Current Benefit Obligation					
<b>Total Employee Benefits Obligation</b>					

**Retirement benefit Asset/ Liability (Applicable to Pensions)**

The Entity operates a defined contribution scheme for all full-time employees from July 1, 2013. The scheme is administered by LAP fund and LAP trust while provident schemes are the custodians of the scheme. The scheme is based on a percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 are carried out by the scheme administrators. On this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

	F.Y 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
Discount Rates		
Future Salary Increases		
Future Pension Increases		
Mortality (Pre- Retirement)		
Mortality (post-retirement)		
Withdrawals		
Ill Health		
Retirement		

## Notes to the Financial Statements (Continued)

## Recognition of Retirement Benefit Asset/ Liability

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

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

b) Amounts recognized in the Statement of Financial Position

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

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently graduated depending on the salary scales per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by a Pension Fund. Employees contribute a certain percentage while employers contribute twice the % of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

Notes to the Financial Statements (Continued)

38. Borrowings

Description	F.Y 2024-2025
	Kshs
<b>a) External borrowings</b>	
Balance at beginning of the year	
External borrowings during the year	
Repayments of during the year	
<b>Balance at end of the year</b>	
<b>b) Domestic borrowings</b>	
Balance at beginning of the year	
Domestic borrowings during the year	
Repayments during the year	
<b>Balance at end of the year</b>	
<b>Balance at end of the period- domestic and External borrowings c = (a+b)</b>	

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

	F.Y 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>External Borrowings</b>		
Dollar Denominated Loan From 'X Organisation'		
Sterling Pound Denominated Loan From 'Y Organisation'		
Euro Denominated Loan from Z Organisation'		
<b>Domestic Borrowings</b>		
Kenya Shilling Loan From KCB		
Kenya Shilling Loan from Barclays Bank		
Kenya Shilling Loan from Consolidated Bank		
<b>Total /Balance at end of The Year</b>		

## Notes to the Financial Statements (Continued)

Description	F.Y 2024-2025	Opening
	Kshs	Kshs
Short Term Borrowings (Current Portion)		
Long Term Borrowings		
Total		

(NB: the total of this statement should tie to note 41 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

## 39. Service Concession Arrangements Liability

Description	F.Y 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Fair value of service concession assets recognized under PPE		
Accumulated depreciation to date		
Net carrying amount		
Service concession liability at beginning of the year		
Service concession revenue recognized		
Service concession liability at end of the year		

## 40. Cash Generated from Operations

	F.Y 2024-2025
	Kshs
<b>Surplus for the year before tax</b>	<b>1,497,986,352</b>
<b>Adjusted for:</b>	
Depreciation	56,570,720
<b>Working capital adjustments</b>	
Increase in inventory	
Increase in receivables	
Increase in deferred income	
Changes in payables	(572,571,938)
Increase in payments received in advance	
<b>Net cash flow from operating activities</b>	<b>981,985,135</b>

**Notes to the Financial Statements (Continued)**

**41. Financial Risk Management**

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

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

**i) Credit risk**

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

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

	<b>Total amount</b>	<b>Fully performing</b>	<b>Past due</b>	<b>Impaired</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>As at 30 June 2025</b>				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
<b>Total</b>				

**Notes to the Financial Statements (Continued)****Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The county executive has no significant concentration of credit risk on amounts. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

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

The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2025</b>				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
<b>Total</b>				

**Notes to the Financial Statements (Continued)**

**Financial Risk Management**

**iii) Market risk**

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

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

**a) Foreign currency risk**

The *county executive* has no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *county executive* manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**Notes to the Financial Statements (Continued)****Financial Risk Management**

The carrying amount of the *county executive's* foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**Current FY**

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30 June 2025</b>			
<b>Financial Assets</b>			
Investments			
Cash			
Debtors			
<b>Total Financial Assets</b>			
<b>Financial Liabilities</b>			
Trade And Other Payables			
Borrowings			
<b>Total Financial Liabilities</b>			
<b>Net Foreign Currency Asset/(Liability)</b>			

**Financial Risk Management**

The following table demonstrates the effect on the Entity's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>2024</b>			
Euro			
USD			
<b>2025</b>			
Euro			
USD			

**Notes to the Financial Statements (Continued)**

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Financial Risk Management**

**Sensitivity analysis**

The county executive analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of A rate increase/decrease of 5% would result in a decrease/increase in profit before

**(NB: The county executive has no borrowings and therefore not exposed to interest rate risks.)**

**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

**Determination of fair value and fair values hierarchy**

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

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

data when available. The *county executive* considers relevant and observable market prices in its valuations where possible.

**Notes to the Financial Statements (Continued)**

**Financial Risk Management**

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2025</b>				
<b>Financial Assets</b>				
Quoted Equity Investments				
<b>Non- Financial Assets</b>				
Investment Property				
Land And Buildings				

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

**iv) Capital Risk Management**

The objective of the Entity’s capital risk management is to safeguard the Entity’s ability to continue as a going concern. The Entity capital structure comprises of the following funds:

	<i>F.Y 2024-2025</i>	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings		
Capital Reserve		
<b>Total Funds</b>		
Total Borrowings		
Less: Cash And Bank Balances		
Net Debt/(Excess Cash And Cash Equivalent)		
<b>Gearing</b>		

## Notes to the Financial Statements (Continued)

## 42. Related Party Disclosures

**Nature of related party relationships**

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

**Government of Kenya**

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

**Other related parties include:**

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

	<i>F.Y 2024-2025</i>
	<b>Kshs</b>
<b>Transactions with related parties</b>	
<b>a) Sales to related parties</b>	
Others interest and bank charges	
<b>Total</b>	
<b>B) purchases from related parties</b>	
Purchases of electricity from KPLC	21,818,344
Purchase of water from govt service providers	0.00
Rent expenses paid to govt agencies	0.00
Training and conference fees paid to Kenya School of Government	607,609
Kenya Medical Supplies Agency	50,609,108
<b>Total</b>	<b>73,035,061</b>
<b>b) Grants /transfers from the government</b>	
Grants from national govt	382,589,511
Grants from county government	
Donations in kind	
<b>Total</b>	<b>382,589,511</b>
<b>c) Expenses incurred on behalf of related party</b>	
Payments of salaries and wages for MARWASCO employees	
Payments for goods and services for sagas	
<b>Total</b>	
<b>d) Key management compensation</b>	
Compensation to key management	
<b>Total</b>	

**43. Segment Information**

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

**44. Contingent Assets and Contingent Liabilities****Contingent Assets**

	<i>F.Y 2024-2025</i>
	<b>Kshs</b>
<b>Contingent Assets</b>	
Insurance Reimbursements	
Assets Arising from Determination Of Court Cases	
Reimbursable Indemnities and Guarantees	
Receivables From Other Government Entities	
Others	
<b>Total</b>	

**Contingent Liabilities**

	<i>F.Y 2024-2025</i>
	<b>Kshs</b>
<b>Contingent Liabilities</b>	
Court Case against the Entity	
Bank Guarantees in Favour of Subsidiary	
Contingent Liabilities arising from Contracts Including PPPs	
Others	
<b>Total</b>	

**45. Capital Commitments**

<b>Capital Commitments</b>	<i>F.Y 2024-2025</i>
	<b>Kshs</b>
Authorised for	
Authorised and contracted for	
<b>Total</b>	

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

Notes to the Financial Statements (Continued)

**46. Program for Results (P for R) Disclosure**

Name of P for R:		Name of Financing Partners:				
Expenditure Details*	Opening Cumulative for Previous FYs		2024-2025		Total Cumulative	
	Budget	Actual	Budget	Actual	Budget	Actual
Program code						
Sub-program						
Sub-program						
<b>Sub-total</b>						
Program code						
Sub-program						
Sub-program						
<b>Sub-total</b>						
<b>Total</b>						

**47. Events after the Reporting Period**

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

**48. Ultimate And Holding Entity**

The Entity ultimate parent is the Government of Kenya.

**49. Currency**

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

County Executive of Marsabit  
Annual Reports and Financial Statements for the year ended June 30, 2025.

