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THE SENATE

THIRTEENTH PARLIAMENT – FIFTH SESSION

REPORT OF THE SELECT COMMITTEE ON COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS ON THE CONSIDERATION OF THE AUDIT REPORTS OF KERICHO COUNTY WATER COMPANY, HOSPITALS AND FUNDS FOR THE FINANCIAL YEAR 2024/25 (1st JULY, 2024 TO 30th JUNE, 2025).

SECTOR	NO.	ENTITY
WATER COMPANY	1	KERICHO WATER AND SANITATION COMPANY
HOSPITALS	7	FORTTENAN SUB DISTRICT HOSPITAL
		KAPKATET DISTRICT HOSPITAL
		KERICHO DISTRICT HOSPITAL
		KIPKELION SUB DISTRICT HOSPITAL
		LONDIANI DISTRICT HOSPITAL
		RORET SUB-DISTRICT HOSPITAL
		SIGOWET SUB-DISTRICT HOSPITAL
FUND	9	KERICHO COUNTY EXECUTIVE STAFF CAR LOAN FUND
		KERICHO COUNTY EXECUTIVE STAFF MORTGAGE FUND
		KERICHO COUNTY EMERGENCY FUND
		KERICHO COUNTY EXECUTIVE
		FINANCING LOCALLY LED CLIMATE CHANGE ACTION (FLLOCA) - KERICHO

	KERICHO COUNTY AGRICULTURAL DEVELOPMENT
	KERICHO COUNTY ALCOHOLIC DRINKS FUND
	KERICHO COUNTY BURSARY FUND
	KERICHO COUNTY ENTERPRISE FUND

MARCH 2026

TABLE OF CONTENTS

ACRONYMS/ABBREVIATION4

DEFINITION OF TERMS5

PREFACE6

COMMITTEE MEMBERSHIP7

ESTABLISHMENT OF THE COMMITTEE.....8

EXECUTIVE SUMMARY9

REPORT STRUCTURE.....10

GENERAL OBSERVATIONS FOR WATER COMPANY11

GENERAL RECOMMENDATIONS FOR WATER COMPANY12

GENERAL OBSERVATIONS FOR THE FUND.....15

GENERAL RECOMMENDATIONS FOR THE FUND15

ACKNOWLEDGEMENTS.....17

CHAPTER ONE: WATER COMPANY20

1.1. REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR KERICHO WATER AND SANITATION COMPANY LIMITED FOR THE FINANCIAL YEAR 2024/2025.....20

CHAPTER TWO: HOSPITALS35

2.1. REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR KERICHO HOSPITALS FOR THE FINANCIAL YEAR 2024/2025.....35

CHAPTER THREE: FUNDS.....36

3.1. REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR KERICHO COUNTY AGRICULTURAL DEVELOPMENT FUND FOR THE FINANCIAL YEAR 2024/2025.....36

3.2. REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR OTHER FUNDS IN KERICHO COUNTY FOR THE FINANCIAL YEAR 2024/2025.....41

ACRONYMS/ABBREVIATION

CBK	Central Bank of Kenya
CECM	County Executive Committee Member
COB	Controller of Budget
COG	Council of Governors
DPP	Director of Public Prosecution
EACC	Ethics and Anti-Corruption Commission
FIF	Facilities Improvement Financing Act
GAAP	Generally Accepted Accounting Principles
HDU	High Dependency Unit
ICU	Intensive Care Unit
IFMIS	Integrated Financial Management Information System
IGRTC	Intergovernmental Relation Technical Committee
IHMS	Integrated Hospital Management System
IMS	Inventory Management System
KEMSA	Kenya Medical Supplies Authority
KRA	Kenya Revenue Authority
NHIF	National Health Insurance Fund
NRW	Non-Revenue Water
NSSF	National Social Security Fund
OAG	Office of the Auditor-General
PAA	Public Audit Act
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
RWWDA	Regional Water Works Development Agency
SHA	Social Health Authority
SO	Standing Orders
TNT	The National Treasury
UHC	Universal Health Coverage
WASREB	Water Services Regulatory Board
WRA	Water Resources Authority
WSP	Water Service Provider

DEFINITION OF TERMS

1. **Unqualified opinion:** This refers to a clean opinion, which is the most desirable, in which the auditor states that the financial condition, position, and operations of an organization are fairly presented in the financial statements in accordance with Generally Accepted Accounting Principles (GAAP).
2. **Qualified opinion:** This is an opinion expressed by the auditor if the financial statements appear to contain a small deviation from Generally Accepted Accounting Principles (GAAP) but are otherwise fairly presented. It is also rendered if the organisation's management limits the scope of audit procedures.
3. **Adverse opinion:** This refers to an opinion issued when there are material exceptions to Generally Accepted Accounting Principles (GAAP) that affect the financial statements as a whole, and the auditor indicates that the financial statements are not presented fairly.
4. **Disclaimer:** This is an opinion given by the auditor when there is a significant limitation in the access to audit information and documentation, and inadequate cooperation by the organizational management in the audit process.
5. **Accountability** – This refers to the assurance that an individual or a group will be held responsible for their actions or inactions.
6. **Non-Revenue Water:** Non-Revenue Water refers to the difference between the amount of water put into the distribution system and the amount of water billed/unbilled as authorized consumption. It is usually attributed to physical losses such as leaks, bursts, and overflows in the existing, old, and dilapidated water supply network, and to commercial losses due to metering anomalies and illegal connections.
7. **Going Concern:** This is an accounting principle used for a company that is financially stable enough to meet its obligations and continue its business for the foreseeable future.

PREFACE

Parliamentary Committees are a creation of the Constitution through Article 124(1) of the Constitution, which empowers each House of Parliament to establish Committees and make Standing Orders (SO) for the orderly conduct of its proceedings, including the proceedings of its committees., to exercise oversight over national revenue allocated to the county governments. Pursuant to Article 96(3) of the Constitution, the Seante exercises oversight over national revenue allocated to the county governments. The Select Committee on County Public Investments and Special Funds is established pursuant to Standing Order No. 194 of the Senate Standing Orders and is mandated to-

- a) examine the reports and accounts of county public investments; and
- b) examine the reports, if any, of the Auditor-General on the county public investments.

Pursuant to the provisions of Article 229(4) of the Constitution of Kenya, 2010, the Auditor-General is required to audit and report on the accounts of all national and county government entities, including water companies, municipalities, Hospitals and county funds, within six months after the end of each financial year.

This report covers the consideration by the Committee of the Auditor-General's reports on the financial statements of Kericho County water company, municipalities and Funds for the Financial Year 2024/2025. The entities covered are one water company namely Kericho Water and Sewerage Company (KEWASCO); two Municipalities namely- Kericho Municipality and Litein Municipality; and one Fund namely;- Kericho County Agricultural Development Fund.

The Governor of Kericho County, accompanied by relevant officials, appeared before the Committee to respond under oath to audit queries raised by the Auditor-General in the respective reports.

COMMITTEE MEMBERSHIP

The membership of the Committee comprises of the following Senators-

- | | |
|---|---------------------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP. | - Chairperson |
| 2. Sen. Eddy Gicheru Oketch, MP. | - Vice-Chairperson |
| 3. Sen. Agnes Kavindu Muthama, MP | - Member |
| 4. Sen. William Kipkemoi Kisang, CBS, MP. | - Member |
| 5. Sen. Peris Pesi Tobiko, CBS, MP | - Member |
| 6. Sen. Beth Kalunda Syengo, MP | - Member |
| 7. Sen. George Mungai Mbugua, MP | - Member |
| 8. Sen. Raphael Chimera Mwinzangu, MP. | - Member |
| 9. Sen. Hamida Ali Kibwana, MP | - Member |

COMMITTEE SECRETARIAT

- | | |
|------------------------|----------------------------|
| 1. Mr. Yussuf Shimoy | - Clerk Assistant I |
| 2. Mr. Erick Njogu | - Clerk Assistant II |
| 3. Mr. Godfrey Nyaga | - Clerk Assistant III |
| 4. Mr. Khatib Omar | - Clerk Assistant III |
| 5. Mr. Kennedy Owuoth | - Fiscal Analyst |
| 6. Mr. Jeremy Chabari | - Legal counsel |
| 7. Mr. Erick Osoi | - Research Officer I |
| 8. Ms. Linet Aseka | - Research Officer III |
| 9. Mr. Martin Mulandi | - Research Officer III |
| 10. Mr. Peter Katana | - Research Officer III |
| 11. Ms. Janice Lekuton | - Research Officer III |
| 12. Ms. Hamun Abdille | - Research Officer III |
| 13. Mr. David Munene | - Research Officer III |
| 14. Mr. Josphat Ng'eno | - Media Relations officer. |
| 15. Mr. Victor Kimani | - Audio officer |
| 16. Mr. Fredick Okola | - Serjent-at-arms |

ESTABLISHMENT OF THE COMMITTEE

The Committee was first constituted on 19th October, 2022, pursuant to Standing Order No. 194 of the Senate Standing Orders. The County Public Investments and Special Funds Committee (CPISFC) was split from the broad County Public Accounts and Investments Committee (CPAIC) in the 12th Parliament for the purpose of clearing audit backlog and to consider many audit thematic areas which had not been subjected to Parliamentary scrutiny since the inception of devolution in the year 2013.

The County Public Investments and Special Funds Committee is one of the financial audit committees through which the Senate, under the provisions of Article 96(3) of the Constitution, conducts ex-post scrutiny on Public Investments and Special Funds in Counties.

EXECUTIVE SUMMARY

In the execution of its mandate, the Committee relied on the reports of the Auditor-General on audited Accounts of Kericho Water and Sewerage Company, Municipalities and Funds for the Financial year 2024/25 (1st July, 2024 to 30th June 2025) as the primary documents for the investigations. The Committee invited the Governor of Kericho County as the Chief Executive Officer pursuant to Article 179(4), as witnesses to respond to the audit queries raised in the reports under consideration.

