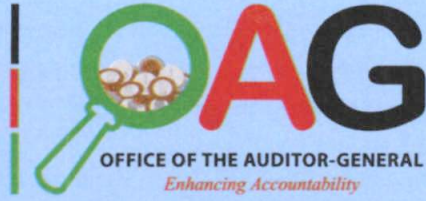


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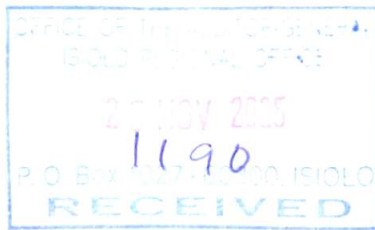
EQUALISATION FUND

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FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF MARSABIT

17/11



**Marsabit County Government
Equalisation Fund**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

**Prepared in accordance with the Accrual Basis of Accounting Method under the International Public
Sector Accounting Standards (IPSAS)**

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I. Acronyms and Definition of Key Terms

A: Acronyms

AGPO	Access to Government Procurement Opportunities
CA	County Assembly
CBK	Central Bank of Kenya
CDF	Constituency Development Fund
CEO	Chief Executive Officer
CECM	County Executive Committee Member
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CT	County Treasury
EF	Equalisation Fund
EFAB	Equalisation Fund Advisory board
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
NGO	Non-Governmental Organisation
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PIIC	Project Identification and Implementation Committee
PPE	Property, Plant & Equipment
PPPs	Public Private Partnerships
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
WB	World Bank

B: Definition of Key Terms

Fiduciary Management- Members of Management are directly entrusted with the responsibility of the financial resources of the organization.

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

2. Key Entity Information and Management**(a) Background information**

The Equalisation Fund was established under Article 204 (1) of the Constitution of Kenya (CoK), 2010, and operationalized by the Public Finance Management (Equalisation Fund Administration) Regulations, 2021. The Equalisation Fund (EF) is domiciled in Nairobi County, Kenya.

(b) Principal Activities

The EF shall be used to provide basic services, including water, roads, health facilities, and electricity, to marginalized areas to the extent necessary to bring the quality of those services to the level generally enjoyed by the rest of the nation.

(c) Key Management

The *Fund's* management is under the following key organs:

No.	Designation
1.	County Technical Committee
2.	Sub County Technical Committee
3.	Project Identification and Implementation Committee

(d) Fiduciary Management

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

No.	Designation	Name
1.	County Executive Committee Member for Finance	Hussein Ali Hussein Fundi
2.	Chief officer finance	Godfrey Godana guyo
3.	Director procurement	Francis kariuki kamendi
4.	Fund manager	Guyo Boru Qalicha

Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- *Equalisation Fund Advisory Board*
- *Parliamentary Oversight (Special Funds Committees)*
- *Other oversight arrangements*

(f) Entity Headquarters

P.O. Box 384-60500
Marsabit County headquarter Building
Isioio Marsabit Road
Marsabit, KENYA

(g) Entity Contacts

Telephone: +254 745 201491
Website: marsabitcounty.go.ke

(h) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

(i) Independent Auditor



Auditor-General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser

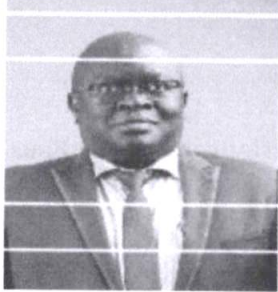

1. The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2. County Attorney
P.O. Box 384-60500 Marsabit
Marsabit
County

3. Key Management Team

Name	Details
 <p>County Executive Committee Member for Finance and economic planning</p>	<p>Educational qualification: KENYATTA UNIVERSITY Master of Public Policy and Administration 2015-2017 Core areas covered: - Public Adminstration - Devolved Governance - Public Policy Analysis - Micro and Macro Economics for Public Policy - Public Finance - Human Resources Management in Public Service - Information Management System - Corporate Governance in Public Sector. UNIVERSITY OF NAIROBI 2009–2013 Bachelor of Science in Statistics Core areas covered: - Probability & Statistics - Statistical Inference - Time Series Analysis - Design & Analysis of Experiments - Statistical Computing - Linear Models - Sample Survey Designs WAJIR HIGH SCHOOL Kenya Certificate of Secondary Education, B (PLAIN 2005-2008 K/RASHIDIN PRIMARY SCHOOL Kenya Certificate of Primary Education, B (PLAIN) 1997-2004</p> <p>His key responsibility include :</p> <p>a) Consolidate all projects approved by the county technical committee and submit to the Secretary of the Board for funding with copy to the Commission on Revenue allocation;</p> <p>b) prepare financial statements for the Fund for each financial year in a form prescribed by the Accounting Standards Board in accordance with the Act and submit to the Secretary of the Board;</p> <p>c) prepare quarterly financial statements for the fund in a form prescribed by the Accounting Standards Board and submit to the Secretary of the Board;</p> <p>d) prepare quarterly reports on funds received and implementation status of all projects financed by the Fund with a copy to the Secretary of the Board, Commission on Revenue Allocation and Controller of Budget, and</p> <p>e) prepare annual report on implementation of all projects financed by the Fund with a copy to the Secretary, Commission on Revenue Allocation, Controller of Budget and Parliament</p>
	<p>Godfrey Godana guyo</p> <p>Responsible for all approval and payment</p>

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

Chief officer finance	
 Director Procurement	Francis kariuki kamendi , Director supply chain management has a master's in Business Administration , Bachelor of Business management –purchasing and supply and he is also CPSPK – Holder
 Fund manager	Guyo Boru Qalicha .He has a degree in counselling psychology in kemu university

4. Report of the County Executive Committee Member for Finance

1. Introduction

This report provides an overview of the operational and financial performance of the Equalisation Fund during the 2024/2025 financial year. It highlights key milestones achieved, financial disbursements made, completed projects, pending payments, and the challenges encountered in the implementation process.