16. Appendix

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<b>Report on the Financial Statements</b>				
1	Non-Acknowledgement of Funds Transferred to Other Government Agencies	The management confirms that funds meant for other government agencies have been transferred to their respective accounts and acknowledgement letters from the beneficiary institutions are attached for your reference. Further, we wish to confirm that the grants accounts were audited during the year under review.	Resolved	
2	Unsupported Legal Fees	The fee note raised by M/S A.M Jarso and Associates Advocates was in full compliance with the Advocates Remuneration Order of 2014 as it consolidated various matters. Further, a detailed breakdown of the fee note is attached for your reference.	Resolved	
3	Irregular Motor Vehicle Insurance Payments	Insurance covers are taken over for all Fleet including Unserviceable since they are all Government Assets and attract risk. There were three (3) vehicles whose details were erroneously duplicated in the tender document. However, during issuance of insurance covers the error was corrected and covers allocated to three (3) additional vehicles that were erroneously left out of the tender document. The management advises that the process of disposing all the grounded and unserviceable vehicles was initiated through the tender number MBT/COU/86/2024-2025 advertised on 21st March 2025 and closed on 7th April 2025.	Resolved	
4	Irregular Payment of Special House Allowances	The twenty (20) staffs who were paid special house allowance were engaged before the effective implementation date of 1st July 2015 for implementation of SRC Circular Ref. SRC/TS/MDP/3/1/2(2) dated, 11th August, 2015 which revised house allowances for public and civil servants. The staff appointment letters indicated house allowances as provided by Public Service Commission in 2001 which were higher than the	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		amounts indicated in SRC Circular Ref. SRC/ADM/CIR/1/13 Vol.III (126) dated, 10th December, 2014. Therefore, the special house allowance relates to the difference between house allowances as contained in the two Circulars.		
5	Misclassification of Expenditure			
5.1	Other Operating Expenses	The domestic travel and subsistence allowances paid to staff for various activities were correctly charged to other operating expenses after exhausting domestic travel and subsistence allowance vote heads. The funds allocated under other operating expenses were meant to support miscellaneous operation costs including domestic travel.	Resolved	
5.2	Other Grants and Transfers	Ksh 75,216,016 was made to various suppliers and charged to other grants and transfers. The basis is as follows: Ksh. 5,995,800 related to procurement of Borana breeding Heifers that were budgeted for and expended under the Department of Livestock for restocking purposes under the ward priorities during the financial year 2023-2024. Ksh. 9,491,130 related to payments for fuel, repairs and maintenance of ambulances used to run free ambulance programme. -During the budget loading process, the aforementioned allocations were captured as Other Grants and Transfers under the Department of health Services. Ksh. 59,729,086 relates to payments for various medical supplies including food items for in patients to Marsabit Level IV Hospital. The funds were budgeted for and expended under the Health Services Departmental Priorities as Medical Drugs.	Resolved	
<b>Budgetary Controls and Performance</b>				
	Budgetary Controls and Performance	The budget under-funding and the related under-expenditure was as a result of delay in release of exchequer funds from the National Treasury during the financial year 2023-2024.	Not resolved	30 <sup>th</sup> June 2025

County Executive of Marsabit  
Annual Reports and Financial Statements for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<b>Other Matter</b>				
	Prior Year Unresolved Issues	The management is in agreement with the findings of the auditor and is committed to submission of documents before the relevant committees of the Senate and County Assembly as and when scheduled for appearance.	Resolved	
<b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b>				
1	Wasteful Expenditure on Foreign Travel and Subsistence	The management confirms that all the three (3) ambulances were delivered and currently in use at the County.	Resolved	
2	Non-Compliance with the Fiscal Responsibility Principles on Wage Bill	The management is in agreement with auditor's observation and commits to put in place mechanisms to manage County wage bill to ensure that it's within the required regulatory threshold.	Not resolved	
3	Irregular Commitments for Supply of Goods and Services	The management confirms that the aforementioned commitments were done in accordance with approvals from the accounting officers.	Not resolved	
4	Anomalies in Projects Implementation			
4.1	Supply and Delivery of 5000 Litres Water Tanks to Households	The management confirms that the need for purchase of the tanks were identified during the budget making public participation forums. The tanks were meant to harvest rain water to enhance storage at the household level for vulnerable groups within the community. Additionally, the tanks were distributed to far flung areas without permanent water sources to provide water storage during emergencies or severe drought.	Not resolved	30 <sup>th</sup> June 2025
4.2	Construction of Level 4 Hospital at Sololo-Makutano	The management has completed Sololo Level IV Hospital and it will be operationalized in order to serve the residents of the County.	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.3	Irregularities in the Drilling and Equipping of New Godoma Community Borehole	The hydrological assessment report and authorization letter from Water Resources Management Authority (WRMA) are attached for your reference.	Resolved	
4.4	Solid Waste Management Services in Saku Central	The management has noted the auditor's observation and will put in place solid waste management practices that will enhance effective and efficient waste management, comprehensive assessment, inspection and acceptance reports on waste collection exercises within the County and maintains daily waste collection registers duly inspected and supervised by municipal environmental and urban public health officers.	Not resolved	30 <sup>th</sup> June 2025
4.5	Upgrading of Moyale Town Roads to Bitumen Standard	<p>The extension of the project implementation period does not reflect inefficiencies or failure in project execution, but rather is attributable to objectively verifiable external factors that were beyond the control of both the client and the contractor. These factors were duly documented, assessed, and approved in line with contractual provisions for extension of time (EOT) under the applicable contract and procurement frameworks.</p> <p>Key among these factors were:</p> <ol style="list-style-type: none"> <li>1. Adverse Weather Conditions</li> <li>2. COVID-19 Pandemic Impact – As part of global and national public health directives, the project experienced a 12-month delay due to restricted personnel and material movement, social distancing requirements, and supply chain slowdowns.</li> <li>3. Road Reserve Encroachment –</li> <li>4. Unforeseen Ground Conditions –</li> <li>5. Funding Constraints from Annual Budget Cycles</li> </ol>	Resolved	

County Executive of Marsabit  
Annual Reports and Financial Statements for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>the contractor formally applied for an Extension of Time (EOT), which was subjected to a thorough technical and contractual review. The extension was deemed justified, procedurally compliant, and in accordance with Clause of the Conditions of Contract. Approval was granted solely for time lost due to factors deemed unforeseeable, external, and non-attributable to the contractor's performance.</p> <p>The management confirms that the project was completed in January 2025. The HIV/AIDS awareness provision was included in compliance with social safeguard requirements and aligned with national and international standards for public infrastructure projects, particularly those funded from public resources. The implementation of HIV/AIDS awareness activities were carried out as an integral part of the project's Environmental and Social Management Plan (ESMP). The contractor spent Ksh. 1,496,000 over a period of three years to create HIV/AIDS awareness at the project site. To ensure the effective implementation of the HIV/AIDS awareness programs, the following awareness and mitigation activities were undertaken during the construction period.</p>		
4.6	Stalled/ Incomplete and Unused Projects	The management has provided various status of the listed projects	Not resolved	30 <sup>th</sup> June 2025
5	Regularity of Procurement Processes and Procedures			
5.1	Irregularities in the Procurement of Supply and Delivery of Cereals	The procurement for supply and delivery of cereals and transport services was done through a Framework Agreement procurement method. The Accounting Officer, based on the urgency of the request, uses either call off process or mini competition in identification of suppliers to engage based on the need. A Call-Off Order (also known as a Blanket Order Release) is a purchase order used in procurement where a buyer requests a specific quantity of	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		goods or services from a supplier under a pre-agreed contract or framework agreement. Instead of placing multiple separate purchase orders, the buyer agrees on terms (such as pricing, delivery schedule, and quantities) in advance, and then issues call-off orders as needed. Further, the management confirms that the aforementioned transporter was duly prequalified as transport service provider		
5.2	Irregular Procurement of Consultancy Services for the Development and Review of County Integrated Development Plan (CIDP) 2023-2027	The management confirms that the service provider was duly prequalified under request for proposal category during the financial year	Resolved	
5.3	Irregularities in Procurement of Routine Maintenance of Motor Vehicles and Other Equipment	The pre-inspection and post-inspection reports for repairs and maintenance of motor vehicles and boreholes are provided for your review.	Resolved	
5.4	Procurement of Comprehensive Staff Medical Cover	The management confirms that the insurance contract period commenced on 14th March 2023 and expired on 13th March 2024. The contract period spans two (2) financial years namely; FY 2023-2024 and FY 2022-2023. Therefore, the medical insurance was on a rolling over basis. The budget of Kshs 60m was from FY 2023-2024 while the balance of Ksh 19,811,929 was funded from the subsequent year's budget 2024-2025.	Resolved	

County Executive of Marsabit  
Annual Reports and Financial Statements for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6	Irregular Funding of National Government Functions	Although the above projects are national government functions, the County Government supported the communities' projects based on the need and the critical nature of such projects in order to enhance complementary roles between the two levels of Government.	Not resolved	30 <sup>th</sup> June 2025
7	Non-Compliance with Budget Formulation and Expenditure Classification Requirements	<p>The management confirms that;</p> <p>(i) The Offices of the County Secretary and the County Attorney were not included in the approved County Fiscal Strategy Paper but included in the Appropriation Bill. This was approved by the Cabinet before the submission of the budget estimates to the county assembly after the two offices gave sufficient justification of the need of the two offices to be reasonably funded for efficient delivery of services. The same was defended before the County assembly and approved.</p> <p>(ii) The reclassification of the expenditure items from development expenditure to recurrent expenditure was done in line with the advisory from the office of the Controller of budget. The controller of budget in her comments on the draft budget estimates had advised the county to reclassify expenditure items which appeared recurrent in nature from development to recurrent expenditure. The County in consultation with the county assembly therefore reclassified the expenditure items in line with this advisory. The identified items were properly budgeted for under recurrent budget vote.</p> <p>(iii) The County Government of Marsabit has always prepared programme-based budget in line with regulation 30 (1c) of the Public Finance Management (County Governments) Regulations, 2015. However, there is a separate excel sheet that is attached to the main PBB document as an annex that shows the itemized budget for both the recurrent and development budget.</p>	Not resolved	30 <sup>th</sup> June 2025
8	Irregularities in the	The management confirms that asset disposal plan was developed	Not	30 <sup>th</sup> June 2025

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Management of County Government Vehicles and Fire Equipment	but could not be implemented during the financial year due to incomplete transfer of ownership of the aforementioned vehicles. Attached, please find list of unserviceable vehicles showing status of current ownership and correspondence from IGRTC. The management is in agreement with the auditor's observation and will put in place corrective measure to ensure compliance.	resolved	
9	Project Implementation Status	Please find attached updated project implementation status report for your reference.	Resolved	
10	Non-Compliance with the Public Sector Accounting Standards Board Requirements	The management regrets the error that omitted disclosure of contingent liabilities in the financial statements and commits to disclose all the County contingent liabilities in the subsequent years.	Not resolved	30 <sup>th</sup> June 2025
<b>REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE</b>				
1	Failure to Maintain an Updated Fixed Assets Register	The management confirms that the County fixed asset register is maintained and updated regularly for any additions or disposals.	Not resolved	30 <sup>th</sup> June 2025
2	Use of Manual Payroll	The payment of 367 staffs via manual payroll was necessitated by the recruitment of staffs under different cadres in various departments.	Resolved	
3	Information, Communication and Technology Environment	The management confirms that all employees have been integrated into the Human Resource Information System as at 30th April 2025.	Not resolved	30 <sup>th</sup> June 2025
4	Lack of Risk Management Policy	The management has noted the observation and County ICT Policy has been developed and duly approved.	Not resolved	30 <sup>th</sup> June 2025
5	Lack of a Functioning Audit Committee	The management has noted the observation and will put in place plans to develop County Risk Management Policy.	Not resolved	30 <sup>th</sup> June 2025

County Executive of Marsabit  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6	Lack of Operational and Functional Independence of Internal Audit Department	The management has noted the observation and will put in place measures to constitute a functional audit committee in the FY 2024-2025.	Not resolved	30 <sup>th</sup> June 2025

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to County Treasury.