The Committee received both written and oral evidence from the Governor, accompanied by relevant county officials, in response to the various audit queries raised by the Auditor-General in the reports under consideration on various dates.

This report presents the findings and recommendations of the Select Committee on County Public Investments and Special Funds following its consideration of the Auditor-General's reports on Seventeen (17) entities in Kericho County for the Financial Year 2024/25. The entities covered are: one (1) water company –Kericho Water and Sewerage Company, seven (7) hospitals- Forttanan Sub District Hospital, Kapkatet District Hospital, Kericho District Hospital, Kipkelion Sub District Hospital, Londiani District Hospital, Roret Sub-District Hospital, Sigowet Sub-District Hospital, nine (9) funds- Kericho County Executive Staff Car Loan Fund, Kericho County Executive Staff Mortgage Fund, Kericho County Emergency Fund, Kericho County Executive, Financing Locally Led Climate Change Action (FLLoCA) – Kericho, Kericho County Agricultural Development, Kericho County Alcoholic Drinks Fund, Kericho County Bursary Fund, Kericho County Enterprise Fund

The key issues identified across the entities include: going concern uncertainties arising from negative working capital; and poor budgetary control and performance resulting from underfunding and underutilization of the budgets

This report documents the observations and recommendations of the Committee on each audit query as raised by the Auditor-General.

REPORT STRUCTURE

THE PREFACE DETAILS the place of Committees in the Constitution, Committee establishment and mandate, Committee membership and formation, the niche of the Committee in the Senate, the executive summary, key observations and recommendations and acknowledgement.

CHAPTER ONE is a record of the audit queries raised in the Auditor-General's report on Kericho Water and Sewerage Company for the Financial Year 2024/25, along with the Committee's observations and recommendations for each audit query.

CHAPTER TWO is a record of the audit queries raised in the report of the Auditor-General for the Hospitals in Kericho County for the Financial Year 2024/25, along with the Committee's observations and recommendations for each audit query.

CHAPTER THREE is a record of the audit queries raised in the report of the Auditor-General for Kericho County Funds for the Financial Year 2024/25 and observations and recommendations of the Committee on each audit query.

GENERAL OBSERVATIONS FOR WATER COMPANY

The Committee observed the following general issues affecting the Water Company.

1. **Inaccuracy in Financial Statements (Comparative Figures)** - The financial statements contained material errors where retirement benefits comparative balances differed between the statement of financial position and Note 24, resulting in unexplained variances of Ksh 19,824,999 and Ksh 4,066,835. Management admitted these were disclosure and transcription errors but had not corrected them as required by Section 81(3) of the Public Finance Management Act, 2012. The Committee observed that the matter remained outstanding. This indicates weak internal review processes and inadequate verification of consistency between primary statements and accompanying notes before finalization.
2. **Material Uncertainty – Going Concern (Negative Working Capital)** - The company reported negative working capital of Ksh 6,379,760 (current assets Ksh 389,977,730 against current liabilities Ksh 395,257,490). Although this was an improvement from the previous year's negative Ksh 36,026,442, the company remains in a precarious financial position. Critically, no disclosure of this material uncertainty or any mitigating measures was made in the financial statements, contrary to IPSAS requirements. Management cited pending tariff approval, improved bulk water supply, and reactivation of dormant accounts as mitigation, but the Committee observed the negative working capital remains a threat.
3. **Non-Revenue Water (NRW)** - The company produced 5,096,226 cubic metres of water but only billed 2,024,668 cubic metres, leaving 3,071,558 cubic metres (60%) unbilled. This represents non-revenue water 35% above the WASREB allowable loss of 25%, resulting in an estimated revenue loss of Ksh 221,152,176. The Committee observed that management failed to categorise the 60% loss into physical or commercial components, which undermines the ability to design targeted mitigation measures. This constitutes a breach of WASREB Guidelines, 2014.
4. **Non-Remittance of Statutory Deductions** - Employee payables included unremitted statutory deductions totaling Ksh 104,639,563 that had been outstanding for more than one year. Management attributed this to persistent financial challenges, water supply interruptions, and prior-period liabilities. The Committee observed that the situation arose due to distorted billings and use of old tariffs. This is a direct breach of Section 19(4) of the Employment Act, 2007, which requires timely remittance of deducted amounts.
5. **Trade and Other Receivables** - Trade and other receivables stood at Ksh 348,865,332, including Ksh 282,797,140 outstanding for over 120 days. No provision for bad and doubtful debts had been made. Ledgers and ageing analyses were not provided for audit review. The Committee observed the matter remained

unresolved. While management provided some ageing analysis for staff receivables (Ksh 764,603), the bulk of aged debt (over Ksh 282 million) lacked supporting documentation or a recovery plan.

GENERAL RECOMMENDATIONS FOR WATER COMPANY

The Committee makes the following recommendations to address the observed deficiencies and enhance the performance, compliance, and sustainability of the Water Company.

1. **Inaccuracy in Financial Statements** - The governor should ensure that the accounting Officer complies with Section 149(2)(b) of the Public Finance Management Act, Cap. 412A and Section 47(2) of the Public Audit Act, Cap. 412B in the preparation and management of financial records. Failure to do so shall attract penalties under Section 62 of the Public Audit Act and Section 199 of the Public Finance Management Act. The Accounting Officer to carry out prior year adjustments in the subsequent year's financial statements to correct all transcription and disclosure errors, ensuring that primary statements and notes are fully reconciled. The Auditor-General shall verify and report on these corrections.

2. **Material Uncertainty – Going Concern** - The Governor shall take keen interest in the management and operations of the water company in line with Article 179(4) of the Constitution. The County Executive Committee Member in charge of water shall take full responsibility for monitoring financial performance under Section 184 of the Public Finance Management Act, 2012, reporting regularly to the Governor and the County Executive Committee. The County Treasury shall undertake annual reporting on the county corporation, including an assessment of commercial viability in line with Section 77(2) of the Water Act, 2016 (WASREB standards).

3. **Non-Revenue Water (NRW)** - The Governor shall ensure the Accounting Officer monitors and oversees the implementation of measures to mitigate NRW, addressing both physical and commercial losses, and reports progress to the Auditor-General for review in the subsequent audit cycle. The Accounting Officer should segregate NRW into physical and commercial components so that the water company can ascertain and identify specific mitigating measures to effectively reduce NRW levels to within the WASREB allowable limit of 25%.

4. **Non-Remittance of Statutory Deductions** – The governor should ensure that the accounting Officer prioritise the clearance of outstanding statutory deductions (Ksh 104,639,563) from employee payables, recognising that continued non-remittance is a breach of the Employment Act and may attract personal liability under Section 199 of the PFM Act.

5. **Trade and Other Receivables** - Within 60 days of adoption of this report, the Accounting Officer should engage relevant entities (including debtors) to formulate a repayment plan for the outstanding receivables, particularly the Ksh 282,797,140 aged beyond 120 days. A report on the repayment plan shall be filed with the Auditor-General for verification, who shall provide a status update in the subsequent audit cycle. The Governor should ensure the water company makes budgetary provision to clear outstanding payables by the end of FY 2026/2027 and provide a status update to the Senate within 60 days of adoption of the report.

GENERAL OBSERVATIONS FOR THE FUND

- 1. Material Uncertainty Related to Sustainability of Services (Fund Dormancy)-**
The Committee observed that the fund remains inactive and management has not taken concrete dissolution steps. The fund recorded no financial transactions (receipts or expenditures) during the entire financial year ended 30 June 2025, with the same dormancy reported in the previous year. No effort was made one year later to close the fund despite its inability to achieve the objectives set out in Section 4(2) of the Kericho County Agricultural Development Fund Act, 2017.
- 2. Prior Year Audit Matters -** The Auditor-General noted that two issues raised in the previous year's audit report (inaccuracies in financial statements and material uncertainty on sustainability of services) **remained unresolved** as at the year under review. The Committee observed that management was *progressively* addressing the issues, yet no prior recommendation had been fully implemented. This indicates a pattern where audit findings persist across multiple cycles without final resolution.
- 3. Improper Constitution of Board of Trustees -** The committee noted that the Board of Trustees was constituted with only **three members** against the statutory requirement of fifteen members under Section 6(1) of the Act. Appointment letters for even those three members were not provided for audit review. Furthermore, the Board did not hold **any meeting** during the year, contrary to the Act which requires at least six meetings per year and not more than three months between meetings. This constitutes a clear breach of the law.

GENERAL RECOMMENDATIONS FOR THE FUND

- 1. Material Uncertainty / Fund Dormancy-** The committee recommends that the governor to ensure that the Accounting Officer ensures, within sixty (60) days of adoption of this report, initiate the process to dissolve the fund in line with Section 199 and 197 of the Public Finance Management (County Government) Regulations, 2015. The County Executive, submit to the Senate a binding resolution within 90 days of an audit query on dormancy, indicating either: A realistic operationalization plan with specific budget allocations and timelines; or Commencement of legislative repeal of the establishing Act.
- 2. On Prior Year Audit Matters –** the Governor should ensure that the Accounting Officer resolve all outstanding prior year audit matters as required by Section 149(2)(1) of the Public Finance Management Act, Cap. 412A. Where prior year matters reappear in the current audit report without evidence of resolution, the

provisions of Section 199 of the Public Finance Management Act (penalties for offences) shall apply. Within 90 days of the adoption of the audit report, the Accounting Officer shall submit a comprehensive status report to the Senate, copying the Auditor-General, detailing all mitigation measures taken to resolve prior year matters. The Auditor-General shall verify and report on the accuracy of that status report.

3. **Constitution of Board of Trustees** The governor should ensure that management strictly comply with the statutory membership requirements (e.g., Section 6(1) of the Kericho County Agricultural Development Fund Act, 2017) for any board of trustees. No fund shall be deemed lawfully governed where board membership falls below the legally prescribed number, and any decisions taken by an improperly constituted board shall be null and void.