2. Operational Performance

During the reporting period, the Department of Finance, through the Equalisation Fund Secretariat, oversaw the implementation of 103 community-prioritized projects across the County. These projects were aligned to key sectors including water, health, roads, and education, and were identified through participatory forums at the ward level.

Out of the 103 approved projects:

- **60 projects** were successfully implemented and fully paid for within the financial year.

The remaining projects are at various stages of procurement and execution and will be reported in the next cycle.

3. Financial Performance

The fund received KES **212,307,316** for the FY 2024/2025. The financial performance is summarized below:

- **Funds Disbursed to Paid Projects: KES 212,307,316**
- The fund has maintained prudent financial management practices, ensuring that disbursements are tied strictly to project milestones and verified completion certificates.

4. Key Achievements

- Timely payment for 60 critical community development projects
- Improved coordination with technical departments, contractors, and community focal persons.
- Strengthened oversight through regular monitoring and evaluation visits.

5. Challenges Faced

Despite the notable progress, several challenges were encountered during implementation:

- **Delayed disbursements** from the National Treasury, affecting cash flow and timely payment to contractors.
- **Procurement bottlenecks** in certain departments, leading to delays in project commencement.
- **Inflation and rising material costs**, which impacted project costing and contractor performance.

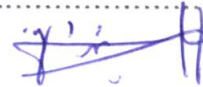
- Significantly hampered the effective coordination and monitoring of projects. The fund did not cater for essential administrative expenses such as transport for field visits, stationery, communication, and logistical support for project committees and technical staff. As a result, oversight, documentation, and stakeholder engagement activities were constrained, potentially affecting transparency and accountability in project implementation

6. Conclusion and Recommendations

The Equatisation Fund continues to play a crucial role in bridging development gaps and enhancing service delivery in marginalized communities across Marsabit County. The Department remains committed to ensuring transparency, accountability, and value for money in all funded interventions.

To improve future performance, the following recommendations are proposed:

1. Fast-track pending payments for the 60 completed projects.
2. Strengthen inter-departmental coordination to expedite procurement and technical verification processes.
3. Advocate for timely release of funds from the National Treasury to ensure uninterrupted project implementation.
4. Build capacity among local contractors and community project committees to enhance project ownership and sustainability.



Hussein Ali Hussein Fundi

CECM Finance and Economic Planning

5. Statement of Performance against Predetermined Objectives for FY 2024/2025

1. Education Sector

The Department of Education has **three strategic pillars** within the current Strategic Plan for the FY 2024/2025–2028/2029.

These strategic pillars are as follows:

- **Pillar 1:** Expansion of education infrastructure and access.
- **Pillar 2:** Promotion of quality learning and retention in schools.
- **Pillar 3:** Strengthening education governance and resource utilization.

The Department develops its annual work plans based on the above pillars. Assessment of performance against the CIDP is done quarterly. During the FY **2024/2025**, the Department implemented numerous projects, including the construction of classrooms, laboratories, dining halls, and installation of solar systems across primary and secondary schools in Moyale, North Horr, Saku, and Laisamis sub-counties. These projects enhanced learning environments and improved access to quality education. The Department successfully achieved its performance targets for the FY 2024/2025 under the three strategic pillars.

2. Health Sector

The Department of Health has **three strategic pillars** within the current Strategic Plan for the FY **2024/2025**

These pillars are:

- **Pillar 1:** Improvement of health infrastructure and service delivery.
- **Pillar 2:** Strengthening preventive and promotive health services.
- **Pillar 3:** Enhancement of health governance and systems efficiency.

The Department prepares annual work plans guided by these pillars and evaluates progress quarterly against CIDP targets. In FY **2024/2025**, key projects included construction of maternity blocks, wards, staff quarters, and installation of solar panels in health facilities across North Horr, Laisamis, and Moyale. These investments expanded access to maternal, diagnostic, and primary healthcare services. The Department met its annual performance targets across all pillars.

3. Roads Sector

The Department of Roads and Infrastructure has **four strategic pillars** in this FY **2024/2025 Strategic Plan**.

They include:

- **Pillar 1:** Expansion and rehabilitation of county road networks.
- **Pillar 2:** Promotion of connectivity and accessibility to markets and social amenities.

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

- **Pillar 3:** Improvement of road maintenance and safety.
- **Pillar 4:** Strengthening infrastructure management and coordination.

Annual work plans are developed in line with these pillars, and performance is assessed quarterly against CIDP targets.

In FY 2024/2025, the Department implemented road construction, grading, and rehabilitation works across all sub-counties — including Saku, North Horr, Moyale, and Laisamis — to enhance connectivity and economic mobility. The Department successfully achieved its performance targets across the four pillars.

4. Water Sector

The Department of Water, Environment, and Natural Resources has **four strategic pillars** in its FY 2024/2025 Strategic Plan.

They are:

- **Pillar 1:** Expansion of water supply infrastructure.
- **Pillar 2:** Water resource management and sustainability.
- **Pillar 3:** Climate resilience and drought preparedness.
- **Pillar 4:** Strengthening governance and service delivery in the water sector.

Annual work plans are derived from these pillars, with quarterly assessments of progress against CIDP objectives.

In FY 2024/2025, the Department implemented several projects including drilling and solarization of boreholes, construction of masonry water tanks, desilting of water pans, and pipeline extensions in all sub-counties. These initiatives improved water accessibility for domestic and institutional use. The Department met its annual performance targets across all four strategic pillars.

5. Energy Sector

The Department of Energy has **two strategic pillars** under the FY 2024/2025 Strategic Plan. They include:

- **Pillar 1:** Promotion of renewable and sustainable energy solutions.
- **Pillar 2:** Expansion of rural electrification and energy access. During FY 2024/2025, the Department implemented electrification of learning institutions and solar installation projects to enhance access to clean and reliable energy across the county. The Department achieved its planned performance targets for the period under both pillars.