  
 .....  
 Accounting Officer  
 Date: 5<sup>th</sup> November 2025

Appendix II: Projects implemented by the County Executive

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidate d in these financial statements( Yes/No)
PHC (Private Health Care)	N/A	Danida (DanishGove rnment)	FY 2024/25	Kes. 10,432,500	Yes	Yes
Establishment of Tree nursery in Saku	MBT/COU/Q/ENV/03/24-25	FLLoCA	2024-2025	3,000,000	Yes	Yes
Establishment of Tree nursery in Moyale	MBT/COU/Q/ENV/02/24-25	FLLoCA	2024-2025	3,000,000	Yes	Yes
Restoration of degraded land (building of gabbions) - Hawecha Primary school	MBT/COU/Q/ENV/16/24-25	FLLoCA	2024-2025	5,000,000	Yes	Yes
Restoration of degraded land (building of gabbions) - Alhuda Primary school	MBT/COU/Q/ENV/ 01/24-25	FLLoCA	2024-2025	5,000,000	Yes	Yes
Establishment of Tree Nursery at Kubi Dibayu Borehole	MBT/COU/Q/ENV/10/24-25	FLLoCA	2024-2025	2,500,000	Yes	Yes
Establishment of Tree Nursery at Kubi Bagasa Borehole	MBT/COU/Q/ENV/08/24-25	FLLoCA	2024-2025	2,500,000	Yes	Yes

County Executive of Marsabit

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

Uran water harvesting structure - Medium size water pan	MBT/COU/T/ENV/ 54/24-25	FLLoCA	2024-2025	50,000,000	Yes	Yes
Construction of water pan at Kargi	MBT/COU/Q/ENV/25/24-25	FLLoCA	2024-2025	5,000,000	Yes	Yes
Medium size Pan at Yabalo Water harvesting to support, Multi-purpose use (Irrigation, domestic and livestock)	MBT/COU/T/ENV/52/24-25	FLLoCA	2024-2025	15,000,000	Yes	Yes
Proposed Construction Of Dispensary Block At Dololo Dokatu9saku Sub County)	MBT/COU/Q/ENV/150/24-25	FLLoCA	2024-2025	4,989,977.00	Yes	Yes
Proposed Construction Of Dispensary Block At Dololo Dokatu saku Sub County)	MBT/COU/Q/EXE/601/24-25	FLLoCA	2024-2025	4,829,312	Yes	Yes
Proposed Construction Of 1 NO.Double pit latrine for Dololo Dokatu dispensary-Saku sub county.	MBT/COU/Q/EXE/ 124 /24-25	FLLoCA	2024-2025	500,000	Yes	Yes
Proposed flood mitigation project sololo	MBT/COU/Q/ENV/ 124 /24-25	FLLoCA	2024-2025	21,000,000	Yes	Yes
Proposed renovation of regional laboratory block at Marsabit referral hospital.	MBT/COU/Q/EXE/ 600/24-25	FLLoCA	2024-2025	3,000,000	Yes	Yes
Proposed Construction Of 1 No.200m Underground Tank At Sololo Level 5 Hospital	MBT/COU/Q/EXE/ 1668329/24-25	FLLoCA	2024-2025	5,000,000	Yes	Yes
Desilting and expansion of Qonqoma Water pan	MBT/COU/Q/ENV/22/24-25	FLLoCA	2024-2025	4,800,000	Yes	Yes

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

construction of new medium size dam at Toricha in Maikona ward	MBT/COU/T/ENV/53/24-25	FLLoCA	2024-2025	9,000,000	Yes	Yes
Desilting of Muk Gura Water pan	MBT/COU/Q/ENV/ 5 /24-25	FLLoCA	2024-2025	49,991,000	Yes	Yes
		FLLoCA	2024-2025		Yes	Yes
Support household with kitchen gardening and farm tools	MBT/COU/Q/ENV/26/24-25	FLLoCA	2024-2025	4,000,000	Yes	Yes
Piping of Dololo dokatu borehole support dry land farming and installation of irrigation schemes and water structures and support productive inputs for both farm seeds and fodder production.	MBT/COU/Q/ENV/51/24-25	FLLoCA	2024-2025	15,000,000	Yes	Yes
Livestock Breed improvement Program - Purchase of Galla goat and distribution to individuals or groups for Moyale and Saku Subcounty	MBT/COU/Q/ENV/ 11/24-25	FLLoCA	2024-2025	3,000,000	Yes	Yes
Livestock Breed improvement Program - Purchase of Galla goat and distribution to individuals or groups for Laisamis and Northhorr Sub County	MBT/COU/Q/ENV/10/24-25	FLLoCA	2024-2025	3,000,000	Yes	Yes
Purchases of Veterinary Vaccine for Gala goats and	MBT/COU/Q/ENV/26/24-25	FLLoCA	2024-2025	1,500,000	Yes	Yes

County Executive of Marsabit

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

Purchase And Supply Of Bee Keeping Equipments And Poultry Keeping Equipments For Moyale Sub County	MBT/COU/Q/ENV/14/24-25	World Bank	2024-2025	3,000,000	Yes	Yes
Purchase And Supply Of Bee Keeping Equipments And Poultry Keeping Equipments For Laisamis Sub County	MBT/COU/Q/ENV/13/24-25	World Bank	2024-2025	3,000,000	Yes	Yes
Purchase And Supply Of Bee Keeping Equipments And Poultry Keeping Equipments For Saku Sub County	MBT/COU/Q/ENV/15/24-25	World Bank	2024-2025	2,500,000	Yes	Yes
Purchase and installation of energy saving jikos for ECD Centre's	MBT/COU/Q/ENV/27 /24-25	World Bank	2024-2025	2,500,000	Yes	Yes
Purchase and installation of energy saving jikos for ECD Centre's	MBT/COU/Q/ENV/ 28 /24-25	World Bank	2024-2025	2,500,000	Yes	Yes
Purchase and distribution of energy saving jikos to 300 households	MBT/COU/Q/ENV/06/24-25	World Bank	2024-2025	2,500,000	Yes	Yes
Purchase and distribution of energy saving jikos to 300 households	MBT/COU/Q/ENV/07/24-25	World Bank	2024-2025	2,500,000	Yes	Yes
Equipping gum and resins Groups (Harvesting /sorting machines/storage materials)	MBT/COU/Q/ENV/19/24-25	World Bank	2024-2025	2,500,000	Yes	Yes
Equipping gum and resins Groups (Harvesting /sorting machines/storage materials)	MBT/COU/Q/ENV/20/24-25	World Bank	2024-2025	1,200,000	Yes	Yes
Purchase of certified seeds and pasture seeds	MBT/COU/Q/ENV/ 31/24-25	World Bank	2024-2025	2,500,000	Yes	Yes

County Executive of Marsabit

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

Purchase and distribution of water tanks for tree nursery groups	MBT/COU/Q/ENV/ 566 /24-25	World Bank	2024-2025	2,500,000	Yes	Yes
Purchase and distribution of water tanks for tree nursery groups	MBT/COU/Q/ENV/ 567 /24-25	World Bank	2024-2025	3,000,000	Yes	Yes
Supply And Delivery of Fast-Moving Spares For Strategy Boreholes	MBT/COU/Q/ENV/ 30 /24-25	World Bank	2024-2025	3,000,000	Yes	Yes
Supply And Delivery of Assorted pumps and motors for strategic boreholes.	MBT/COU/Q/ENV/ 29 /24-25	World Bank	2024-2025	3,000,000	Yes	Yes
Supply And Delivery of Fast-Moving Spares For Strategy Boreholes	MBT/COU/Q/ENV/ 28 /24-25	World Bank	2024-2025	4,000,000	Yes	Yes
Construction/rehabilitation of Water pans in Bori village	MBT/COU/AGR/DRPNK/45 /24-25	Federal Government of Germany	2024-25	8,500,000	Yes	Yes
Construction/rehabilitation of Water pan in Nana village.	MBT/COU/AGR/DRPNK/44 /24-25	Federal Government of Germany	2024-25	8,500,000	Yes	Yes
Construction & equipping of a shallow well and rehabilitation & upgrading of sand dams in Balesa	MBT/COU/AGR/DRPNK/58 /24-25	Federal Government of Germany	2024-25	7,900,000	Yes	Yes
Drilling and equipping of a borehole at Kubi Adhi village.	MBT/COU/AGR/DRPNK/47 /24-25	Federal Government of Germany	2024-25	11,000,000	Yes	Yes