ACKNOWLEDGEMENTS

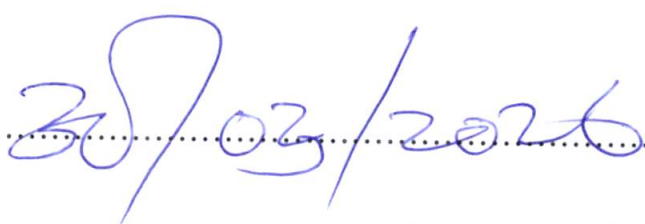
The Committee wishes to acknowledge the support it received from the Office of the Speaker and the Clerk of the Senate in the execution of its mandate. I also take this opportunity to thank the Members of the Committee for their due diligence and commitment in considering the audit reports. The Committee further wishes to express its appreciation to the able secretariat for their support and services in facilitating the Members and the Committee in its operations.

On behalf of the County Public Investments and Special Funds Committee, it is my pleasant duty and privilege to table this report on the floor of the Senate and commend it to the House for debate and adoption pursuant to the provision of Standing Order No. 223 (6) of the Senate Standing Orders.

SIGNED:.....
..



DATE:.....
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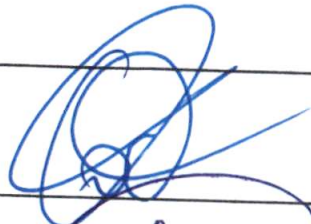
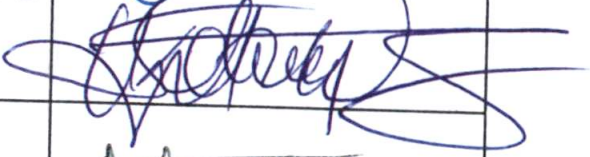






**HON. SEN. GODFREY ATIENO OSOTSI, CBS, MP
CHAIRPERSON**

ADOPTION OF THE REPORT OF THE SENATE SELECT COMMITTEE ON COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS ON THE CONSIDERATION OF THE AUDIT REPORTS OF SEVENTEEN COUNTY ENTITIES FOR KERICHO COUNTY FOR THE FINANCIAL YEAR 2024/25

SECTOR	NO.	ENTITY
WATER COMPANY	1	KERICHO WATER AND SANITATION COMPANY
HOSPITALS	7	FORTTENAN SUB DISTRICT HOSPITAL
		KAPKATET DISTRICT HOSPITAL
		KERICHO DISTRICT HOSPITAL
		KIPKELION SUB DISTRICT HOSPITAL
		LONDIANI DISTRICT HOSPITAL
		RORET SUB-DISTRICT HOSPITAL
		SIGOWET SUB-DISTRICT HOSPITAL
FUND	9	KERICHO COUNTY EXECUTIVE STAFF CAR LOAN FUND
		KERICHO COUNTY EXECUTIVE STAFF MORTGAGE FUND
		KERICHO COUNTY EMERGENCY FUND
		KERICHO COUNTY EXECUTIVE
		FINANCING LOCALLY LED CLIMATE CHANGE ACTION (FLLOCA) - KERICHO
		KERICHO COUNTY AGRICULTURAL DEVELOPMENT
		KERICHO COUNTY ALCOHOLIC DRINKS FUND
		KERICHO COUNTY BURSARY FUND
		KERICHO COUNTY ENTERPRISE FUND

We, the undersigned Members of the Select Committee on County Public Investments and Special Funds, do hereby append our signatures to adopt this report.

No.	Name	Signature
1.	Sen. Godfrey Atieno Osotsi, CBS, MP (<i>Chairperson</i>)	
2.	Sen. Eddy Gicheru Oketch, MP (<i>Vice - Chairperson</i>)	
3.	Sen. Agnes Kavindu Muthama, MP	
4.	Sen. William Kipkemoi Kisang, CBS, MP.	
5.	Sen. Peris Pesi Tobiko, CBS, MP	
6.	Sen. Beth Kalunda Syengo, MP	
7.	Sen. George Mungai Mbugua, MP	
8.	Sen. Raphael Chimera Mwinzangu, MP	
9.	Sen. Hamida Ali Kibwana, MP	

CHAPTER ONE: WATER COMPANY

1.1. REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR KERICHO WATER AND SANITATION COMPANY LIMITED FOR THE FINANCIAL YEAR 2024/2025.

The Governor of Kericho County, **Hon. Dr. Erick Mutai**, appeared before the Committee on Wednesday 28th January, 2026, to respond (under oath) to audit queries raised in the report of the Auditor-General on financial statements for the Kericho Water and Sewerage Company Limited, for the Financial Year 2024/2025.

The Governor was accompanied by the following officers-

- | | |
|---------------------------|----------------------|
| 1. Mr. Reuben Korir | -Managing Director |
| 2. Ms. Sirkelly Cheruiyot | - Board Chairman |
| 3. Ms. Winny Chemutai | - Commercial Manager |
| 4. Ms. Neema Ruttoh | - Legal Manager |

REPORT ON THE FINANCIAL STATEMENTS

The Auditor-General rendered a **Qualified Opinion** on the financial statements of the Kericho Water and Sewerage Company Limited on the following basis; -

1. Inaccuracy of comparative figures.

The statement of financial position reflects retirement benefits comparative balance of Ksh 104,212,196. However, the balance differs with the corresponding balance of Ksh 84,357,197 reflected in Note 24 to the financial statements resulting in unexplained variance of Ksh 19,824,999. Similarly, the statement reflects retirement benefits obligations comparative balance of Ksh 15,758,164. However, the balance differs with the corresponding balance of Ksh 19,624,999 disclosed in Note 24 to the financial statements resulting in another unexplained variance of 4,066,835.

In the circumstances, the accuracy and completeness of retirement Benefits comparative balances could not be confirmed.

Management Responses

The reported unexplained variances arose from a disclosure and transcription error in Note 24. We will correct Note 24 to align it with the Statement of Financial Position in the subsequent financial year's statements. In addition, we will ensure that future financial statements undergo enhanced review procedures to confirm consistency between primary statements and accompanying notes before finalization. Copies of 2022/23 audited financial statement – statement of financial position were provided for verification.

Committee Observations

The Committee observed that the matter remained outstanding as the errors have not been corrected, as required by Section 81 (3) of the Public Finance Management Act, 2012.

Committee Recommendations

The Committee recommends that—

- i. The Governor ensures that the Accounting Officer complies with section 149(2)(b) of the Public Finance Management Act, Cap.412A and section 47(2) of Public Audit Act, Cap.412B in the preparation and management of financial and accounting records, failure to which the provisions of section 62 of the Public Audit Act, Cap.412B and section 199 of the Public Finance Management Act, Cap.412A on penalties for offences shall apply;**
- ii. the National Treasury should enhance awareness and training on changes made to the accounting standards to all public officers handling financial matters in Counties;**
- iii. the Governor ensures the Accounting Officer strengthens internal audit controls and ensures proper record keeping in line with section 155 of the Public Finance Management Act, Cap.412A and submit a quarterly report to the County Treasury and the Controller of Budget in accordance with section 168(3) of the Public Finance Management Act, Cap.412A, failure to which the provisions of section 199 of the Public Finance Management Act, Cap.412A on penalties for offences shall apply;**
- iv. the Governor ensures that the Accounting Officer enhances the capacity of in-post officers preparing financial statements to comply with the Public Sector Accounting Standards and should further invest in technology to enhance efficiency and improve the accuracy of financial statements; and**
- v. the Accounting Officer ensures that prior year adjustments are carried out in the company's financial statements of the subsequent year to correct the errors to reflect the true financial position of the company.**

2. Unsupported prepayments

The statement of financial position reflects prepayments totaling Ksh 430,076. However, documentary evidence in support of the prepayments was not provided for audit review. The amount has also not been explained in a note to the financial statements.

In the circumstances, the accuracy and completeness of prepayments totaling Ksh 430,076 could not be confirmed.

Management Responses

The management acknowledged the auditor's observation, this was caused by challenges during the time of audit whereby the company was undergoing transition in management and confirmed that the documentary evidence in support of the prepayments is now available for audit confirmation, as per the attached lists of payment.

Committee Observations

The Committee observed that the management failed to submit documentary evidence in support of the prepayments during the time of audit. However, the documents were provided after the audit process.

Committee Recommendations

The Committee recommends that; -

- i. the Accounting Officer should ensure timely submission of documents during the audit process in line with section 47 of the Public Audit Act as read together with section 149(2)(k) of the Public Finance Management Act failure to which the Committee shall recommend for their investigation and prosecution in accordance with section 62(2) of the Public Audit Act in the subsequent audit cycle.**
- ii. The matter be marked as resolved.**

3. Unconfirmed Bank and Cash Balances

The statement of financial position and as disclosed in Note 19 to the financial statements reflects bank and cash balances totaling Ksh 31,050,663. As reported in the previous year, the amount includes refuse account bank balance of Ksh 610,106, deposit bank account balance of Ksh 1,275,838, revenue account balance of Ksh 3,297,418 and expenditure bank account balance of Ksh 1,096,457 all totaling Ksh 6,279,699 which were frozen due to litigation. However, the litigation has not been resolved. The operations of the Company in the four (4) bank accounts remain hindered and the accounts remain inaccessible to date.

In the circumstances, the accuracy, completeness and existence of the bank and cash balances amounting to Ksh 31,050,663 could not be confirmed.

Management Responses

The previously frozen bank accounts have now been unfrozen and are awaiting a formal activation following board resolution on change of mandates. A copy of the activation letter was attached for verification. Regarding accessibility to the refuse account, a request was forwarded to CECM Finance to approve change of signatories to enable company to access the accounts. The bank account is now active.

Committee Observations

The Committee observed that the bank accounts have now been activated and the documentary evidence to support the activation and transactions have been provided for verification.

Committee Recommendations

The Committee recommends that the the Accounting Officer should ensure timely submission of documents during the audit process in line with section 47 of the Public Audit Act as read together with section 149(2)(k) of the Public Finance Management Act failure to which the Committee shall recommend for their investigation and prosecution in accordance with section 62(2) of the Public Audit Act in the subsequent audit cycle.