These strategic pillars/ themes/ issues are as follows:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
1: Education Infrastructure Development:	To expand access to quality education through improved learning facilities	Number of classrooms, laboratories, and sanitation facilities constructed - Number of schools equipped with solar power	Construction of classrooms, laboratories, latrines, and dining halls across primary and secondary schools in North Horr, Moyale, Saku, and Laisamis sub-counties	Improved access to education; enhanced learning environments; over 20 education projects successfully completed across all sub-counties
Health Systems Strengthening	To enhance access to quality healthcare services through improved health infrastructure	Number of health facilities upgraded - Number of new maternity and ward blocks constructed - Number of health facilities electrified using solar power	Construction of maternity wings, male and female wards, staff quarters; installation of solar panels in dispensaries and health centers	Improved healthcare delivery in rural areas; expanded maternal and diagnostic services; all projects completed within budget
Roads and Transport Infrastructure	To promote mobility and market access	Kilometers of roads opened, graded, or	Grading, graveling, and rehabilitation of	Improved connectivity to markets and

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

Strategic Pillar/ Theme/ Issues	Objective	Key Performance Indicators	Activities	Achievements
	through improved road networks	rehabilitated - Number of access roads improved	roads in Saku, North Horr, Moyale, and Laisamis sub-counties	social services; enhanced transport efficiency; county met its infrastructure performance targets
Water Supply and Resource Management	To increase access to clean and reliable water for domestic and institutional use	- Number of boreholes drilled and solarized - Number of water pans desilted and fenced - Kilometers of new water pipelines installed	Borehole drilling and capping, water pan desilting, construction of masonry tanks, pipeline extensions, and installation of water storage facilities	Improved household and institutional water access; increased drought resilience; over 20 water projects successfully completed
Renewable Energy Access	To enhance access to affordable and sustainable energy	- Number of institutions connected to power - Number of solar systems installed	Electrification of schools and dispensaries; installation of solar panels in remote area	improved access to clean energy; reduced reliance on fossil fuels; increased learning hours and safety in schools and health center

6. Corporate Governance Statement

a) Composition of Committees.

County Technical Committee

1. County Commissioner-Chairperson
2. County Executive Committee Member for Finance.
3. Constituency Development Fund managers.
4. Representative of County Assembly.
5. Representatives of implementing sectors with prioritized Projects.
6. Chairperson of the Constituency Development Fund (CDF)

Sub-County Technical Committee

1. Sub-County Commissioner-Chairperson.
2. Four technical officers from ministries relevant to funding priorities.
3. Chairpersons of Project Identification and Implementation Committees within the sub-county.
4. Secretary of the Constituency

Project Identification and Implementation Committee

1. Assistant Sub-County Commissioner-Chairman
2. The village administrators of areas defined by the Commission on Revenue Allocation as marginalized.
3. Representative of the women, youth, minorities and persons with disabilities from marginalized areas.
4. A representative of the Constituency Development Fund committee member at the sub-county level; A representative of religious group or local Non-Governmental Organisation (NGO) with office at ward level

b) Functions of Committees

County Technical Committee

1. Approving all projects to be financed from the Fund.

Sub-County Technical Committee.

1. Receive project-funding proposals from respective Project Identification and Implementation committees.
2. Evaluate and prioritize all development proposals from the Project Identification and Implementation Committees.
3. Assess the feasibility and cost all project proposals received from the Project Identification and Implementation Committees.

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

4. Submit project proposals and funding requests received from the Project Identification and Implementation Committees to the county government.
5. Monitor all projects being undertaken and ensure they meet the objectives they are originally meant to achieve.
6. Prepare quarterly reports on funds received and implementation status of all projects financed by the Fund to the county technical committee with a copy to the County Executive Committee Member responsible for matters relating to finance.
7. Prepare and submit annual reports on implementation of all projects financed by the Fund to the county technical committee with a copy to the County Executive Committee Member for Finance.

Project Identification and Implementation Committee.

- i. Undertake public participation, in beneficiary areas.
2. Identify and prioritize project in beneficiary areas in line with guidelines issued by the administrator of the Fund.
3. Prepare and submit project funding proposals to sub-county technical committee.
4. Provide oversight on project implementation.

7. Management Discussion and Analysis

A. Overview

The Equalisation Fund is a key financing instrument used by the County Government of Marsabit to accelerate equitable development in marginalized areas. In the FY 2024/2025, the Fund focused on implementing community-prioritized projects in sectors such as water, health, roads, and education. Despite facing fiscal and operational constraints, the Fund recorded significant progress in project implementation and financial absorption.

B. Operational Performance

The Fund implemented 103 projects during the reporting period. Projects were identified through grassroots forums and were consistent with the County Integrated Development Plan (CIDP).

Table 1: Project Implementation Status (FY 2024/2025)

Project Status	Number of Projects	% of Total Projects
Fully Implemented & Paid	60	58.3%
Ongoing/At Procurement Stage	57	44.7%
Total	103	100%

Figure 1: Project Status Distribution (Pie Chart)

Number of Projects



Interpretation: Over 58% of the projects were completed during the year, reflecting a strong implementation rate despite challenges.

C. Financial Performance

The Fund received KES 87.84 million from the National Treasury for the FY 2024/2025. This amount was fully disbursed to pay for 25 completed projects. An additional KES 124.49 million is pending payment for 32 verified completed projects.

Table 2: Summary of Fund Utilization

Financial Indicator	Amount (KES)
Total Receipts from National Treasury	212,307,315.90
Disbursements for Paid Projects	212,307,315.90

Observation: Disbursement was fully aligned with received funds, demonstrating strict compliance with verification-based payments.