County Executive of Marsabit

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

Construction/rehabilitation of a water pan at Luai Gatab, rehabilitation of water supply system, storage tanks and spring intake protection at Gatab village. And construction of Masonry tanks and water supply system at Kulal Girls School.	MBT/COU/AGR/DRPNK/56 /24-25	Federal Government of Germany	2024-25	17,500,000	Yes	Yes
Water reticulation system at Illaut village and rehabilitation of shallow well at Illaut dispensary	MBT/COU/AGR/DRPNK/57 /24-25	Federal Government of Germany	2024-25	6,000,000	Yes	Yes
Drilling and equipping of a borehole at Dakhane Kargi village.	MBT/COU/AGR/DRPNK/55 /24-25	Federal Government of Germany	2024-25	7,900,000	Yes	Yes
Construction/rehabilitation of Water pans in Amballo village	MBT/COU/AGR/DRPNK/46 /24-25	Federal Government of Germany	2024-25	7,500,000	Yes	Yes
Rehabilitation of water harvesting system and storage tanks at Manyatta Kukub Tiro	MBT/COU/AGR/DRPNK/45 /24-25	Federal Government of Germany	2024-25	4,200,000	Yes	Yes
Construction of water harvesting system and storage tanks at Gar Qarsa, Goro Rukesa and Manyatta Jillo Villages.	MBT/COU/AGR/DRPNK/02 /24-25	Federal Government of Germany	2024-25	4,500,000	Yes	Yes
Construction of water reticulation and water kiosks at Nairibi village	MBT/COU/AGR/DRPNK/03 /24-25	Federal Government of Germany	2024-25	4,700,000	Yes	Yes
Construction of water reticulation system at Ndikir Village	MBT/COU/AGR/DRPNK/04 /24-25	Federal Government of Germany	2024-25	3,800,000	Yes	Yes

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

Construction of water reticulation system and provision of water storage tanks at Lontolio Dispensary and Lontolio Pry School	MBT/COU/AGR/DRPNK/05 /24-25	Federal Government of Germany	2024-25	4,200,000	Yes	Yes
Construction of underground tank and water reticulation system and elevated water tank at Konon Gos	MBT/COU/AGR/DRPNK/06 /24-25	Federal Government of Germany	2024-25	4,900,000	Yes	Yes
Construction of water storage system at Karbururi Primary School	MBT/COU/AGR/DRPNK/07 /24-25	Federal Government of Germany	2024-25	4,600,000	Yes	Yes
Construction of water reticulation system and elevated water tank at Manyatta Juu	MBT/COU/AGR/DRPNK/08 /24-25	Federal Government of Germany	2024-25	4,800,000	Yes	Yes
Construction of water harvesting system and installation of water storage tank at Jaldesa Primary School	MBT/COU/AGR/DRPNK/09 /24-25	Federal Government of Germany	2024-25	4,600,000	Yes	Yes
Construction of water system at Ambalo Primary and Ambalo Dispensary	MBT/COU/AGR/DRPNK/10 /24-25	Federal Government of Germany	2024-25	4,900,000	Yes	Yes
KFW Counterpart Fund	Counterpart fund	Federal Government of Germany	2024-25	20,000,000	Yes	Yes
Food System Resilience Project Matching Grant	Counterpart fund	World Bank	2024-25	10,000,000	Yes	Yes
Food Systems Resilience Project	Donor fund FY 2024/25	World Bank	2024-25	80,127,132	Yes	Yes
World Bank- Emergency Locust Response Project (ELRP)	Donor fund FY 2024/25	World Bank	2024-25	142,500,000	Yes	Yes

County Executive of Marsabit  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

Drought Resilience Programme In Northern Kenya (DRPNK) - Unspent balance B/F from FY 2023/24	Donor fund FY 2023/24	Government of Germany	2024-25	145,038,663	Yes	Yes
Drought Resilience Programme In Northern Kenya (DRPNK - FY 2024-25	Donor fund FY 2024/25	Government of Germany	2024-25	462,435,270	Yes	Yes
Kenya Livestock Commercialization Project (KELCOP)	Donor fund FY 2024/25	IFAD	2024-25	41,250,000	Yes	Yes
Desilting of Kukub waterpan for enhanced community resilience in obbu ward, moyale sub-county, Marsabit County	MBT/AGR/COU/ELRP/2/20 04-2025	World Bank	2024-25	20,000,000	Yes	Yes
Intensive crops and pasture production through the use of enhanced modern irrigation system in Dokatu, Sagante-jaldesa ward, Marsabit County	MBT/AGR/COU/ELRP/1/20 04-2025	World Bank	2024-25	15,000,000	Yes	Yes
Desilting of Qonqom water pan to enhance community resilience against drought in Golbo ward, Moyale sub-county, Marsabit County	MBT/AGR/COU/ELRP/3/20 04-2025	World Bank	2024-25	15,000,000	Yes	Yes
Improved pasture production and storage through community fodder farm and establishing of strategic hay stores in bura, North horr ward, Marsabit County	MBT/AGR/COU/ELRP/5/20 04-2025	World Bank	2024-25	15,000,000	Yes	Yes

County Executive of Marsabit

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

Rehabilitation of nana borehole for farming and livestock use in Godoma, Golbo ward, Moyale Sub-county, Marsabit County	MBT/AGR/COU/ELRP/7/2004-2025	World Bank	2024-25	15,000,000	Yes	Yes
Rehabilitation and Equipping of of Kupi Dibayu borehole	MOA&LD/SDLD/KELCOP/NCB/O2/2023-2024	IFAD	2023-24	13,591,183	Yes	Yes
Rehabilitation and Equipping of Dakhane borehole	MOA&LD/SDLD/KELCOP/NCB/O2/2023-2024	IFAD	2023-24	9,431,072	Yes	Yes
Construction of Maikona Livestock Market	MOA&LD/SDLD/KELCOP/NCB/O2/2023-2024	IFAD	2023-24	15,005,649	Yes	Yes

County Executive of Marsabit  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

---

**Status of Projects completion**

PROJECT	TOTAL PROJECT COST	TOTAL EXPENDED TO DATE	COMPLETION % TO DATE	BUDGET	ACTUAL	SOURCE FUNDS	OF
Construction of double pit latrine at Manyatta Social Hall	1,596,740	1,596,740	100%	1,600,000	1,596,740	GOK	
Construction of Latrines at cultural site	1,999,440	1,999,440	100%	2,000,000	1,999,440	GOK	
Construction of VIP Toilets at cultural site	2,999,241	2,999,241	100%	3,000,000	2,999,241	GOK	
Erection and completion of Baraza park at Gas town	3,949,999	3,949,999	100%	4,000,000	3,949,999	GOK	
Fencing of sololo makutano grave yard	3,499,720	3,499,720	100%	3,500,000	3,499,720	GOK	
Purchase of tents and chairs for Intaa Women group	797,500	797,500	100%	800,000	797,500	GOK	
Renovation of Baraza park toilet	1,486,656	1,486,656	100%	1,500,000	1,486,656	GOK	

*County Executive of Marsabit*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

Equiping of Kalacha Social Hall	980,200	980,200	100%	1,000,000	980,200	GOK
Solarization of Kalacha social Hall	996,630	996,630	100%	2,000,000	996,630	GOK
Ushanga Programme	4,999,000	4,999,000	100%	5,000,000	4,999,000	GOK
Kenya Urban Support Programme - UIG	35,000,000	Not Disbursed	Not yet Disbursed	35,000,000	Not Disbursed	GOK
Fencing of Christian Cementry	1,600,000	1,600,000	100%	1,600,000	1,600,000	GOK
Fencing of grave yard at Somare	2,000,000	2,000,000	100%	2,000,000	2,000,000	GOK
Fencing of Sololo Grave yard A	1,500,000	1,500,000	100%	1,500,000	1,500,000	GOK
Fencing of Sololo Grave yard B	1,500,000	1,500,000	100%	1,500,000	1,500,000	GOK
Fencing of the Kinisa cementry.	1,500,000	1,500,000	100%	1,500,000	1,500,000	GOK

*County Executive of Marsabit*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

Solid waste Management	2,400,000	2,400,000	100%	2,400,000	2,400,000	GOK
Solid waste Management	2,400,000	2,400,000	100%	2,400,000	2,400,000	GOK
Solid waste Management	2,400,000	2,400,000	100%	2,400,000	2,400,000	GOK
Solid waste Management	2,400,000	2,400,000	100%	2,400,000	2,400,000	GOK
Solid waste Management	2,400,000	2,400,000	100%	2,400,000	2,400,000	GOK
Solid waste Management	2,400,000	2,400,000	100%	2,500,000	2,500,000	GOK
Equipping of Balah Dispensary	2,949,500	2,949,500	100%	3,000,000	2,949,500	GOK
Construction of Lependera Dispensary Toilet	500,000	500,000	100%	500,000	500,000	GOK
Purchase of Supplies for dental equipment	2,490,950	2,490,950	100%	2,500,000	2,490,950	GOK
Construction of Staff House-One bed room unit	3,999,680	3,999,680	100%	4,000,000	3,999,680	GOK

*County Executive of Marsabit*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