4. Unsupported Trade and Other Receivables

The statement of financial position reflects trade and other receivables balance of Ksh 348,865,332 which includes VAT recoverable balance of Ksh 8,782,552, staff receivables of Ksh 764,603, and other receivables of Ksh 11,940,652 as disclosed in Note 17 to the financial statements. However, ledgers and ageing analyses in support of the receivables were not provided for audit review.

The balance also includes receivables amounting to Ksh 282,797,140 which had been outstanding for over one hundred and twenty (120) days. No explanation has been provided for failure to recover the amounts from the debtors. In addition, the management had not made any provision for bad and doubtful debts.

In the circumstances, the accuracy and completeness of the trade and other receivables balance of Ksh 348,865,332 could not be confirmed.

Management Responses

The management acknowledged the auditor's observation, and have provided the ageing analysis supporting the staff receivables of Ksh 764,603 for verification. Other receivables reported in note 17 are made up of: VAT receivable, Share capital and WASREB performance guarantee.

Efforts to recover VAT are ongoing, however performance guarantee and share capital recovery is not recoverable. Mechanisms to recover staff debtors are now in place. County Government of Kericho has invested in the company through development of water infrastructure equivalent to more than the share contribution.

Committee Observations

The Committee observed that the matter remained unresolved as ledgers and ageing analyses in support of the receivables were not provided for audit review as well as receivables amounting to Ksh 282,797,140 which had been outstanding for over one hundred and twenty (120) days.

Committee Recommendations

The Committee recommends that-

- i. within sixty (60) days of the adoption of this report, the Accounting Officer engages the relevant entities to formulate a repayment plan for the payables and file a report on the same with the Auditor-General for verification. The Auditor-General to provide a status update on the matter in the subsequent audit cycle;**
- ii. the Governor to ensure the water company makes budgetary provision to clear the outstanding payables by the end of the FY 2026/2027 and provide a status update to the Senate within 60 days of the adoption report; and**
- iii. the Governor ensures that the County Executive Committee Member in charge of water continuously monitors the financial performance of the water company in line with section 184 of the Public Finance Management Act, 2012 and report on the same to the County Executive Committee, making recommendations on how the water company can improve its performance.**

5. Unsupported Ordinary Share Capital

The statement of financial position and as disclosed in Note 20 to the financial statements reflects ordinary share capital totaling Ksh 8,100,000. Review of records revealed that the Company was incorporated on 15 October 1997 through certificate no. C.78354. However, no documentary evidence in support issue and payment of shares was provided. The share certificates were also not provided.

In the circumstances, the accuracy and completeness of ordinary share capital balance of Ksh 8,100,000 could not be confirmed

Management Response

The County Government of Kericho has invested in infrastructure development, especially last mile connectivity in KEWASCO's service area. Discussions to convert the investment to share capital are at an advanced stage with the County Government. In the meantime, the management will continue to follow up to ensure this process and documentation are finalized and appropriately reflected in the company's records.

Committee Observations

The Committee observed that the matter remained unresolved as the documentary evidence in support of issuance and payment of shares was not provided.

Committee Recommendations

The Committee recommends that the Auditor General keeps the matter on check during the subsequent financial year audit, and provided a progress report to the Senate.

6. Material Uncertainty Related to Going Concern

The statement of financial position reflects current assets totaling Ksh 389,977,730 against current liabilities totaling Ksh 395,257,490 resulting to negative working capital of Ksh 6,379,760. This unfavorable performance and weak financial position indicate the existence of material uncertainty on its ability to meet its financial obligations and sustainability of services.

However, this material uncertainty in relation to going concern and any mitigating measures put in place by the Management to reverse the undesirable precarious situation have not been disclosed in the financial statements.

Management Responses

The Company's working capital position has improved compared to the previous financial year, where the negative working capital stood at Ksh 36,026,442. The current deficit of Ksh 6,379,760 represents a significant reduction, indicating gradual improvement in the Company's liquidity position. To address the cash flow challenges and enhance financial sustainability, we have applied for a new tariff, which, once approved, is expected to increase the revenues significantly.

In addition, we anticipate a more consistent bulk water supply to the Litein and Kapkatet areas following the takeover of Itare intake by the Lake Victoria South Water Works Development Agency (LVSWWDA).

Further, we have undertaken initiatives to enhance revenue generation through increased connections under the last mile connectivity programme and have successfully reactivated 1,153 dormant accounts in the urban cost center by restoring water supply through increased production volumes and pipeline rehabilitation.

The management committed to implementing effective cash flow management strategies, improving operational efficiency, and sustaining service delivery while progressively restoring a positive working capital position.

Committee Observations

The Committee observed that the management has a negative working capital amount of Ksh 6,379,760 that threaten the company's working capital position.

Committee Recommendations

The Committee recommends that-

- i. the Governor should take keen interest in the management and operations of the water company in line with Article 179 (4) of the Constitution;**
- ii. the Accounting Officer should prepare and submit quarterly reports to the County Treasury in regard to the financial and non-financial status of the water company in line with section 166 of the Public Finance Management Act, Cap.412A, failure to which the provisions of section 199 of the Public Finance Management Act, Cap. 412A on penalties for offences shall apply;**
- iii. the County Executive Committee Member in charge of water should take full responsibility for monitoring the financial performance of the county corporation in line with section 184 of the Public Finance Management Act, 2012 and regularly report to the Governor through the County Executive Committee in line with Article 179 (6) of the Constitution;**
- iv. the County Treasury should undertake annual reporting on County Corporation, including an assessment of the commercial viability of the company in line with the standards set by the Water Services Regulatory Board under section 77(2) of the Water Act, 2016; and**
- v. the Accounting Officer should, within 60 days of the adoption of this report, put in place strategic and innovative measures for recovery and to boost the financial health of the water company for self-sustainability. Additionally, the management reviews and regularizes the company's existing assets and have updated assets register that reflect the current financial position. Further, management to determine and ascertain their commercial viability as required by the Public Sector Accounting Standards Board (PSASB).**

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflect receipts budget and actual on comparable basis of Ksh 369,739,345 and Ksh 262,832,505 respectively resulting to an under-funding of Ksh 106,906,840 or 29% of the budget. Similarly, the Company spent Ksh 260,419,402 against actual receipts of Ksh 262,832,505 resulting to an under-utilization of Ksh 2,413,103.

The under-funding and under-expenditure affected implementation of the planned projects and programs and may have impacted negatively on service delivery to the public.

Management Response

The shortfall in revenue performance during the year under review arose primarily from the non-achievement of both operating revenue and grant income targets. The variance was mainly occasioned by recurrent interruptions in bulk water supply and power disconnections affecting the rural schemes, thereby contributing to the revenue shortfall and the consequent under-expenditure on capital projects.

The management has commenced engagement with the County Government and other relevant stakeholders to ensure timely restoration of consistent bulk water and power supply. In addition, measures are being instituted to enhance revenue mobilization, strengthen collection efforts, and optimize expenditure to ensure better alignment with the budget in future periods.

Committee Observations

The Committee observed that the management experienced an under-funding of Ksh 106,906,840 or 29% of the budget and an under-utilization of Ksh 2,413,103, due to low revenue collection.

Committee Recommendations

The Committee recommends that-

- i. The Governor ensures that the Accounting Officer ensures strict compliance with section 149(2) (h) and (i) of the Public Finance Management Act, Cap. 412A and the standards prescribed by the Public Sector Accounting Standards Board under IPSAS 24 on the presentation of budget information in the financial statements for an entity that prepares their financial statements under the accrual basis of accounting, failure to**

which the provisions of section 199 of the Public Finance Management Act on penalties for offences shall apply; and

- ii. **The Governor ensures that the Accounting Officer complies with regulation 42(1)(b) of the Public Finance Management (County Government) Regulations, 2015 on exerting budgetary control measures, failure to which the provisions of section 199 of the Public Finance Management Act on penalties for offences shall apply.**

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, twenty (20) issues were raised under the Report on Financial Statements, Material uncertainty related to going concern, Emphasis of Matter and Report on Lawfulness and Effectiveness in Use of Public Resources as shown in Appendix I. However, Management has not resolved the issues or given any explanations for failure to implement the recommendations.

Management Response

Out of the 20 issues raised, 12 issues have been resolved while the remaining work is in progress. Resolution of unresolved prior year matters is ongoing, and the company has included them in the Internal Audit Annual work plan. A copy of the Prior year audit matters Internal Audit work plan was provided for verification.

Committee Observations

The Committee observed that the management is progressively addressing the issues raised in the previous year audit process.

Committee Recommendations

The Committee recommends that —

- i. **the Governor ensures that the Accounting Officer resolves all outstanding prior year audit matters as required by Section 149(2)(l) of the Public Finance Management Act, Cap.412A, failure to which the provisions of Section 199 of the Public Finance Management Act on penalties for offences shall apply; and**
- ii. **the Governor ensures that the Accounting Officer submits a comprehensive status report on all mitigation measures taken to resolve all prior year**

matters, to the Senate and copies the Auditor-General for verification within 90 days of the adoption of this report.

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

1. Non-Remittance of Statutory Deductions

The statement of financial position reflects trade and other payables balance of Ksh 337,953,224 which includes employee payables balance of Ksh 135,613,842 as disclosed in Note 25 to the financial statements. Review of records revealed that the employee payables relate to unremitted statutory deductions totaling Ksh 104,639,563 which have been outstanding for more than one year. This was contrary to Section 19 (4) of the Employment Act, 2007 which requires an employer who deducts an amount from an employee's remuneration to pay the amount so deducted in accordance with the time period and other requirements specified in law.

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

Management Responses

The non-remittance of statutory deductions has largely been occasioned by the persistent financial challenges facing the Company. The situation has been exacerbated by frequent water supply interruptions in the Rural Cost Centre arising from bulk water and power disconnections, which have adversely impacted revenue collection. Additionally, the company's liabilities from prior periods have further constrained the Company's cash flow position, thereby affecting the timely settlement of obligations.