D. Statutory Compliance

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

The Fund complied with all legal and regulatory requirements regarding public financial management. Key compliance highlights include:

- Adherence to PFM Act 2012 in fund utilization.
- Technical verification and certification before disbursement.
- Transparent procurement processes in line with Public Procurement and Disposal Act 2015.

However, delays in exchequer releases from the National Treasury affected the Fund's ability to settle verified obligations on time.

E. Major Risks and Mitigation

Key Risks Identified:

Risk Factor Impact Mitigation Strategy

Inflation and rising material costs increased project costs Adjustments in BOQs and early procurement

Limited operational funding Poor M&E and oversight Request for administrative support

Procurement delays slow project commencement Capacity building of procurement teams

F. Review of the Economy and Sector

Economic Environment:

The Kenyan economy grew at a moderate pace in 2024, estimated at 4.8%, but inflationary pressures persisted.

High fuel and commodity prices impacted project implementation costs.

Sector Review:

Marginalized regions continued to lag in infrastructure and social services.

Equalisation Fund interventions remain essential in addressing service disparities, especially in health and water access.

G. Material Arrears and Obligations

As at 30th June 2025, the Marsabit County had no pending payments

H. Future Developments and Outlook

Looking ahead, the Fund intends to:

- ✓ Fast-track payment of verified completed projects.
- ✓ Scale up implementation of ongoing and new community-prioritized projects.
- ✓ Strengthen inter-departmental coordination for timely procurement and technical reviews.
- ✓ Enhance community participation and build local contractor capacity.

Advocate for timely exchequer disbursements and budget provision for administrative support (M&E, logistics, communication).

I. Conclusion

The Equalisation Fund continues to drive inclusive development in Marsabit County. Despite facing fiscal delays and logistical limitations, the Fund has demonstrated resilience, community engagement, and prudent financial management. Management remains committed to enhancing transparency, timely service delivery, and maximizing development impact.

8. Environmental and Sustainability Reporting

i) Sustainability Strategy and Profile

The County Government of Marsabit, through the Equalisation Fund, remains committed to aligning its development agenda with international sustainability frameworks such as the *United Nations Sustainable Development Goals (SDGs)*, the *Paris Climate Agreement*, and Kenya's *Vision 2030*. Global political and economic shifts, especially climate change, food insecurity, and economic inequality, have amplified the urgency to adopt sustainability-driven practices at the local level.

Our sustainability priorities are guided by a policy framework that includes green infrastructure, community inclusivity, natural resource conservation, and climate-smart service delivery. During the reporting period, key achievements included the promotion of solar-powered water boreholes in arid areas, enhancement of local capacity through the involvement of youth and women in project implementation, and integration of sustainability components in procurement and contract management.

Approximately **75% of contracts** were awarded to local contractors, with **15% to youth**, **10% to women**, and **5% to persons with disabilities (PWDs)**. This inclusivity reflects our commitment to empowering marginalized groups and ensuring equitable participation in development.

Despite logistical challenges due to terrain and limited infrastructure, mitigation measures such as localized procurement, phased implementation, and capacity building for community groups were adopted to maintain progress.

Our service delivery charter emphasizes timely, accountable, and transparent service delivery, particularly in health, water, roads, education and energy. Additionally, procurement procedures prioritize ethical practices, transparency, and preference for local suppliers to boost economic sustainability.

ii) Environmental Performance

The Equalisation Fund projects are guided by Marsabit County's *Environmental Management Policy*, which aligns with the National Environmental Management Authority (NEMA) regulations. The policy promotes biodiversity protection, sustainable natural resource use, and pollution control.

During the FY 2024/2025, the County Government implemented the following measures:

- Transition to **solar energy** for community boreholes.

iii) Employee Welfare

The County Government has embedded inclusive and equitable employment policies aligned with the *Public Service Commission guidelines* and the *Occupational Safety and Health Act (OSHA), 2007*. Our recruitment process ensures representation across gender, youth, and PWDs, with a target of **at least 30% for special interest groups**.

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

Policies are reviewed annually through stakeholder consultations. Training programs were undertaken to upskill staff in areas such as financial management, transition from cash to accrual training, monitoring, and digital service delivery.

Workplace safety is a priority. There were **no major injuries** reported during the period

iv) Marketplace Practices

a) Responsible Competition Practice

The County promotes ethical governance through its *Service Delivery Charter*, *Public Procurement and Disposal Act*, and robust anti-corruption strategies. Measures implemented include:

- **Open tendering procedures**
- **Publication of procurement plans**
- **Use of self-service portals** for contractor registration and payments
- Regular **public sensitization forums** on service expectations and rights

b) Responsible Supply Chain and Supplier Relations

The Equalisation Fund projects ensure fair competition, timely payments, and contract transparency. Local suppliers are prioritized, and all contracts are honored in accordance with agreed terms. There were minimal disputes during the year, and those that arose were resolved through a structured dispute resolution mechanism.

c) Responsible Marketing and Citizen Engagement

d) Product Stewardship and Awareness Creation

The County upholds citizen rights through programs that improve awareness.