Procurement of Ultra Sound Machine	4,960,000	4,960,000	100%	5,000,000	4,960,000	GOK
Power Upgrade Laisamis Hospital(Transformer and LVW Board)	7,500,000	7,500,000	100%	7,500,000	7,500,000	GOK
350 KVA Transformer	4,225,761	4,225,761	100%		4,225,761	GOK
L.V.W Board	2,993,380	2,993,380	100%		2,993,380	GOK
Equiping of male ward and theatre	2,497,480	2,497,480	100%	2,500,000	2,497,480	GOK
Equiping of Female ward and theatre	2,445,000	2,445,000	100%	2,500,000	2,445,000	GOK
Kamatonyi Health Centre Pit Latrine	498,812	498,812	100%	500,000	498,812	GOK
Construction and solar installation works at Moite maternity	4,943,300	4,943,300	100%	5,000,000	4,943,300	GOK
Equipping of Moite maternity	2,990,000	2,990,000	100%	3,000,000	2,990,000	GOK
Completion/solar installation and construction of double pit latrine Dakaye Dispensary	4,850,150	4,850,150	100%	4,900,000	4,850,150	GOK
Construction of one unit (one bedroom) staff quarter and solar installation at Dakaye Dispensary	4,848,800	4,848,800	100%	4,900,000	4,848,800	GOK

*County Executive of Marsabit*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

Completion/solar installation and construction of double pit latrine Larachi Dispensary	3,650,000	3,650,000	100%	3,700,000	3,650,000	GOK
Construction of one unit (one bedroom) staff quarter and solar installation at Larachi Dispensary	4,448,000	4,448,000	100%	4,500,000	4,448,000	GOK
Equipping of Loglogo Health Centre Lab	2,786,000	2,786,000	100%	2,800,000	2,786,000	GOK
Equipping of Lbarok Dispensary	1,748,000	1,748,000	100%	1,800,000	1,748,000	GOK
Fencing of Lbaarok dispensary(2M).	1,950,000	1,950,000	100%	2,000,000	1,950,000	GOK
Burning chamber for waste disposal(0.5M).	495,784	495,784	100%	500,000	495,784	GOK
Facelifting (paint works) and slight renovations & Equipping of Kurkum Dispensary for operationalization (Purchase of Solar Powered vaccine refrigerator, Facility fanitures & Standard Dispensary operating Medical equipments)	4,000,000	4,000,000	100%	4,000,000	4,000,000	GOK
a) Refurbishment and upgrading of Kurkum Dispensary	1,000,000	1,000,000	100%		1,000,000	GOK
b) Supply and delivery of medical equipment for Kurkum Dispensary	2,999,998	2,999,998	100%		2,999,998	GOK

County Executive of Marsabit

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

Completion and Renovation of Kargi Health Centre Maternity Wing and Inpatient ward paint works, installation of tiles, connection of water system and purchase and indstallation of 1 raised plastic water tank of 5,000ltrs at Kargi Health Centre maternity wing and renovation works and installation of tiles at Kargi Health centre inpatient ward. Construction of placenta pit and sluice hopper and drainage system at Kargi Health centre maternity wing	3,949,220	3,949,220	100%	4,000,000	3,949,220	GOK
Fencing of waye Godha Dispensary	1,500,000	1,500,000	100%	1,500,000	1,500,000	GOK
Renovation and fencing of Dadach Eelle Dispensary	3,364,580	3,364,580	100%	3,400,000	3,364,580	GOK
Supply Of Medical Lab Reagents For Uran Health Centre	2,385,000	2,385,000	100%	2,400,000	2,385,000	GOK
Renovation of Antuta Dispensary	2,000,000	2,000,000	100%	2,000,000	2,000,000	GOK
Equipping of Dadach Lakole dispensary	2,906,264	2,906,264	100%	3,200,000	2,906,264	GOK
Completion of Butiye maternity	2,299,900	2,299,900	100%	2,300,000	2,299,900	GOK
Solarization and Electrification of Lami Dispensary	2,350,740	2,350,740	100%	2,400,000	2,350,740	GOK

County Executive of Marsabit

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

Purchase of transformer to MYL District hospital	2,128,456	2,128,456	100%	2,130,000	2,128,456	GOK
Fencing of Ambalo Dispensary	3,497,900	3,497,900	100%	3,500,000	3,497,900	GOK
Renovation of DF lab	997,426	997,426	100%	1,000,000	997,426	GOK
Lab reagent for Dukana, Elhadi, Saru	1,985,000	1,985,000	100%	2,000,000	1,985,000	GOK
Solar battery and inverter	999,630	999,630	100%	1,000,000	999,630	GOK
Completion of Demo Dispensary	1,999,979	3,000,000	100%	2,000,000	1,999,979	GOK
Solarization of demo dispensary	949,982	949,982	100%	1,000,000	949,982	GOK
Shuur Dispensary double pit latrine	700,000	700,000	100%	700,000	700,000	GOK
Construction of Pit latrine at Tigo Dispensary	699,306	699,306	100%	700,000	699,306	GOK
Installation Solar of forole dispensary and lighting system	999,675	999,675	100%	1,000,000	999,675	GOK
Purchase of lab reagent for Maikona Health Centre	2,285,000	2,285,000	100%	2,300,000	2,285,000	GOK

County Executive of Marsabit

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

Purchase of Equipments for Olom Dispensary	1,485,000	1,485,000	100%	1,500,000	1,485,000	GOK
Purchase of Equipments for Toricha Dispensary	1,480,000	1,480,000	100%	1,500,000	1,480,000	GOK
Equipping Telesgaye Dispensary	2,496,000	2,496,000	100%	2,500,000	2,496,000	GOK
Equipping Illeret Health Centre maternity	2,980,000	2,980,000	100%	3,000,000	2,980,000	GOK
Equipping illeret laboratory	2,985,000	2,985,000	100%	3,000,000	2,985,000	GOK
Refurbishment of Illeret Ambulance	1,500,000	1,500,000	100%	1,500,000	1,500,000	GOK
Ambulance emergency fuel	999,942	999,942	100%	1,000,000	999,942	GOK
Construction of maternity block at telesgaye	3,200,000	-	not done	3,200,000	-	GOK
Renovation and furnishing of Leiyai Dispensary	2,497,978	2,497,978	100%	2,500,000	2,497,978	GOK
Completion of Lpus Dispensary and pit latrine	2,518,766	2,518,766	100%	2,520,000	2,518,766	GOK
Underground water tank (200M3)	4,992,450	4,992,450	100%	5,000,000	4,992,450	GOK
Completion of Sololo Level IV Hospital			100%			GOK

*County Executive of Marsabit*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

	85,500,000			85,500,000	85,500,000	
HIV programme	3,500,000		100%	3,500,000	3,500,000	GOK
KMTC Computer Lab Networking	1,481,850	1,481,850	100%	1,500,000	1,481,850	GOK
Construction of external ablution block	2,500,000	2,500,000	100%	2,500,000	2,500,000	GOK
Construction of Lependera Dispensary	4,963,036	4,963,036	100%	5,000,000	4,963,036	GOK
ICT infrastructure Development	5,000,000	5,000,000	100%	5,000,000	5,000,000	GOK
Renovation/Purchase of furniture ward Admin Office	1,000,000	1,000,000	100%	1,000,000	1,000,000	GOK
Aggregated Industrial Park	190,000,000	139,895,288	30%	190,000,000	139,895,288	GOK
Pro-Poor/ Institutional Support programme	108,000,000	108,000,000	100%	108,000,000	108,000,000	GOK
Additional Funding for Pending Bills	700,000,000	700,000,000	100%	700,000,000	700,000,000	GOK
Development Pending Bills B/F from FY 2023/24	190,042,204	190,042,205	100%	190,042,204	190,042,204	GOK
Fencing of perimeter wall			100%			GOK

County Executive of Marsabit

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

	14,500,000	14,500,000		15,000,000	1,450,000	
Installation of Gabions at Terengwe river-South hor road	3,430,116	3,430,116	100%	3,500,000	3,430,116	GOK
Purchase of Power Wheel loader	13,520,000	13,520,000	100%	15,000,000	13,520,000	GOK
Bush clearing of Qoloba to Osmale road	498,800	498,800	100%	500,000	498,800	GOK
Construction of a culvet at Malka Burra (QaaKuro)	1,475,752	1,475,752	100%	1,500,000	1,475,752	GOK
Construction of drainage system, stone pitching from PCEA church to Loboyo Junction	1,191,053	1,191,053	100%	1,200,000	1,191,053	GOK
Construction of Sololo Makutano road to Primary school and upgrading	1,952,889	1,952,889	100%	2,000,000	1,952,889	GOK
Goromudha to Arosa via Mado Kuro road	3,942,144	3,942,144	100%	4,000,000	3,942,144	GOK
Grading and improvement of the road from Heilu Jamia Mosque to Heillu	1,958,567	1,958,567	100%	2,000,000	1,958,567	GOK
Grading of road from slaughter to Sadia Araru	2,945,321	2,945,321	100%	3,000,000	2,945,321	GOK
Gravelling and grading of road from Darartu to Sessi Pry	2,954,044	2,954,044	100%	3,000,000	2,954,044	GOK

*County Executive of Marsabit*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