To mitigate these challenges, management has intensified the recovery of outstanding debts owed by various government and private institutions. Additionally, Lake Victoria South Water Works Development Authority has formally taken over the operations at Itare water supply hence we expect undisrupted water supply to Litein and its environs. This will lead to improved billings and revenues which the management will go a long way in settling the liabilities. Attached is the task force handover report for verification.

In addition, the Proposed new tariff shall lead to enhanced revenue billing, hence addressing historical pending issues. The management committed to improving the Company's financial position, enhancing operational efficiency, and ensuring full compliance with statutory and financial obligations going forward.

Committee Observations

The Committee observed that the employee payables relating to unremitted statutory deductions totaling Ksh 104,639,563 have been outstanding for more than one year, due to distorted billings and use of old tariffs.

Committee Recommendations

The Committee recommends that-

- i. the Accounting Officer should undertake tariff adjustments as required by Water Services Regulatory Board (WASREB) Tariff Guideline, 2023;**
- ii. the Accounting Officer formally submit all proposed tariffs to WASREB for approval, accompanied by comprehensive justification and supporting documentation, in accordance with the application requirements stipulated in the Tariff Guideline, 2023, to facilitate timely review and authorization prior to implementation.; and**
- iii. in line with the WASREB Tariff Guideline, 2023, WASREB should ensure total compliance with guideline 4.0 on the Tariff Adjustment Process which provides that the process shall take a maximum of six months from the receipt of a complete application.**

2. Non-Revenue Water

The statement of profit or loss and other comprehensive income reflects operating revenue amounting to Ksh 242,771,201 which includes water sales amounting to Ksh 177,230,179 as disclosed in Note 6 to the financial statements. However, review of records revealed that the Company produced 5,096,226 cubic metres of water, out of which only 2,024,668 cubic metres were billed to consumers. The balance of 3,071,558 cubic metres of water, representing 60% of the total volume produced, was not billed. This represented non-revenue water of 35% more than the Water Services Regulatory Board (WASREB) Guidelines, 2014 allowable loss of 25%. The loss of 60% of the water produced at an average billing rate of Ksh 72 per cubic metres resulted in a loss of sales estimated at Ksh 221,152,176.

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

Management Responses

The high NRW level is mainly attributed to both physical and commercial losses. Physical losses have arisen from frequent leakages and bursts due to an ageing water supply network, while commercial losses have been caused by metering anomalies, illegal connections, and other unauthorized water usage. To address these challenges, the management have established a dedicated NRW Unit led by a qualified technical team to spearhead NRW reduction initiatives.

Some of the key interventions we have implemented include:

- a) Replacement of malfunctioning meters (a total of 277 meters replaced);
- b) Prompt response to reported bursts and leakages;
- c) Partnership with the Water Police Unit to curb defaulters, illegal connections, and water theft; Installation of a meter testing bench to ensure accuracy and reliability of customer meters; and
- d) Implementation of a Customer Identification and Mapping Survey (CIS) to improve the integrity of customer data and enhance billing efficiency.

The management committed to reduce the NRW levels within the regulatory limit through continued infrastructure rehabilitation, enhanced monitoring, and strict enforcement of water use and billing controls.

Committee Observations

The Committee observed that the management failed to categorize the high non-revenue water levels of 60% to either commercial or physical.

Committee Recommendations

The committee recommends that-

- i. The Governor should ensure that the Accounting Officer monitors and oversees the implementation of measures to mitigate Non-Revenue Water (NRW), addressing both physical and commercial losses, and reports progress to the Auditor-General for review in the subsequent audit cycle.**
- ii. the Governor ensures that the Accounting Officer segregates NRW to both Physical or Commercial so that the water company can ascertain and identify specific mitigating measures to effectively address and reduce the NRW levels; and**
- iii. the County Government to collaborate with the Ethics and Anti-Corruption Commission to ensure pre-emptive measures are put place to reduce cases of theft and illegal connections.**

3. Non-Metered Customers

Review of records revealed that two thousand four hundred and seventy-one (2,471) active water connections had not been metered. These customers were therefore not paying for water consumption and their usage was not reflected in the billing report. Consequently, the Company continued to provide water services without generating revenue from these customers. No report was made to the Water Service Board and the Regulator.

This was contrary to Regulation 44 of Model Water Service Regulations developed by Water Services Regulatory Board (WASREB) which states that where consumers have an un-metered supply of water from the water service provider, the consumer shall pay the water bills charged by the water service provider in accordance with the tariffs approved by the Regulator.

The water service provider shall ensure that all connections shall be metered within one year and shall provide a report to the water service board and the Regulator on the progress with the provisions of this Regulation charge.

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

Management Responses

The reported non-metered customers were customer connections transferred from the old system to the current new system. During transition, the connections were erroneously captured to be un-metered due to invisible meter number/serial number. This is being addressed by the company accordingly in compliance with the sector regulations. The company continues to bill these customers based on actual meter readings. Attached are sample bills generated from the meters without visible meter numbers as evidence of billing.

In addition, management has budgeted for engraving meter numbers in the current financial year to ensure proper identification and alignment of all active customer accounts with valid meter details. The management is also progressively replacing old and worn-out meters to enhance accuracy and compliance with the Metering Policy.

Committee Observations

The Committee observed that the management provided the sample meter readings for audit review.

Committee Recommendations

The Committee recommends that the matter be marked as resolved.

4. Members of Staff Earning Less than One Third of Basic Pay

Review of personnel records revealed that thirteen (13) employees received net salaries below one-third of their basic pay. This was contrary to Section C. 1 (3) of the PSC Human Resource Policy and Procedures Manual, 2016 states that public officers shall not over-commit their salaries beyond one third of their basic pay. The Human Resource Units should ensure compliance.

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

Management Responses

The employees who in some instances received net salaries below one-third of their basic pay, contrary to Section C. 1 (3) of the Public Service Commission (PSC) Human Resource Policies and Procedures Manual, 2016 included staff who were on disciplinary measures and were surcharged which affected their net pay. The disciplinary letters and pay slips were provided for verification.

To address this, financial management and payroll sensitization training have been conducted for staff to enhance awareness on personal financial planning and responsible borrowing. In addition, controls have been strengthened within the payroll system to ensure that all deductions, including loans and statutory recoveries, do not exceed the allowable two-thirds (2/3) threshold of an employee's basic salary.

Committee Observations

The Committee observed that the management provided documentary evidence to support that staff were facing disciplinary proceedings which affected their net pay.

Committee Recommendations

The Committee recommends that the matter be marked as resolved.

5. Non-Compliance with One Third Gender Rule and Law on Ethnic Diversity

Review of personnel records revealed that the organization's gender distribution comprised 124 males and 58 females, representing 68% and 32% respectively of the total staff establishment. This was contrary to Part B.26 (2) of the Public Service Human Resource Manual-May, 2023 which states that the County Government shall endeavor to have non-discrimination from the County Public Service by ensuring that not more than two thirds (2/3) of vacant posts are filled by either gender.

Further, the Company had one hundred and eighty-two (182) employees, out of whom one hundred and seventy-nine (179), representing 98%, were from the same ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which stipulates that no public establishment shall have more than one-third of its staff from the same ethnic community.

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

Management Responses

The management stated that at KEWASCO we appreciate provisions of the Kenyan constitution and agree with the findings of the auditor. This issue is historical at the company, majorly due to the fact that substantive number of our staff members were transferred/inherited from the defunct Municipal Council of Kericho and the former National Water Conservation and Pipeline Corporation.

Further, KEWASCO is progressively implementing measures to ensure compliance with the two-thirds gender rule and ethnicity composition during subsequent recruitment and selection processes.

Committee Observations

The Committee observed that 98% of the staff in the water company were from the same ethnic community.

Committee Recommendations

The Committee recommends that—

- i. the Governor ensures management comes up with deliberate measures to ensure staff diversity at entry level when filling vacant positions, in full compliance with Section 7(2) of the National Cohesion and Integration Act, 2008;**
- ii. all future recruitment vacancies are advertised in newspapers of national circulation and on the Company's website to attract applicants from diverse ethnic backgrounds; and**
- iii. the Auditor-General monitors compliance with the National Cohesion and Integration Act, 2008 and provides a status update in the subsequent audit cycle.**

CHAPTER TWO: HOSPITALS

2.1. REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR KERICHO HOSPITALS FOR THE FINANCIAL YEAR 2024/2025.

REPORT ON THE FINANCIAL STATEMENTS

In accordance with Article 229(4) of the Constitution as read together with section 7(1) of the Public Audit Act, Cap. 412B, during the period under review, the Auditor-General audited the financial statements of various hospitals in Kericho County. Consequently, and in accordance with Article 229(7) of the Constitution as read together with section 32(1) of the Act submitted the following reports to the Senate-

1. Forttenan Sub District Hospital
2. Kapkatet District Hospital
3. Kericho District Hospital
4. Kipkelion Sub District Hospital
5. Londiani District Hospital
6. Roret Sub-District Hospital
7. Sigowet Sub-District Hospital

Committee Observations

The Committee takes note of the queries raised by the Auditor-General in these reports

Committee Recommendations

The Committee recommends that-

- I. the Governor through the respective accounting officers ensures that appropriate remedial actions are taken to address the issues raised in the Auditor-General's report on the financial statements for the afore-mentioned hospitals for the Financial Year 2024/2025 and submit a report to the Senate within 30 days of the adoption of this report and a copy to the Auditor-General; and
- II. the Auditor-General to keep the matter in view in the subsequent audit cycle.

CHAPTER THREE: FUNDS.

3.1. REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR KERICHO COUNTY AGRICULTURAL DEVELOPMENT FUND FOR THE FINANCIAL YEAR 2024/2025.

The Governor of Kericho County, **Hon. Dr. Erick Mutai**, appeared before the Committee on Wednesday 28th January, 2026, to respond (under oath) to audit queries raised in the report of the Auditor-General on financial statements for the Kericho County Agricultural Development Fund, for the Financial Year 2024/2025.