In conclusion, the County Government of Marsabit continues to embrace a comprehensive sustainability agenda that aligns with global, national, and local aspirations. The Equalisation Fund remains a vital tool for ensuring inclusive development, environmental protection, and ethical governance across all sectors

9. Statement of Management Responsibilities

Section 167 of the Public Finance Management Act, 2012 and Sec 20 of the Public Finance Management (Equalisation Fund Administration) Regulations, 2021 requires that, at the end of each financial year, the Administrator of a County Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

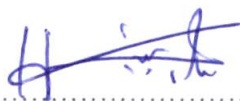
The Management of the County Equalisation Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on June 30, 20xx. This responsibility includes: (i) maintaining 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 Fund; (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 Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Management of the County Equalisation Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Public Finance Management (Equalisation Fund Administration) Regulations, 2021. The Management of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of the Fund's transactions during the financial year ended June 30, 20xx, and of the Fund's financial position as at that date. The Management further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Management of the County Equalisation Fund has assessed the Fund's ability to continue as a going concern and nothing has come to the attention of the Management to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Management on 21/11 2025 and signed on its behalf by:



.....
Name: Hussein Ali Hussein Fundi

CECM Finance and Economic Planning

REPUBLIC OF KENYA

Phone: +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 EQUALISATION FUND FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF MARSABIT

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that 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

Opinion

I have audited the accompanying financial statements of Equalisation Fund - County Government of Marsabit set out on pages 1 to 24, which comprise of the statement of

Report of the Auditor-General on Equalisation Fund for the year ended 30 June, 2025 - County Government of Marsabit

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Equalisation Fund - County Government 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) and comply with the Public Finance Management (Equalization Fund Administration) Regulations, 2021 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Equalisation Fund - County Government 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 opinion.

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. There were no key audit matters to report in the year under review.

Other Information

Management is responsible for the Other Information set out on page iii to xx which comprise of Key Entity Information and Management, Key Management Team, Report of the County Executive Committee Member for Finance, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting 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 Fund'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. Report on Implementation of Projects

During the year under review, the Fund had implemented various projects. However, audit inspection carried out during the months of August and November, 2025 revealed the following anomalies in the implementation of the projects;

1.1 Construction of Two Nurse Quarters and Double Pit Latrine at Loglogo Health Centre

The construction of two nurse quarters and double pit latrine at Loglogo Health Centre had contractual amount of Kshs.3,879,040. However, the contractor applied only one coat of paint contrary to the Bill of Quantities which required application of one undercoat and two finishing coats at a cost of Kshs.60,800. Further, electrical works for one house billed at Kshs.191,700 was not done.

1.2 Proposed Purchase of Transformers and Electrifications

The Fund intended to fund eleven (11) projects under the energy sector for purchase of transformers and electrification in Marsabit County at a budget of Kshs.43,021,000. Review of the Project Implementation Status Report revealed that the projects were still at the procurement stage. It was further noted that as at 20 August, 2025, the Projects' progress was at 0%, almost one (1) year after Management approval..

1.3 Proposed Construction of Male and Female Wards at Maikona Health Centre

The proposed construction of male and female wards at Maikona Health Centre project at a contract sum of Kshs.9,450,000. However, audit verification revealed that there were variations in the specification in the roofing of the building as blue gum was used instead of the cypress and use of 30-gauge roofing sheets instead of 28-gauge pre-printed G.C.I

roofing sheet as indicated in the Bill of Quantities. The approval for the variations was not provided.

1.4 Construction of Two Classrooms and One Double Door Pit Latrine at Qonqoma Primary School

The construction of classrooms and double door pit latrine at Qonqoma Primary School at a contract sum of Kshs.3,768,260. The contract duration was nine (9) months and expected completion date of 10 February, 2025. Review of the project status report revealed that the project was complete and in use. However, review of records and site verification revealed that a payment of Kshs.3,768,260 was not supported by a schedule of works completed. It was further noted that vandalism of the latrine facilities, with the doors removed.

1.5 Upgrading of the Laisamis Referral Hospital

The project of upgrading of Laisamis Referral Hospital was budgeted at Kshs.40,000,000, out of which Kshs.36,000,000 was allocated and the project implementation status indicated level of completion of 75%. However, physical inspection conducted on the month of August, 2025 revealed that no works had been carried out at the site and there was no evidence of project execution.

In the circumstances, the value for money on the implementation of the projects costing Kshs.96,118,300 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 Risk Management Policy

Management did not develop a Risk Management Policy to guide on risk management assessment and formulation of risk mitigation strategies in the year under review. This

was contrary to the Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires Accounting Officer to develop risk management strategies which include fraud prevention mechanisms and internal control that builds robust business operation.

In the circumstances, the effectiveness of the internal controls on the Fund's financial and operational systems could not be confirmed.

2. Failure to Conduct Internal Audit

The Fund did not have an internal audit arrangement, contrary to Section 155(1)(a) of the Public Finance Management Act, 2012 which stipulates that every County Government entity shall ensure that it has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board.

In the circumstances, the effectiveness of governance, risk management and internal controls 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

Those charged with Governance are responsible for overseeing the Fund'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

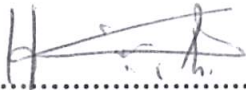
Nairobi

05 December, 2025

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

	Note	2024-2025
		Kshs
Revenue from Non-Exchange Transactions		
Transfers from Equalisation Fund	6	212,307,316
Total Revenue		212,307,316
Expenditure		
Use of goods and services	7	212,307,316
Total Expenditure		212,307,316
Surplus/(deficit) for the year		-

The financial statements were signed by:



Name: Hussein Ali Hussein Fundi
CECM Finance and Economic Planning

Date 21/11/2025



Name: Cpa Wario Jirma Bulle
Fund Accountant

ICPAK M/No: 26415

Date 21/11/2025

12. Statement of Financial Position as at 30 June 2025

Description	Note	2024/2025 Kshs
Assets		
Current Assets		
Cash And Cash Equivalents	8	25,425,623
Receivables non-exchange transactions	9	-
Total Current Assets		25,425,623
Total Assets (A)		25,425,623
Liabilities		
Current Liabilities		
Certificates Payable	10	4,660,990
Retention	11	20,764,633
Total Current Liabilities		25,425,623
Total Liabilities (B)		25,425,623
Net Assets (A-B)		-
Represented By:		
Accumulated Surplus		-
Net Assets		-

The financial statements were signed by:



.....
Name: Hussein Ali Hussein Fundi
CECM Finance and Economic Planning

Date 21/11/2025



.....
Name: Cpa Wario Jirma Bulle
Fund Accountant

ICPAK M/No: 26415

Date 21/11/2025

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

Description	Accumulated surplus
	Kshs
Prior Year	
Balance As At 1 July 2024	-
Surplus/(Deficit) For the Year	-
Balance As At 30 June 2024	-
Current Year	
Balance As At 1 July 2025	-
Surplus/(Deficit) For the Year	-
Balance As At 30 June 2025	-

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

Description	Note	2024/2025
		Kshs
Cash flows from operating Activities		
Receipts		
Receipt from Equalisation Fund	6	212,307,316
Total Receipts		212,307,316
Payments		
Use of goods and services	7	186,881,693
Total Payments		186,881,693
Net cash flows (to)/from operating activities (a)	12	25,425,623
Cash flows from investments		
		-
Net cash flows (to)/from investing activities (b)		-
Cash flows from financing		
		-
Net cash flows (to)/from financing activities (c)		-
Movement in cash and cash equivalents		
Net increase/ decrease in cash and cash equivalents. (d) = (a) + (b) +(c)		25,425,623
Cash and cash equivalents at July 1st 2025		-
Cash and cash equivalents at June 30th 2025	8	25,425,623

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

	Original budget(s) As Appropriated in current Year Kshs	Balance from Previous Years Ksh	Final budget of Total funds appropriated Kshs	Actual on comparable bases Kshs	Performance difference Kshs	% of utilization
	a	b	e=(a+b)	d	e=(e-d)	f=d/e*100
Receipts						
Transfers from EF	212,307,316	-	212,307,316	212,307,316	-	100%
Expenses						
Road projects	42,318,829	-	42,318,829	42,318,829	-	100%
Water project	86,036,949	-	86,036,949	86,036,949	-	100%
Health facilities	24,901,498	-	24,901,498	24,901,498	-	100%
Energy	4,660,990	-	4,660,990	4,660,990	-	100%
Education facilities	54,389,049	-	54,389,049	54,389,049	-	100%
Others (specify)		-			-	100%
Total Expenditure	212,307,316	-	212,307,316	212,307,316	-	100%
Surplus/Deficit	-	-	-	-	-	-

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

Budget Reconciliation

Description of Particulars		Amount in Kshs
Actual Surplus Amounts as per the statement of Budget		-
Reason for differences		25,425,623
Closing Cash and Cash Equivalent as per the statement of Cash flows		25,425,623

16. Notes to the Financial Statements

1. General Information

Marsabit Entity is established by and derives its authority and accountability from xxx Act. The Entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The Entity's principal activity is kenya

2. Statement of Compliance and Basis of Preparation

The County Equalisation Fund Financial Statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The Financial Statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The Financial Statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The Financial Statements are prepared on the accrual basis.

3. Adoption of New and Revised Standards

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

There were no new and amended standards issued in the financial year.

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 43 Leases	<i>Applicable 1st January 2025</i> 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.

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

Standard	Effective date and impact:
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>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 <i>cease and</i></p> <p>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><i>Applicable 1st January 2025</i></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><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p>

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

Standard	Effective date and impact:
	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.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> 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.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> <li data-bbox="496 1391 1426 1473">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. <li data-bbox="496 1491 1426 1630">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 data-bbox="496 1648 1426 1888">iii. Disclosures that identify and explain the amounts in the entity's 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

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

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

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 *Fund* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance upon fulfilling the conditions set. Revenue shall be recognised upon submission and approval of the payment request by the transferring agency (Equalisation Fund).

b) Certified Works

Certified works are recognized when the works can be measured reliably and/ or when certificates of work done are received and approved by the Equalisation Fund.

c) Budget information

The Appropriation Act for the FY was passed by Parliament. The allocation shall continue in force until all projects identified are completed.

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. Included in the budget statement are balances of appropriations from previous years, not yet disbursed.

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 cash flows.

d) 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.* 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 Fund 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.

i) Financial assets

Classification of financial assets

The Fund classifies its financial assets as subsequently measured at amortised 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.

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 Fund 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) are set out in *Note xx*.

ii) Financial liabilities

Classification

The Fund classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

e) Changes in accounting policies and estimates

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

f) Related parties

The Fund 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 Fund, or vice versa. Members of key management of the Fund are regarded as related parties.

g) Cash and cash equivalents.

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the Central Bank of Kenya special purpose account and the deposit account at the end of the financial year.

h) Comparative figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

i) 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

5. Significant Judgments and Sources of Estimation Uncertainty

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

State all judgements, estimates and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

6. Transfers from Equalisation Fund

Description	2024/2025
	Kshs
Transfers for roads	42,318,829
Transfers for water projects	86,036,949
Transfers for health facilities	24,901,498
Transfers for energy	4,660,991
Transfers for education facilities	54,389,049
Others (<i>specify</i>)	
Total	212,307,316

7. Use of Goods and Services

Description	2024/2025
	Kshs
Certified works for roads	38,086,946
Certified works for water project	77,433,254
Certified works for health facilities	22,411,348
Certified works for energy	-
Certified works for education facilities	48,950,145
Others (<i>specify</i>)	
Total	186,881,693

8. Cash and Cash Equivalents

Description	Insert Current 2025
	Kshs
Special Purpose Account	4,660,990
Deposit Account	20,764,633
Cash balances	
Total Cash and cash equivalents	25,425,623

9. Receivables from non-exchange transactions

Description	2024/2025	
	Kshs	
Receivables from Equalisation Fund	-	
Total receivables	-	

Ageing analysis for Receivables from non-exchange transactions

Description	2024/2025	
	Kshs	
	2024/2025	% of the total
Less than 1 year	-	0%
Between 1- 2 years	-	0%
Between 2-3 years	-	0%
Over 3 years	-	0%
Total	-	0%