Gravelling and grading of road from Hajj Abdikadir to Hussein Okola	2,974,890	2,974,890	100%	3,000,000	2,974,890	GOK
Gravelling and grading of road from junction to Rashid Mohamed	2,968,382	2,968,382	100%	3,000,000	2,968,382	GOK
Gravelling and grading of road from Mwalimu Jackson to Hacha Roba	2,948,314	2,948,314	100%	3,000,000	2,948,314	GOK
Gravelling, Grading, Drainage system and pot improvement of road from Manyatta Cemetry to Manyatta Mix Day Sch	2,949,068	2,949,068	100%	3,000,000	2,949,068	GOK
Gurumesa access road to livestock market	4,999,525	4,999,525	100%	5,000,000	4,999,525	GOK
Opening of road from Daradhe to Qamacha water point	3,926,600	3,926,600	100%	4,000,000	3,926,600	GOK
Paving of the road from Madsah junction to Habila's farm	3,930,544	3,930,544	100%	4,000,000	3,930,544	GOK
Rehabilitation of Dambala Fachana to Mukh Gurab road	4,733,612	4,733,612	100%	4,800,000	4,733,612	GOK
Repair of Lengero road	2,956,666	2,956,666	100%	3,000,000	2,956,666	GOK
Road from Ramole to Abo Village	1,989,980	1,989,980	100%	2,000,000	1,989,980	GOK
Upgrading of Golole Yashare Road	3,889,480	3,889,480	100%	3,950,000	3,889,480	GOK

County Executive of Marsabit

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

Upgrading of Moyale Town Roads to Bitumen Standard	55,996,277	55,996,277	100%	65,000,000	55,996,277	GOK
Upgrading to gravel standard and murraming of road from Abdikadir Jillo Sage to wako Kubi	2,258,039	2,258,039	100%	2,300,000	2,258,039	GOK
Upgrading to gravel standard and murraming of road from Turuqa Hafare to PCEA Church	1,949,612	1,949,612	100%	2,000,000	1,949,612	GOK
Construction of drainage system, stone pitching / box culvert from Stellar ISMC Mw. Rufo Jillo Tukena	2,350,547	2,350,547	100%	2,400,000	2,350,547	GOK
Road Maintenance Levy Fund	237,670,000	-	Not disbursed	237,670,000		GOK
Construction of Kitchen at Tigo ECDE	799,994	799,994	100%	800,000	799,994	GOK
Completion of ECDE classroom at Iladhu	499,995	499,995	100%	500,000	499,995	GOK
Construction of double door pit latrine at Godhe ECDE.	483,836	483,836	100%	500,000	483,836	GOK
Construction of Double pit latrine and kitchen at Karbururi ECD	498,464	498,464	100%	500,000	498,464	GOK

*County Executive of Marsabit*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

Construction of ECD at DF ECD Centre and Equipping	2,495,247	2,495,247	100%	2,500,000	2,495,247	GOK
Construction of ECD Class at Lekuchula	1,791,684	1,791,684	100%	1,800,000	1,791,684	GOK
Construction of ECD class at Ele Borr	1,499,800	1,499,800	100%	1,500,000	1,499,800	GOK
Construction of ECD Class room at Al Huda pry and furnishing	2,994,719	2,994,719	100%	3,000,000	2,994,719	GOK
Construction of ECD class room at Saku Pry	1,699,261	1,699,261	100%	1,700,000	1,699,261	GOK
Construction of ECD class room at St Theresa Pry	1,693,600	1,693,600	100%	1,700,000	1,693,600	GOK
Construction of ECDE claroom at Yaballo	1,599,640	1,599,640	100%	1,600,000	1,599,640	GOK
Construction of ECDE Class and double pit latrine at Ngurunit primary school	2,497,260	2,497,260	100%	2,500,000	2,497,260	GOK
Construction of ECDE Class at Badanota(1.5M).	1,499,845	1,499,845	100%	1,500,000	1,499,845	GOK

County Executive of Marsabit

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

Construction of ECDE classroom at Godhe Centre.	1,476,796	1,476,796	100%	1,500,000	1,476,796	GOK
Construction of pit latrine at Qate ecde centre	999,514	999,514	100%	1,000,000	999,514	GOK
Construction of 6 units toilet at Saku VTC	2,998,948	2,998,948	100%	3,000,000	2,998,948	GOK
Durte ECD Unihut Concrete base flooring and Supply and delivery of furniture	799,990	799,990	100%	800,000	799,990	GOK
ECD learning materials	1,987,950	1,987,950	100%	2,000,000	1,987,950	GOK
ECDE learning materials(1M).	1,000,000	1,000,000	100%	1,000,000	1,000,000	GOK
ICT Infrastructure for Saku VTC	4,997,588	4,997,588	100%	5,000,000	4,997,588	GOK
purchase of ECD learning material	1,998,594	1,998,594	100%	2,000,000	1,998,594	GOK
Purchase of ECD Materials	2,985,600	2,985,600	100%	3,000,000	2,985,600	GOK

*County Executive of Marsabit*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

Purchase of furniture for Watalii ECD	991,410	991,410	100%	1,000,000	991,410	GOK
Purchase of learning material for ECDE	980,560	980,560	100%	1,000,000	980,560	GOK
Purchase, Supply and Installation of ECD unihut with concrete base flooring and erection of double pitlatrine at Kob Dertu	1,498,770	1,498,770	100%	1,500,000	1,498,770	GOK
Purchase, Supply and Installation of ECD unihut with concrete base flooring and erection of double pitlatrine at Qabtho	1,398,990	1,398,990	100%	1,400,000	1,398,990	GOK
Purchase, Supply and installation of Ecd unihut with concrete base flooring, Supply and delivery of furniture at Qancharo	1,396,480	1,396,480	100%	1,400,000	1,396,480	GOK
Qorqa Diqa ECD unihut Concrete base flooring, erection of double pitlatrine and supply and delivery of furniture	1,397,980	1,397,980	100%	1,400,000	1,397,980	GOK
Supply and delivery of ECD unihut and concret base flooring at Durte	799,000	799,000	100%	800,000	799,000	GOK
Supply and delivery of unihut and concrete base flooring at Nyaber	697,500	697,500	100%	700,000	697,500	GOK

County Executive of Marsabit

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

Supply of ECDE learning materials ward wide(1M).	2,984,800	2,984,800	100%	3,000,000	2,984,800	GOK
Supply of ECDE learning materials ward wide(1M).	1,742,800	1,742,800	100%	1,750,000	1,742,800	GOK
Supply of sitting facilities and 2 10,000 ltrs plastic bwater tanks for ECD centre at Ele Dimtu	997,000	997,000	100%	1,000,000	997,000	GOK
Intership programme	2,000,000	2,000,000	100%	2,000,000	2,000,000	GOK
Marsabit central youth tournament sports kits	1,000,000	1,000,000	100%	1,000,000	1,000,000	GOK
Purchase of motorbikes for the youths for empowerment programme	4,000,000	4,000,000	100%	4,000,000	4,000,000	GOK
Purchase of tents and chairs for Sololo Makutano Wayama youth Group	1,000,000	1,000,000	100%	1,000,000	1,000,000	GOK
Youth Empowerment start up kits	1,870,000	1,870,000	100%	1,870,000	1,870,000	GOK
Youth empowermentProgramme	1,000,000	1,000,000	100%	1,000,000	1,000,000	GOK

*County Executive of Marsabit*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

Construction and equipping of ECDE Class at Heilu.	2,297,032	2,297,032	100%	2,300,000	2,297,032	GOK
Construction of 2 double door pit latrine at Kinisa Learning centre	1,197,816	1,197,816	100%	1,200,000	1,197,816	GOK
Construction of double door pit latrine at Old Heilu ECDE	499,496	499,496	100%	500,000	499,496	GOK
Construction of double door pit latrine at Qonqom ECDE	481,307	481,307	100%	500,000	481,307	GOK
Construction of ECD Class at Garbi	1,498,813	1,498,813	100%	1,500,000	1,498,813	GOK
Construction of ECD class at Watalii Village	3,797,661	3,797,661	100%	3,800,000	3,797,661	GOK
Construction of ECD class room at Dakabaricha Muslim Girls	1,699,980	1,699,980	100%	1,700,000	1,699,980	GOK
Construction of ECDE classroom at Qonqom	1,592,622	1,592,622	100%	1,600,000	1,592,622	GOK
Construction of Kitchen at Aria ECD	600,000	600,000	100%	600,000	600,000	GOK

County Executive of Marsabit

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

Construction of Toilet at Garbi ECD	498,000	498,000	100%	500,000	498,000	GOK
Fencing of Harsaqa ECDE centre	1,500,000	1,500,000	100%	1,500,000		GOK
Renovation and Fencing of ECD at Bori Junction	2,499,997	2,499,997	100%	2,500,000	2,499,997	GOK
Repair of Tupcha Borehole , water pipeline and replacing of 20 solar panels	2,000,000	1,999,900	100%	2,000,000	1,999,900	GOK
Drilling of Borehole at Salmate	4,000,000	3,993,356	100%	4,000,000	3,993,356	GOK
Construction of Rock catchment at Torre Village	4,000,000	3,956,304	On-going	4,000,000	3,956,304	GOK
Flushing of Ongeli borehole	1,500,000	1,493,408	100%	1,500,000	1,493,408	GOK
Renovation of Lengima rock catchment pipeline	1,500,000	1,499,114	100%	1,500,000	1,499,114	GOK
Management of Prosopis	3,500,000	3,400,000	On-going	3,500,000	3,400,000	GOK
Rehabilitation of Farakoren borehole and pipping to Farakoren primary school(2.5M).	2,000,000	1,999,134	100%	2,000,000	1,999,134	GOK