The Governor was accompanied by the following officers-

- | | |
|---------------------------|-----------------------------|
| 1. Ms. Betsy Chebet Kirui | - Chief Officer Agriculture |
| 2. Ms. Bett Steve | - Chief Accountant |

REPORT ON THE FINANCIAL STATEMENTS

The Auditor-General rendered a **Qualified Opinion** on the financial statements of the Kericho County Agricultural Development on the following basis; -

1. Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents totalling Ksh. 914,244. However, supporting documents including bank statements, certificate of bank balance, cashbook, board of survey and bank reconciliation statements were not provided for audit review.

In the circumstance, the accuracy and completeness of the cash and cash equivalents totalling Ksh. 914,244 could not be confirmed.

Management response

Management acknowledges the noted unsupported cash and cash equivalents; however, we wish to point out that copies of certified bank statement for the fund as at 30th June 2025, bank reconciliation statement as at 30th June 2025, certificate of bank balance as at 30th30th June 2025, cashbook for the year ended 30th June 2025 and board of survey certificate as at 30th30th June 2025 were provided for audit.

Committee Observations

The Committee observed that the management provided the bank statements, certificate of bank balance, cashbook, board of survey and bank reconciliation statements to support the reconciliation of the cash and cash equivalents balance.

Committee Recommendations

The Committee recommends that the matter be marked as resolved.

1. Material Uncertainty Related to Sustainability of Services

As reported in the previous year, the statement of financial performance reflects no transactions during the year ended 30 June, 2025 indicating that the Fund did not receive any fund or incur any expense during the year.

The Fund is, therefore, dormant. However, no efforts seem have to have been made one year later to have the Fund closed as it has not been able to achieve the objectives it was established and set out for in section 4(2) of the Kericho County Agricultural Development Fund Act, 2017.

Management Observations

The County Government acknowledges the observation by the Auditor- General regarding the material uncertainty related to the sustainability of services of the Kericho County Agricultural Development Fund.

The Fund indeed did not record any receipts or expenditures during the year ended 30 June, 2025, rendering it dormant, as similarly reported in the previous financial year. This situation arose due to the non- operationalization of the Fund, primarily occasioned by fiscal constraints and a strategic reprioritization of county resources, which affected the Fund's ability to receive financing and undertake activities envisaged under Section 4(2) of the Kericho County Agricultural Development Fund Act, 2017.

The County further notes that the continued dormancy of the Fund raises legitimate concerns regarding its relevance, sustainability, and value for money, particularly within the context of prudent public financial management as envisaged under the Public Finance Management Act, 2012.

In this regard, the County Government wishes to inform the Senate that consultations are ongoing within the County Executive and the County Treasury with a view to determining the most appropriate course of action. Preliminary assessments indicate a high likelihood of initiating the process to dissolve the Fund, subject to compliance with the requisite legal and legislative procedures, including engagement with the County Assembly.

Once a policy position is finalized, the County shall:

- a) Initiate the necessary legislative process to repeal the establishing Act;
- b) Ensure that any residual balances, assets, or obligations are appropriately dealt with in accordance with the PFMA; and
- c) Fully disclose the outcome in subsequent financial statements.

The County Government remains committed to addressing the audit concern conclusively and to ensuring that all county public funds operate in a manner that is efficient, lawful, and aligned with service delivery priorities.

Committee Observations

The Committee observed that the fund has been dormant and the management has not made any effort to have the Fund closed as it has not been able to achieve the objectives it was established, one year later.

Committee Recommendations

The Committee recommends that the Governor ensures that within sixty (60) days the Accounting Officer initiates the process to dissolve the fund in line with Section 199, and 197 of the Public Finance Management (County Government) Regulations, 2015.

Other Matter

Prior Year Audit Matters

In the audit report of the previous year, two (2) issues were raised under the Report on Financial Statements and Material Uncertainty Related to Sustainability of Services as shown in Appendix I. However, Management had not resolved the issues or given any explanations for failure to implement the recommendations.

Management response

The County Government acknowledges the observation by the Auditor- General regarding the two (2) prior- year audit matters raised under the Report on Financial Statements, namely inaccuracies in the financial statements and material uncertainty related to the sustainability of services, which remained unresolved as at the year under review.

With respect to the inaccuracies in the financial statements, Management noted that the issues arose from weaknesses in the preparation and review processes during the reporting period, compounded by the dormancy of the Fund and the absence of financial transactions. While the Fund did not record any activity during the year, Management acknowledges that this did not absolve it from the responsibility of preparing fully compliant and accurately presented financial statements in accordance with the applicable IPSAS framework. Corrective measures have since been initiated, including enhanced internal review by the County Treasury and closer involvement of the Internal Audit function to ensure accuracy and completeness of future financial reporting.

Regarding the material uncertainty related to the sustainability of services, Management reiterates that the Fund has remained dormant due to the non- receipt of financing and the inability to operationalize its mandate as envisaged under the establishing legislation. The continued inactivity of the Fund has understandably raised concerns on its sustainability and relevance.

In response, Management has commenced internal consultations to determine the appropriate way forward, with preliminary assessments pointing towards a likely dissolution of the Fund, subject to adherence to the legal and legislative requirements under the Public Finance Management Act, 2012 and approval by the County Assembly.

Committee Observations

The Committee observed that the management is progressively addressing the issues raised by the auditor in the previous year audit process.

Committee Recommendations

The Committee recommends that —

- i. **the Governor ensures that the Accounting Officer resolves all outstanding prior year audit matters as required by Section 149(2)(I) of the Public Finance Management Act, Cap.412A, failure to which the provisions of Section 199 of the Public Finance Management Act on penalties for offences shall apply; and**
- ii. **the Governor ensures that the Accounting Officer submits a comprehensive status report on all mitigation measures taken to resolve all prior year matters, to the Senate and copies the Auditor-General for verification within 90 days of the adoption of this report.**

— REPORT ON LAWFULNESS AND EFFECETIVENESS IN THE USE OF PUBLIC RESOURCES.

3. Improper Constitution of Board of Trustees

During the year, the Board of Trustees of the Fund was constituted with only three (3) members. This was contrary to Section 6(1) of the Kericho County Agricultural Development Fund Act, 2017 which requires the Board of Trustees to be composed of fifteen (15) members resulting in a shortfall of twelve (12) members. Appointment letters for the serving members of the Board of Trustees were also not provided for audit review.

Further, the Board of Trustees did not hold any meeting during the year under review. This was contrary to Schedule for provision on the conduct of business and affairs of the Board

of Trustees of the Kericho County Agricultural Development Fund Act, 2017 which states that the Board of Trustees shall meet at such place in Kenya as the Chairperson may determine and the meetings shall be convened by the chairperson and that the Board of Trustees shall have at least six meetings in any financial year and not more than three months shall elapse between one meeting and the next meeting.

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

Management response

The County Government acknowledges the Auditor- General's observation regarding the improper constitution and functioning of the Board of Trustees of the Kericho County Agricultural Development Fund during the year under review.

Management notes that during the period, the Board of Trustees was constituted with three (3) members only, against the statutory requirement of fifteen (15) members as provided under Section 6(1) of the Kericho County Agricultural Development Fund Act, 2017. Management further acknowledges that appointment letters for the serving members were not availed for audit review, and that the Board did not convene any meetings during the financial year, contrary to the provisions of the Act relating to the conduct of Board business.

The County is non-compliance and wishes to clarify that the situation arose in the context of the continued dormancy of the Fund, occasioned by the absence of financing and the non-operationalization of its activities. As a result, the Fund was unable to fully constitute and operationalize its governance structures as envisaged in the establishing legislation.

The County Government assures the Senate that this matter is being addressed holistically, with the objective of either fully regularizing the Fund's governance structures where continuation is justified, or lawfully dissolving the Fund to eliminate governance and compliance risks.

Committee Observations

The Committee observed that the management failed to provide documents to explain why the Board of Trustees did not hold any meeting during the year under review.

Committee Recommendations

The Committee recommends that; -

- i. the management complies with the provisions of Section 6 (1) of the Kericho County Agricultural Fund Act, 2017.**
- ii. the Accounting Officer should ensure timely submission of documents during the audit process in line with section 47 of the Public Audit Act as**

read together with section 149(2)(k) of the Public Finance Management Act failure to which the Committee shall recommend for their investigation and prosecution in accordance with section 62(2) of the Public Audit Act in the subsequent audit cycle.

3.2. REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR OTHER FUNDS IN KERICHO COUNTY FOR THE FINANCIAL YEAR 2024/2025.

REPORT ON THE FINANCIAL STATEMENTS

In accordance with Article 229(4) of the Constitution as read together with section 7(1) of the Public Audit Act, Cap. 412B, during the period under review, the Auditor-General audited the financial statements of various funds in Kericho County. Consequently, and in accordance with Article 229(7) of the Constitution as read together with section 32(1) of the Act submitted the following reports to the Senate-

1. Kericho County Executive Staff Car Loan Fund
2. Kericho County Executive Staff Mortgage Fund
3. Kericho County Emergency Fund
4. Kericho County Executive
5. Financing Locally Led Climate Change Action (FLLoCA) - Kericho
6. Kericho County Agricultural Development
7. Kericho County Alcoholic Drinks Fund
8. Kericho County Bursary Fund
9. Kericho County Enterprise Fund

Committee Observations

The Committee takes note of the queries raised by the Auditor-General in these reports

Committee Recommendations

The Committee recommends that-

- III. **the Governor through the respective accounting officers ensures that appropriate remedial actions are taken to address the issues raised in the Auditor-General's report on the financial statements for the afore-mentioned funds for the Financial Year 2024/2025 and submit a report to the Senate within 30 days of the adoption of this report and a copy to the Auditor-General; and**
- IV. **the Auditor-General to keep the matter in view in the subsequent audit cycle.**

ANNEXTURES

Minutes of the Committee



13TH PARLIAMENT 5TH SESSION

MINUTES OF THE FIFTY THIRD SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON MONDAY, 30TH MARCH 2026 HELD ON ZOOM PLATFORM AT 10.00 A.M.