10. Certificates Payable

Description	2024/2025	
	Kshs	
Certificates payables	4,660,990	
Total Payables	4,660,990	

Ageing analysis of certificates payable

Description	2024/2025	
	Kshs	
	2024/2025	% of the total
Less than 1 year	4,660,990	100 %
Between 1- 2 years	-	0%
Between 2-3 years	-	0%
Over 3 years	-	0%
Total	4,660,990	100 %

11. Retention

Description	2024/2025	
	Kshs	
Retention monies	20,764,633	
Total retention money		
Ageing analysis: (Retention deposits)	2025/2025	% of the Total
Under one year	20,764,633	100 %
1-2 years	-	%
2-3 years	-	%
Over 3 years	-	%
Total	20,764,633	100 %

(Provide brief explanation)

12. Cash Generated from Operations

Description	2024/2025
	Kshs
Surplus for the year before tax	-
Adjusted for:	
	-
Working capital adjustments	
Increase in receivables	-
Increase in payables	25,425,623
Net cash flow from operating activities	25,425,623

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

13. Financial Risk Management

The Fund'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 fund 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 fund'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, as well as receivables. 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.

Financial Risk Management

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:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current 2025)				
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
As at 30 June (Previous FY)				
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the Entity's statement of financial position).

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 entity has significant concentration of credit risk on amounts due from xxx. 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 Fund's management, 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	Between 1-3	Over 5	Total
Description	month	months	months	
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025	25,425,623			
Payables		-	-	
Total	-	-	-	
As at 30th June 2024				
Payables	-	-	-	-
Total	25,425,623	-	-	-

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

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implementation of those policies. There has been no change to the entity's exposure to market risks or the way it manages and measures the risk.

a) 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 entity'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.

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on the surplus or deficit 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 Kshs xxx (Current FY: Kshs xxx). A rate increase/decrease of five percent would result in a decrease/increase in surplus before tax of Kshs xxx (Current FY – Kshs xxx)

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 *Entity'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).

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- 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 *Entity* considers relevant and observable market prices in its valuations where possible.

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 Fund’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:

Description	2024/2025
	Kshs
Accumulated surplus	-
Total Funds	-
Total Borrowings	-
Less: Cash and Bank Balances	-
Net Debt/(Excess cash and cash Equivalents)	-
Gearing	-

14. Related Party Disclosures

a) Nature of related party relationships

Entities and other parties related to xxx corporation 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.

b) County Government of Marsabit

The county Government of marsabit is the principal shareholder of the *Entity*, holding 100% of the *Entity*’s equity interest. The County Government has provided full guarantees to all long-term lenders of the entity.

c) Other related parties include:

- i) The Parent Department.
- ii) County Governments
- iii) Other County Corporations
- iv) Key management.

d) Transactions with related parties

Description	2024/2025
	Kshs
a) Sales to related parties	
Others (<i>specify</i>)	-
Total	-
B) purchases from related parties	
Others (<i>specify</i>)	-
Total	-
b) Grants /transfers from the government	
Grants from EF	
Grants from other levels of Government	-
Donations in kind	-
Total	-
c) Expenses incurred on behalf of related party	
Payments for goods and services for xxx	-
Total	
d) Key management compensation	
Compensation to key management	-
Total	-

15. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2024/2025
	Kshs
Contingent Assets	
Receivables from government entities	-
Others (<i>Specify</i>)	-
Total	-

(Give details)

Contingent Liabilities

Description	2024/2025
	Kshs
Contingent Liabilities	
Court case xx against the entity	-
Others (<i>Specify</i>)	-
Total	-

(Give details)

16. Events after the Reporting Period

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

17. Ultimate And Holding Entity

The Entity is a Fund under the Department of *Finance*. Its ultimate parent is the County Government of *Marsabit*

18. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

17. Appendices

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)

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 the implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report.



.....
HUSSEIN ALI HUSSEIN FUNDI
 County Executive Committee Member for Finance

Date:

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Appendix II: Projects Implementation Status Report.

S/No	Project Name (A)	Sector (B)	Constituency (C)	Ward (D)	Approved Budget/total allocation (E)	Contract Sum (F)	Amount certified (G)	Amount Paid (H)	Payable amount I=(G-H)	% Status of implementation (J)
1	Construction of underground water tank at ya sharbana 300m3 tank	WATER	North Horr	Dukana	4,074,000	3,986,804	3,986,804	3,986,804	0	100% Completed
2	Expansion, De-silting and fencing of Hussein water pan at Golole	WATER	Moyale	uran	4,850,000	4,799,065	4,799,065	4,799,065	0	100% Completed
3	Construction of Nurse quarters and Toilets	HEALTH	Laisamis	Logo logo	3,880,000	3,879,040	3,879,040	3,879,040	0	100% Completed
4	Installation of solar panels at Balesa dispensary	HEALTH	North Horr	Dukana	1,358,000	1,299,780	1,299,780	1,299,780	0	100% Completed
5	Construction of Songa Nanyore slab- 50m climbing lane Midrock to Leyai-1KM	ROAD	saku	Karare	4,980,245	4,899,338	4,899,338	4,899,338	0	100% Completed

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	grading, 700m gravelling.											
6	Construction of Songa Nyayore approaches	ROAD	saku	Karare	2,698,912	2,698,911	2,698,911	2,698,911	0	100% Completed		
7	Construction of pit latrine at Dukan boys and girls	EDUCATI ON	North hour	Dukana	1,358,000	1,299,316	1,299,316	1,299,316	0	100% Completed		
8	Construct 2 one- bedroom quarter, 2 classes, 50 lockers, three 10,000L tanks - Horondai school	EDUCATI ON	North hour	Turbi	6,000,000	2,485,900	2,485,900	2,485,900	0	100% Completed		
9	Construction of two class room for karare secondary school	EDUCATI ON	saku	Karare	3,104,000	3,080,000	3,080,000	3,080,000	0	100% Completed		
10	construction of 2no classroom at st mary mixed secondary school at moyale sub county	Education	Moyale	Hellu/ma nyatta	3,395,000	3,380,500	3,380,500	3,380,500	0	100% Completed		
11	Construction of 4 door pit latrine at Dabel mix	Education	Moyale	Golbo	970,000	958,856	958,856	958,856	0	100% Completed		