County Executive of Marsabit

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

Fencing of Galtheylan water pan, Purchase and installation of 10,000ltrs tank at Galtheylan village water fetching point	1,500,000	1,498,560	100%	1,500,000	1,498,560	GOK
Desilting and expansion of Elegela water pan	3,700,000	3,700,000	100%	3,700,000	3,700,000	GOK
Excavation and construction of 10,000M water dam - around Rongumo Golobet and Dubsahai Lkiminiki Village in Kargi	5,000,000	4,997,300	Not Awarded	5,000,000	4,997,300	GOK
Water trucking	2,400,000	2,400,000	100%	2,400,000	2,400,000	GOK
Drilling of Borehole at Anona	5,000,000	4,995,600	100%	5,000,000	4,995,600	GOK
Equipping of Anona Borehole	2,900,000	2,873,204	100%	2,900,000	2,873,204	GOK
Desilting of Aro Taliana Pan	4,500,000		100%	4,500,000		GOK
Piping of water from borehole to North pole	1,000,000	993,960	100%	1,000,000	993,960	GOK
Desilting of Mado adhi water pan	2,000,000		100%	2,000,000		GOK
Desilting of Godoma- Didiqo earth pan	3,100,000	3,038,500	100%	3,100,000	3,038,500	GOK

*County Executive of Marsabit*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

Diversion of flood waters of lag Nana from the main road at Dadach Nura	1,600,000	1,593,000	100%	1,600,000	1,593,000	GOK
Purchase of water bowser for Golbo Ward	10,600,000	10,300,000	100%	10,600,000	10,300,000	GOK
Repair of genset and pump at Oda	1,500,000	1,480,160	On-going	1,500,000	1,480,160	GOK
Supply and delivery of 32 pieces of 5,000 litre capacity plastic tanks for mansile community	2,000,000	1,998,000	100%	2,000,000	1,998,000	GOK
Drilling of Bori borehole	5,000,000	4,998,500	100%	5,000,000	4,998,500	GOK
Desilting of Dabel Mega Dam	5,000,000	4,944,181	100%	5,000,000	4,944,181	GOK
Pipping from Hajo to Biashara street(3M).	3,000,000	2,987,196	100%	3,000,000	2,987,196	GOK
Variation of Shaf Shafi water piping	2,000,000	1,980,000	100%	2,000,000	1,980,000	GOK
Desilting of Ogah Water Pan	2,700,000	2,655,000	100%	2,700,000	2,655,000	GOK
Dirib Seyi water pan rehabilitation	3,500,000	3,360,640	100%	3,500,000	3,360,640	GOK
Water trucking for hurri hills and its environs	3,500,000	3,400,000	100%	3,500,000	3,400,000	GOK

County Executive of Marsabit

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

Digging and protection of well, Piping of water and renovation of North Horr Slaughter House	1,500,000	1,499,996	100%	1,500,000	1,499,996	GOK
Establishment of tree nursery to mitigate climate change for North Horr ward	2,000,000	1,996,361	100%	2,000,000	1,996,361	GOK
Installation of steel overhead tank and piping water from Qete 1 borehole to Gas town	4,000,000	3,995,208	100%	4,000,000	3,995,208	GOK
Purchase and delivery of pipes and other accessories for North water supply	500,000	498,000	100%	500,000	498,000	GOK
Rehabilitation (replacement of pump and piping to kalacha cancer center, old dispensary and ward 2)	4,500,000	4,491,198	On-going	4,500,000	4,491,198	GOK
Purchase of plastic tanks(5000 Liters) for Parkishon Village	2,000,000	1,952,000	100%	2,000,000	1,952,000	GOK
Expansion and disilting of Hula Hula Water Pan	4,000,000	3,947,838	100%	4,000,000	3,947,838	GOK
Purchase of 56 Plastic tanks 5,000ltrs for Karare (Ldonyo 20, Manyatta Rendile 16, Nambaa 10 and Nongorio 10)	3,500,000	3,497,312	100%	3,500,000	3,497,312	GOK
Equipping of Kituruni borehole and 2 storage tanks 10,000ltrs each	4,990,000	4,920,895	100%	4,990,000	4,920,895	GOK
Solarization of Kituruni borehole	4,990,000	4,905,260	100%	4,990,000	4,905,260	GOK

County Executive of Marsabit

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

Water pipping for Nambaa,Karare(2M).	1,500,000	1,499,898	100%	1,500,000	1,499,898	GOK
Drilling of Jirime Community Borehole	8,000,000		Awarded and Not Drilled	8,000,000	8,000,000	GOK
Desilting of Aro Chopa pan	4,900,000	4,873,990	100%	4,900,000	4,873,990	GOK
Desilting of Boru Haro pan	4,800,000	4,780,180	100%	4,800,000	4,780,180	GOK
Desilting of Mulata Buke water pan, Mulata Buke village	4,800,000	4,720,000	100%	4,800,000	4,720,000	GOK
Rehabilitation of Kubi Qalo borehole (Purchase of Pump, Pump motor and other borehole accessories)	5,700,000	4,873,400	100%	5,700,000	4,873,400	GOK
Rehabilitation of Kubi Qalo borehole (Purchase of Pump, Pump motor and other borehole accessories)	970,000	969,960	100%	970,000	969,960	GOK
Fuel, Oil and Lubricants - water bowsers	5,000,000	2,500,000	100%	5,000,000	2,500,000	GOK
Water trucking	10,000,000	2,000,000	100%	10,000,000	2,000,000	GOK
Tree Planting	2,000,000	1,996,560	100%	2,000,000	1,996,560	GOK
NRM Policy	3,000,000	2,995,600	100%	3,000,000	2,995,600	GOK

*County Executive of Marsabit*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

MARWASCO(Water trucking)	5,000,000	4,980,000	100%	5,000,000	4,980,000	GOK
MARWASCO(Water trucking)	5,000,000	4,940,000	100%	5,000,000	4,940,000	GOK
Climate Change Unit Support	7,000,000	1,499,880	100%	7,000,000	1,499,880	GOK
Fastmoving spare parts - Boreholes	3,000,000	1,499,068	100%	3,000,000	1,499,068	GOK
Maintenance of water bowsers	4,000,000	1,498,720	100%	4,000,000	1,498,720	GOK
Fencing of Maikona slaughter house(1.5M).	1,486,500	1,486,500	100%	1,500,000	1,500,000	GOK
Restocking of Kambi Nyoka, Yaa Odola and Demo	1,994,850	1,994,850	100%	2,000,000	2,000,000	GOK
Restocking of Manyatta Horonder/Mude	1,999,850	1,999,850	100%	2,000,000	2,000,000	GOK
Construction of water reticulation system at Ndikir Village	3,739,022	3,065,998	97%	3,739,022	3,800,000	Federal Government of Germany
Restocking of livestock at Leyai Sublocation (Cows)	3,970,000	3,970,000	100%	4,000,000	4,000,000	GOK
Restocking at Tigo, Burgabo, Yaa Galbo and Kukufami	3,978,000	3,978,000	100%	4,000,000	4,000,000	GOK

County Executive of Marsabit

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

Construction of water reticulation system and provision of water storage tanks at Lontolio Dispensary and Lontolio Pry School	4,180,149	4,180,149	35%	4,180,149	4,200,000	Federal Government of Germany
Rehabilitation of water harvesting system and storage tanks at Manyatta Kukub Tiro	4,191,494	3,562,748	96%	4,191,494	4,200,000	Federal Government of Germany
Construction of water storage system at Karbururi Primary School	4,490,101	898,020	85%	4,490,101	4,600,000	Federal Government of Germany
Construction of water harvesting system and storage tanks at Gar Qarsa, Goro Rukesa and Manyatta Jillo Villages.	4,490,664	4,490,664	98%	4,490,664	4,500,000	Federal Government of Germany
Construction of water harvesting system and installation of water storage tank at Jaldesa Primary School	4,495,026	3,596,021	98%	4,495,026	4,600,000	Federal Government of Germany
Construction of water reticulation and water kiosks at Nairibi village	4,612,025	2,767,215	95%	4,612,025	4,700,000	Federal Government of Germany
Construction of water reticulation system and elevated water tank at Manyatta Juu	4,695,055	2,347,527	90%	4,695,055	4,800,000	Federal Government of Germany
Construction of water system at Ambalo Primary and Ambalo Dispensary	4,795,060	4,795,060	97%	4,795,060	4,900,000	Federal Government of Germany
Construction of underground tank and water reticulation system and elevated water tank at Konon Gos	4,797,521	4,797,521	75%	4,797,521	4,900,000	Federal Government of Germany
Range land rehabilitation			100%			GOK

County Executive of Marsabit

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

	4,872,000	4,872,000		4,900,000	4,900,000	
Resilience programme for the Whole ward	4,883,300	4,883,300	100%	4,900,000	4,900,000	GOK
Restocking (Purchase of Goats for Yaa Gara, Burarat, Forole)	4,987,700	4,987,700	100%	5,000,000	5,000,000	GOK
Water reticulation system at Illaut village and rehabilitation of shallow well at Illaut dispensary	5,707,748	5,074,335	98%	5,707,748	6,000,000	Federal Government of Germany
Construction/rehabilitation of Water pans in Amballo village	7,477,527	5,544,966	75%	7,477,527	7,500,000	Federal Government of Germany
Construction & equipping of a shallow well and rehabilitation & upgrading of sand dams in Balesa	7,610,213	5,936,411	85%	7,610,213	7,900,000	Federal Government of Germany
Construction/rehabilitation of Water pans in Bori village	8,212,785	6,762,654	97%	8,212,785	8,500,000	Federal Government of Germany
Construction/rehabilitation of Water pan in Nana village.	8,289,278	7,342,855	98%	8,289,278	8,500,000	Federal Government of Germany
Drilling and equipping of a borehole at Dakhane Kargi village.	9,698,349	7,712,889	97%	9,698,349	7,900,000	Federal Government of Germany
Drilling and equipping of a borehole at Kubi Adhi village.	10,853,700	9,241,722	95%	10,853,700	11,000,000	Federal Government of Germany
Restocking programme ward wide.	13,776,000	13,776,000	100%	14,000,000	14,000,000	GOK