PRESENT

- | | |
|--|--------------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson |
| 2. Sen. Eddy Gicheru Oketch, MP | - Vice-Chairperson |
| 3. Sen. Agnes Kavindu Muthama, MP | - Member |
| 4. Sen. Peris Pesi Tobiko, CBS, MP | - Member |
| 5. Sen. Hamida Ali Kibwana, MP | - Member |

ABSENT WITH APOLOGY

- | | |
|--------------------------------------|----------|
| 6. Sen. William Kisang' Kipkemoi, MP | - Member |
| 7. Sen. Beth Kalunda Syengo, MP | - Member |
| 8. Sen. Raphael Chimera Mwinzagu, MP | - Member |
| 9. Sen. George Mungai Mbugua, MP | - Member |

SECRETARIAT

- | | |
|-----------------------|------------------------|
| 1. Mr. Yussuf Shimoy | - Clerk Assistant I |
| 2. Mr. Erick Kimani | - Clerk Assistant II |
| 3. Mr. Godfrey Nyaga | - Clerk Assistant III |
| 4. Mr. Jeremy Chabari | - Senior Legal Counsel |
| 5. Mr. Peter Katana | - Research Officer |
| 6. Ms. Hamun Mohamud | - Research Officer |
| 7. CPA Keneddy Owuoth | - Fiscal Analyst |
| 8. Mr. Victor Kimani | - Audio officer |

MIN. NO. SEN/CPICSF/382/2026 PRAYER

The meeting was called to order by the Chairperson at twenty-five minutes past ten O'clock in the morning followed by a word of prayer.

MIN. NO. SEN/CPICSF/383/2026 ADOPTION OF THE AGENDA

The agenda of the meeting was adopted having been proposed Sen. Eddy Gicheru Oketch, MP and seconded by Sen. Hamida Ali Kibwana, MP as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Consideration and Adoption of Reports
4. Any Other Business; and
5. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/384/2026 CONSIDERATION AND ADOPTION OF
REPORTS**

The Committee considered the reports on the consideration of the audit reports of the following counties and their respective entities for the Financial Year 2024/2025 (1st July-, 2024 to 30th June, 2025)-

1. Kajido County

- I. Oloolaiser Water and Sewerage Company Limited
- II. Nol-Turesh Loitokiok Water and Sanitation Company Limited
- III. Olkejuado Water and Sewerage Company Limited
- IV. Kajido County Referral Hospital
- V. Imbirikani Level 4 Hospital
- VI. Ngong Level 4 Hospital
- VII. Kitengela Sub-County Hospital
- VIII. Ongata Rongai Sub-County Hospital
- IX. Kajido County Emergency Fund
- X. Kajido County Alcoholic Drinks Control Fund
- XI. Kajido County Climate Change Fund
- XII. Kajido County Disability Mainstreaming Fund
- XIII. Kajido County Education Bursary Grants and Scholarship Fund
- XIV. Kajido County Youth and Women Enterprise Fund
- XV. Kajido County Emergency Fund

2. Kiambu County

- I. Gatundu Water and Sewerage Company
- II. Githunguri Water and Sanitation Company
- III. Karuri Water and Sanitation Company
- IV. Kiambu Water & Sanitation Company
- V. Limuru Water and Sewerage Company
- VI. Ruiru-Juja Water & Sewerage Company
- VII. Thika Water and Sewerage Company
- VIII. Karuri Municipality
- IX. Kiambu Municipality
- X. Kikuyu Municipality

- XI. Limuru Municipality
- XII. Ruiru Municipality
- XIII. Thika Municipality
- XIV. Gatundu Level 5 Hospital
- XV. Igegania Sub-County Hospital
- XVI. Karuri Level 4 Hospital
- XVII. Kigumo Level 4 Hospital
- XVIII. Kihara Sub County Hospital
- XIX. Lari Hospital
- XX. Lusigetti Sub- County Hospital
- XXI. Nyathuna Level 4 Hospital
- XXII. Ruiru Sub-County Hospital
- XXIII. Tigoni Sub County Hospital
- XXIV. Wangige Sub County Hospital
- XXV. Kiambu County Referral Hospital
- XXVI. Thika Level 5 Hospital
- XXVII. Kiambu County Executive Emergency Fund
- XXVIII. Kiambu County Alcoholic Drinks Control Fund
- XXIX. Kiambu County Climate Change Fund,
- XXX. Kiambu County Executive Bursary Fund
- XXXI. Kiambu County Fif Fund
- XXXII. Kiambu County Jiinue Fund

3. Homabay

- I. Homa Bay County Water and Sanitation Company Ltd (Homawasco)
- II. Municipality Of Homa Bay
- III. Municipality Of Kendu Bay
- IV. Municipality Of Mbita
- V. Municipality Of Ndhiwa
- VI. Municipality Of Oyugis
- VII. Homa Bay County Teaching and Referral Hospital
- VIII. Kabondo Sub-County Hospital
- IX. Kandiego Sub-District Hospital
- X. Kendu Sub-District Hospital
- XI. Kisegi Sub-District Hospital
- XII. Magunga Level Iv Hospital
- XIII. Makongeni L4
- XIV. Malela Level 4 Hospital
- XV. Marindi Sub County Referral Hospital
- XVI. Ndhiwa Sub County Hospital
- XVII. Nyandiwa Level Iv Hospital
- XVIII. Nyangiela Sub District
- XIX. Ogongo Level 4 Hospital
- XX. Pala Level 4 Hospital

- XXI. Rachuonyo District Hospital
- XXII. Rangwe Sub-District Hospital
- XXIII. Sena Level 4 Hospital
- XXIV. Suba North Sub-County Hospital
- XXV. Suba Sub-County Hospital
- XXVI. Tom Mboya Memorial Level 4 Hospital
- XXVII. Homa Bay County Mortgage & Car Loan Executive Fund
- XXVIII. Homa Bay County Alcoholic Drink Control Board
- XXIX. Homa Bay County Bursary Fund

4. Migori

- I. Migori Water and Sewerage Company
- II. Awendo Municipality
- III. Kehancha Municipality
- IV. Migori Municipality
- V. Rongo Municipality
- VI. Awendo Sub-County Hospital
- VII. Isibania Sub-District Hospital
- VIII. Karungu Sub-County Hospital
- IX. Kegonga Sub County Hospital
- X. Macalder Sub-County Hospital
- XI. Migori County Referral Hospital
- XII. Muhuru Sub-County Hospital
- XIII. Ntimaru Sub County Hospital
- XIV. Nyamaraga Sub County Hospital
- XV. Othoro Sub County Hospital
- XVI. Oyani Sub County Hospital
- XVII. Rongo Sub County Hospital
- XVIII. Urii Sub County Hospital
- XIX. Migori County Ward Development Fund.
- XX. Migori County Executive Car Loan and Mortgage Fund
- XXI. Migori County Climate Change Fund.
- XXII. Migori County Alcoholic Drinks Control Fund
- XXIII. Migori County Ward Development Fund.

5. Kisii

- I. Gusii Water and Sanitation Company Limited (Gwasco/Kwasco)
- II. Kisii Municipality
- III. Etago Sub-County Hospital
- IV. Gesusu Sub-County Referral Hospital
- V. Gucha Sub County Referral Hospital
- VI. Ibacho Sub-County Hospital
- VII. Ibeno Sub-County Referral Hospital
- VIII. Iranda Sub County Referral Hospital

- IX. Kisii County Health Facilities Improvement Fund
- X. Fund, Kisii Demonstration Farms Fund
- XI. Kisii County Emergency Fund
- XII. Kisii Mortgage & Car Loan (Executive) Fund
- XIII. Kisii County Climate Change Fund
- XIV. Kisii County Bursary Fund
- XV. Kisii County Covid-19 Emergency Fund
- XVI. Kisii County Veterinary Services Development

6. Machakos

- I. Mavoko Water and Sanitation Company Limited (Mavwasco)
- II. Machakos Municipal Water and Sewerage Company Limited (Macwasco)
- III. Mwala Water and Sanitation Company Limited
- IV. Matungulu Water and Sewerage Company (Makawasco)
- V. Kathiani Water and Sanitation Company Limited
- VI. Yatta Water Services Company Limited (Yawasco)
- VII. Mavoko Municipality
- VIII. Machakos Municipality
- IX. Kangundo/Tala Municipality
- X. Kalama Level 4 Level 4 Hospital
- XI. Kangundo Sub-County Hospital Level 4 Hospital
- XII. Kathiani Sub-County Hospital Level 4 Hospital
- XIII. Kimiti Level 4 Hospital Level 4 Hospital
- XIV. Masinga Sub-County Hospital Level 4 Hospital
- XV. Matuu District Hospital Level 4 Hospital
- XVI. Mavoko Level 4 Hospital Level 4 Hospital
- XVII. Mutituni Level 4 Hospital Level 4 Hospital
- XVIII. Mwala Subcounty Hospital Level 4 Hospital
- XIX. Ndithini Level 4 Hospital Level 4 Hospital
- XX. Machakos County Referral Hospital Level 5 Hospital
- XXI. Machakos County Bursary Fund
- XXII. Machakos County Emergency Fund
- XXIII. Machakos County Executive and Chief Officers Car Loan and Mortgage Scheme

7. Baringo

- I. Kirandich Water and Sanitation Company Limited
- II. Eldama Ravine Water and Sewerage Company Limited (Erawasco)
- III. Chemususu Water Company Limited
- IV. Municipality Of Kabarnet
- V. Marigat Sub-County Level 4 Hospital
- VI. Kabartonjo Level 4 Hospital