County Executive of Marsabit

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

Desilting of Qonqom water pan to enhance community resilience against drought in Golbo ward, Moyale sub-county, Marsabit County	15,000,000	15,000,000	100%	15,000,000	14,904,956	World Bank
Improved pasture production and storage through community fodder farm and establishing of strategic hay stores in bura, North horr ward, Marsabit County	15,000,000	15,000,000	100%	15,000,000	14,994,900	World Bank
Intensive crops and pasture production through the use of enhanced modern irrigation system in Dokatu, Sagante-jaldesa ward, Marsabit County	15,000,000	15,000,000	100%	15,000,000	14,991,984	World Bank
Rehabilitation of nana borehole for farming and livestock use in Godoma, Golbo ward, Moyale Sub-county, Marsabit County	15,000,000	15,000,000	100%	15,000,000	14,993,696	World Bank
Construction of Maikona Livestock Market	15,005,649	15,005,649	89%	12,560,844	15,005,649	IFAD
Construction/rehabilitation of a water pan at Luai Gatab, rehabilitation of water supply system, storage tanks and spring intake protection at Gatab village. And construction of Masonry tanks and water supply system at Kulal Girls School.	17,210,951	15,489,857	85%	17,210,951	17,500,000	Federal Government of Germany
Desilting of Kukub waterpan for enhanced community resilience in obbu ward, moyale sub-county, Marsabit County	20,000,000	20,000,000	100%	20,000,000	19,980,617	World Bank

*County Executive of Marsabit*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

KFW Counterpart Fund	20,000,000	20,000,000	100%	20,000,000	20,000,000	GOK
Rehabilitation and Equiping of Dakhane borehole	21,398,262	21,398,262	99%	17,219,150	21,398,262	IFAD
Rehabilitation and Equiping of of Kupi Dibayu borehole	21,398,262	21,398,262	98%	17,219,150	21,398,262	IFAD
Kenya Livestock Commercialization Project (KELCOP)	41,250,000	4	The funds not yet received due to delay in County additional allocation bill signing	41,250,000	41,250,000	GOK
Drought Resilience Programme In Northern Kenya (DRPNK) - Unspent balance B/F from FY 2023/24	70,127,132	-	The funds not yet received due to delay in County additional allocation bill signing	70,127,132	70,127,132	GOK
Food System Resilience Project Matching Grant	70,127,132	-	Not yet received	10,000,000	80,127,132	GOK

County Executive of Marsabit

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

Drought Resilience Programme In Northern Kenya (DRPNK - FY 2024-25)	142,500,000	-	The funds not yet received due to delay in County additional allocation bill signing	142,500,000	-	GOK
Food Systems Resilience Project	145,038,663	118,854,871	Ongoing	26,183,792	145,038,663	GOK
World Bank- Emergency Locust Response Project (ELRP)	462,435,270	-	Ongoing	462,435,270	462,435,270	GOK

**Appendix IV: Transfers from Other Government Entities**

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/Others	Total Amount - KES		Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
						Deferred Income	Receivables	Others must be specific	- be	
None										

**Appendix VI: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Establishment of Tree nursery in Saku	Establish a Nursery, train youth and initiate tree-growing activity	To increase tree cover	Establish Nursery, train youth and initiate tree-growing activity			✓		World Bank	County Government Environment and Climate Change Sector
Establishment of Tree nursery in Moyale	Establishment of Tree nursery in Moyale	To increase tree cover	Establish tree growing, nursery and training		✓			World Bank	County Government Environment and Climate Change Sector
Land restoration	Restoration of degraded land (building of gabions) - Hawecha Primary school	To rehabilitate degraded land	Build gabions, check dams and tree planting		✓			World Bank	County Government Environment and Climate Change Sector
Land restoration	Restoration of degraded land (building of gabions) - Alhuda Primary school	To rehabilitate degraded land	Build gabions, check dams and tree planting		✓			World Bank	County Government Environment and Climate Change Sector
Establishment of Tree Nursery at Kubi Dibayu Borehole	Establishment of Tree Nursery at Kubi Dibayu Borehole	To increase tree cover	Establish Nursery, train youth and initiate tree-growing activity		✓			World Bank	County Government Environment and Climate Change Sector
Establishment of Tree Nursery at Kubi Bagasa Borehole	Establishment of Tree Nursery at Kubi Bagasa Borehole	To increase tree cover	Establish Nursery, train youth and initiate tree-growing activity				✓	World Bank	County Government Environment and Climate Change Sector

County Executive of Marsabit

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

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
			activity						
Uran water harvesting structure - Medium-sized water pan	Uran water harvesting structure - Medium-sized water pan	To increase water availability at the household and farming	Daming of Garba/Uran dam to harvest rain water				✓	World Bank	County Government Environment and Climate Change Sector
Construction of water pan at Kargi	Construction and fencing of the Kargi pan	To increase water for livestock and household use	Construct the pan, training water management committee and fencing			✓		World Bank	County Government Environment and Climate Change Sector
Medium-sized Pan at Yabalo Water harvesting to support, multi-purpose use (Irrigation, domestic and livestock)	Medium-sized Pan at Yabalo Water harvesting to support, multi-purpose use (Irrigation, domestic and livestock)	To increase food availability at household level	Construction of the yaballo pan to harvest rainwater, establishment of irrigation systems, training farmers on climate-smart agriculture and provision of seeds for farming			✓		World Bank	County Government Environment and Climate Change Sector
Desilting and expansion of Qonqoma	Desilting and expansion of	To increase	De-silt the pan to increase capacity			✓		World Bank	County Government Environment and

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

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Water pan	Qonqoma Water pan	water availability							Climate Change Sector
Construction of new medium-sized dam at Toricha in Maikona ward	Construction of the new pan and fence	To increase water availability for livestock	Construction of the new pan and fence		✓			World Bank	County Government Environment and Climate Change Sector
Desilting of Muk Gura Water pan	Desilting of Muk Gura Water pan	To increase water availability	De-silt the pan to increase capacity		✓			World Bank	County Government Environment and Climate Change Sector
Support the household with kitchen gardening and farm tools	Support the household with kitchen gardening and farm tools	To increase vegetable for household and sell	Purchase of shed nets and farm tools for farming				✓	World Bank	County Government Environment and Climate Change Sector
Piping of Dololo dokatu borehole supports dry land farming and installation of irrigation schemes and water structures and supports productive inputs for both farm seeds and fodder production.	Piping of Dololo dokatu borehole supports dry land farming and installation of irrigation schemes and water structures and supports productive inputs for both farm seeds and fodder	To increase food availability at household	Fencing and establishing farming and piping water from a borehole to farms		✓			World Bank	County Government Environment and Climate Change Sector

County Executive of Marsabit

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

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
	production.								
Livestock Breed Improvement Program - Purchase of Galla goat and distribution to individuals or groups for Moyale and Saku Subcounty	Livestock Breed Improvement Program - Purchase of Galla goat and distribution to individuals or groups for Moyale and Saku Subcounty	To improve livestock, breed to withstand climate shocks	Purchase and distribution of gal goats to vulnerable households			✓		World Bank	County Government Environment and Climate Change Sector
Purchase and Supply of Beekeeping Equipment and Poultry Keeping Equipment for Moyale Sub-County	Purchase and Supply of Beekeeping Equipment and Poultry Keeping Equipment for Moyale Sub-County	To diversify livelihood	Purchase of bee hives and other accessories, Installation and training			✓		World Bank	County Government Environment and Climate Change Sector
Provision of energy-saving jikos for households and institutions	Provision of energy-saving jikos for households and institutions	To reduce the impact on forest and rangeland	Distribution of energy-saving jikos to households adjacent to forest			✓		World Bank	County Government Environment and Climate Change Sector
Purchase and distribution of plastic tanks for farming/tree growing	Provision of plastic tanks to farmers	To increase tree cover and food availability	Purchase and distribute plastic tanks to farmers			✓		World Bank	County Government Environment and Climate Change Sector
Equipping of gums and resin members with tools	Equipping of gums and resin members with tools	To increase the sales of	Distribute gums and resins tool and training			✓		World Bank	County Government Environment and Climate Change Sector

County Executive of Marsabit

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

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
		gums and reins and control quality	Develop gums and strategy resins						

**Appendix VII: Disaster Expenditure Reporting Template**

Column I Programme	Column II Sub-programme	Column III Disaster Type	Column IV Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Column V Expenditure item	Column VI Amount (Kshs.)	Column VII Comments

**Appendix VIII: Fixed Asset Register**

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land					
Buildings	182,495,633	279,417,590			461,913,223
Motor vehicles	999,980	80,838,002			81,837,982
Infrastructure assets	619,582,547	532,073,879			1,151,656,426
Furniture and fittings	3,289,335	1,940,000			5,229,335
specialized plant & equipment	23,818,012	51,413,473			75,231,485
Computers & ICT Equipment	1,200,000	599,800			1,799,800
Work in progress		73,943,529			73,943,529
<b>Total</b>	<b>831,385,507</b>	<b>1,020,226,273</b>			<b>1,851,611,780</b>