- VII. Baringo County Referral Hospital
- VIII. Eldama Ravine Level 4 Hospital
- IX. Chemolingot Level 4 Hospital
- X. Baringo County Executive Car Loan Scheme Fund
- XI. Baringo County Executive Mortgage Scheme Fund
- XII. Baringo County Emergency Fund
- XIII. Baringo Cooperative Development Fund
- XIV. Baringo County Bursary and Scholarship Fund,
- XV. Baringo County Climate Change Fund,
- XVI. Baringo County Micro and Small Enterprises Fund And
- XVII. Baringo County Community Conservation Fund

8. Isiolo

- I. Isiolo Municipality
- II. Isiolo County Referral Hospital
- III. Financing Locally-Led Climate Action Programme (Flloca)
- IV. Isiolo County Education Bursary Fund

9. Busia

- I. Busia Water and Sewerage Services Company Limited
- II. Busia Municipality
- III. Malaba Municipality
- IV. Alupe Sub County Hospital
- V. Busia County Referral Hospital
- VI. Teso North Sub County Hospital
- VII. Nambale Sub County Hospital
- VIII. Busia Agricultural Development Fund
- IX. Busia County Alcoholic Drinks Control Fund
- X. Busia County Climate Change Fund
- XI. Busia County Cooperative Enterprise Development Fund
- XII. Busia County Public (Officers) Revolving Fund

10. Kakamega

- 1. Kakamega County Water and Sewerage Company Limited
- 2. Kakamega County Rural Water and Sewerage Company Limited
- 3. Mumias Municipality
- 4. Kakamega Municipality
- 5. Navakholo Sub- County Hospital
- 6. Malava Sub- County Hospital
- 7. Matungu Sub- County Hospital
- 8. Butere County Hospital
- 9. Kakamega County Referral Hospital
- 10. Manyala Sub- County Hospital
- 11. Kakamega County Climate Change Fund

12. Kakamega County Alcoholic Drinks Control Fund
13. Kakamega County Emergency Fund
14. Kakamega County Investment and Development Agency

11. Bungoma

- I. Bungoma Water and Sewerage Company Limited.
- II. Bungoma Municipality
- III. Kimilili Municipality
- IV. Bungoma County Referral Hospital
- V. Bumula Sub-County hospital
- VI. Kimilili Sub-County Hospital
- VII. Mt. Elgon Sub-County Hospital
- VIII. Bursary Fund
- IX. Climate Change Fund
- X. Disaster And Emergency Management Fund
- XI. Persons With Disabilities Empowerment Fund
- XII. Trade Development Loan Fund
- XIII. Youth And Women Empowerment Fund

12. Kitui

- I. Kitui Water and Sanitation Company
- II. Kiambere wingi Water and Sanitation Company
- III. Kitui County Referral Hospital
- IV. Mutomo Sub-County Hospital
- V. Mwingi Level 4 Hospital
- VI. Ikanga Sub-County Hospital
- VII. Tseikuru Sub-County Hospital
- VIII. Kitui County Textile Center
- IX. Kitui County Empowerment Fund

13. Siaya

- I. Sibo Water and Sanitation Company Ltd
- II. Bondo Municipality
- III. Siaya Municipality
- IV. Ugunja Municipal Board
- V. Ambira Level 4 Hospital
- VI. Bondo Level 4 Hospital
- VII. Got Agulu Sub County Level Hospital
- VIII. Siaya County Referral Hospital
- IX. Siaya County Bursary Fund
- X. Siaya County Climate Change Fund

14. Laikipia

- I. Nyahururu Water and Sanitation Company Limited
- II. Nanyuki Water and Sanitation Company
- III. Municipality Of Nanyuki
- IV. Municipality Of Rumuruti
- V. Nanyuki Teaching and Referral Hospital
- VI. Doldol Level 4 Hospital
- VII. Rumuruti Sub-County Hospital
- VIII. Nyahururu County Referral Hospital
- IX. Emergency Fund
- X. Bursary Fund
- XI. Assets Leasing Fund
- XII. Business Stimulus Fund
- XIII. Climate Change Fund - Ffloca
- XIV. Laikipia County Cooperative Fund.
- XV. County Revenue Board
- XVI. County Development Authority

15. Turkana

- I. Lodwar Water and Sanitation Company Limited
- II. Kakuma Municipality
- III. Lodwar Municipality
- IV. Lodwar County Referral Hospital
- V. Lokiatung Sub-County Level 4 Hospital
- VI. Lopiding Sub-County Level 4 Hospital
- VII. Turkana County Executive Car Loan and Mortgage Fund
- VIII. Turkana County Climate Change Fund
- IX. Turkana County Co-Operative Development Enterprise Fund
- X. Turkana County Education Fund
- XI. Turkana County Emergency Fund

16. Narok

- I. Narok Water and Sewerage Services Company Limited (Narwassco)
- II. Kilgoris Municipality
- III. Narok Municipality
- IV. Narok County Referral Hospital
- V. Maasai Mara Community Support Fund
- VI. Alcoholics Drinks Regulation and Control Fund
- VII. Bursary Management Fund

17. Uasin Giishu

- I. Eldoret Water and Sanitation Company Limited (Eldowas)
- II. Municipality Of Eldoret (Now City of Eldoret)

- III. Huruma Level 4 Hospital
- IV. Turbo Level 4 Hospital
- V. Uasin Gishu District Hospital
- VI. Mortgage And Car Loans Scheme Fund
- VII. Alcoholic Drinks Control Fund
- VIII. Cooperative Enterprise Development Fund
- IX. Education Revolving Fund
- X. Bursary And Skills Development Support Fund

18. Nairobi

- I. Nairobi City Water and Sewerage Company Limited
- II. Bahati Level 4 Hospital
- III. Mutuini Dagoretti Level 4 Hospital
- IV. Mama Margaret Uhuru Level 5 Hospital
- V. Mbagathi County Referral Hospital
- VI. Mama Lucy Kibaki-Level 5 Hospital
- VII. Nairobi City County Alcoholic Drinks Control and Licensing Board

19. Meru

- I. Meru Water and Sewerage Services Company (Mewass)
- II. Meru County Rural Water and Sanitation Company (Mewsc)
- III. Meru Municipality
- IV. Maua Municipality
- V. Meru Teaching and Referral Hospital (Mtrh)
- VI. Miathene Sub-County Hospital
- VII. Nyambene Sub-County Hospital
- VIII. Meru County Revenue Board (Mcrb)

20. Trans-Nzoia

- I. Trans Nzoia Water and Sewerage Company Limited.
- II. Kitale Municipality
- III. Kitale County Referral Level 4 Hospital
- IV. Wamalwa Kijana Teaching and Referral Hospital
- V. Trans Nzoia County Climate Change Fund
- VI. Trans Nzoia County Nawiri Fund
- VII. Trans Nzoia County Youth and Women Development Fund
- VIII. Trans Nzoia County Elimu Bursary Fund
- IX. Trans Nzoia County Executive Car Loan and Mortgage Scheme Fund

21. Nakuru

- I. Nakuru Water and Sanitation Company Limited
- II. Nakuru Rural Water and Sanitation Company Limited
- III. Naivasha Water and Sanitation Company Limited

- IV. Gilgil Municipality
- V. Molo Municipality
- VI. Nakuru City
- VII. Naivasha Municipality
- VIII. Nakuru County Referral And
- IX. Teaching Hospital
- X. Naivasha Sub-County Level 4 Hospital
- XI. Gilgil Sub-County Level 4 Hospital
- XII. Nakuru County Bursary Fund
- XIII. Nakuru County Climate Change Fund
- XIV. Nakuru County Emergency Fund

22. Kilifi

- I. Kilifi Municipality
- II. Malindi Municipality
- III. Mariakani Municipality
- IV. Mtwapa Municipality
- V. Watamu Municipality
- VI. Kilifi County Climate Change Fund
- VII. Kilifi County Emergency Fund
- VIII. Kilifi County Health Services Improvement Fund
- IX. Kilifi County Microfinance (Wezesha) Fund/board
- X. Kilifi County Ward Scholarship Fund
- XI. Bamba Sub-County Hospital
- XII. Gede Sub County Hospital
- XIII. Jibana Sub District Hospital
- XIV. Kilifi County Hospital
- XV. Malindi District Hospital
- XVI. Marafa Sub County Hospital
- XVII. Mariakani District Hospital
- XVIII. Mtwapa Sub County Hospital
- XIX. Rabai Sub County Hospital
- XX. Kilifi Mariakani Water and Sewerage Co.
- XXI. Malindi Water and Sewerage Co.
- XXII. Kilifi County Assembly Members Mortgage and Car Loan Scheme Fund
- XXIII. Kilifi County Car Loan and Mortgage Scheme Fund

23. Kericho

- I. Kericho County Executive Staff Car Loan Fund
- II. Kericho County Executive Staff Mortgage Fund
- III. Kericho County Emergency Fund
- IV. Kericho County Executive
- V. Financing Locally Led Climate Change Action (FLLoCA) - Kericho
- VI. Kericho County Agricultural Development
- VII. Kericho County Alcoholic Drinks Fund

- VIII. Kericho County Bursary Fund
- IX. Kericho County Enterprise Fund
- X. Forttenan Sub District Hospital
- XI. Kapkatet District Hospital
- XII. Kericho District Hospital
- XIII. Kipkelion Sub District Hospital
- XIV. Londiani District Hospital
- XV. Roret Sub-District Hospital
- XVI. Sigowet Sub-District Hospital
- XVII. Kericho Water and Sanitation Co. Ltd

24. The Committee considered and adopted the Report on the summary of key audit findings in the Auditor-General Reports for Water Companies, Municipalities, Hospitals and funds for the financial year 2024/2025

Committee resolution

The Committee unanimously adopted the aforementioned reports and directed the secretariat to process for tabling of the same.

MIN. NO. SEN/CPICSF/385/2026 ANY OTHER BUSINESS

There was no any other business.

MIN. NO. SEN/CPICSF/386/2026 DATE OF NEXT MEETING & ADJOURNMENT

The Chairperson adjourned the meeting at nineteen minutes to eleven o'clock in the morning. The next meeting would be called on notice.



SIGNED: DATE:31.03.2026.....

(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS, MP.)