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	secondary school in moyale sub-county											Completed
12	Construction of one classroom at Garse primary school	Education	Moyale	Golbo	1,552,000	1,500,000	1,500,000	1,500,000	1,500,000	0	0	100% Completed
13	Construction of two classrooms and a double latrine at Yaballo primary school	Education	Moyale	Golbo	3,880,000	3,850,000	3,850,000	3,850,000	3,850,000	0	0	100% Completed
14	Construction of male and female ward at maikona health centre	Health	North hour	mikona	9,700,000	9,450,000	9,450,000	9,450,000	9,450,000	0	0	100% Completed
15	installation of solar panel at Elhadi Dispensary	Health	North hour	Dukana	1,358,000	1,299,999	1,299,999	1,299,999	1,299,999	0	0	100% Completed
16	Proposed opening of saru karere road	Road	North hour	Dukana	2,425,000	2,400,000	2,400,000	2,400,000	2,400,000	0	0	100% Completed
17	Opening of Dakagaqala road phase 2	Road	North hour	Dukana	3,395,000	3,369,800	3,369,800	3,369,800	3,369,800	0	0	100% Completed
18	Borehole drilling and capping 80m depth in kalacha duke community	water	North hour	mikona	9,215,000	4,471,133	4,471,133	4,471,133	4,471,133	0	0	100% Completed

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	north Horr sub county									
19	proposed borehole drilling and capping 60M depth in maikona of community , north Horr sub county	water	North Horr	mikona	9,215,000	4,745,937	4,745,937	4,745,937	0	100% Completed
20	Borehole drilling and capping 200m depth in watiti moyale sub county	water	Moyale	Golbo	11,640,000	4,955,612.20	4,955,612.20	4,955,612.20	0	100% Completed
21	Drilling and capping of arge community borehole at depth of 200m - Laisamis sub-county	water	Laisamis	Kargi /South Horr	9,700,000	4,960,948.62	4,960,948.62	4,960,948.62	0	100% Completed
22	Proposed erection and completion of 50,000 m ³ masonry water tank at dabel mixed day secondary school	water	Moyale	Golbo	1,455,000	1,398,797.60	1,398,797.60	1,398,797.60	0	100% Completed
23	Desilting and Expansion of Rawana water pan and fencing	water	Moyale	Uran	4,850,000	4,799,990	4,799,990	4,799,990	0	100% Completed

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	of masir ga water pan in Eleborr												
24	Drilling borehole at korr town in laisamis sub county	water	Laisamis	korr Ngurnit	6,790,000	4,976,342	4,976,342	4,976,342	4,976,342	0	100% Completed		
25	Desilting of namarei water pan in laisamis sub county	water	Laisamis	korr Ngurnit	2,910,000	2,892,330	2,892,330	2,892,330	2,892,330	0	100% Completed		
26	construction of 2no classroom at Horor dai primary	education	North Horr	Turbi	3,514,100	2,990,600.00	2,990,600.00	2,990,600.00	2,990,600.00	0	100% Completed		
27	solar installation at cavarrella primary school	education	North Horr	Turbi	4,600,000.00	4,584,746.00	4,584,746.00	4,584,746.00	4,584,746.00	0	100% Completed		
28	Construction of two classrooms and a double latrine at Qom Qom primary school	education	Moyale	Golbo	3,800,000.00	3,768,260.00	3,768,260.00	3,768,260.00	3,768,260.00	0	100% Completed		
29	Construction of 2no classroom at balesa sira primary school in north horr sub-county	education	North Horr	Dukana	3,395,000.00	3,299,998.00	3,299,998.00	3,299,998.00	3,299,998.00	0	100% Completed		
30	proposed water tank installation at horondai north horr sub county	education	North Horr	Turbi	523,500	489,800.00	489,800.00	489,800.00	489,800.00	0	100% Completed		

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31	Construction of no 2 classroom at galatiwe primary school	education	Moyale	Golbo	2,910,000.00	2,899,244.40	2,899,244.40	2,899,244.40	100%
32	Construction of classroom at Tirgare Primary School Laisamis sub county	education	Laisamis	Laisamis	1,500,000	1,397,700.00	1,397,700.00	1,397,700.00	100% Completed
33	Construction of Dining Hall with Kitcher at Dabel Mixed Secondary School	education	Moyale	Golbo	4,850,000.00	4,790,510.00	4,790,510.00	4,790,510.00	100% Completed
34	Construction of 2 classroom at Nana Moyale Sub County	education	Moyale	Golbo	3,880,000.00	3,827,118.00	3,827,118.00	3,827,118.00	100% Completed
35	Proposed Construction of Ino classroom at somare primary school	education	Moyale	Butiye	1,455,000.00	1,445,000.00	1,445,000.00	1,445,000.00	100% Completed
36	proposed Erection and Completion of Laboratory Block in Illeret Secondary School	education	North Horr	Illeret	5,044,000.00	4,999,994.00	4,999,994.00	4,999,994.00	100% Completed
37	Proposed construction and completion of Ino classroom at waiti primary	education	Moyale	Golbo	1,940,000	1,900,242.00	1,900,242.00	1,900,242.00	100% Completed

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	school moyale sub county												
38	Proposed construction of Kichen and store at Godema primary school moyale sub county	education	Moyale	Golbo	1,455,000.00	1,441,265.00	1,441,265.00	1,441,265.00	100% Completed				
39	proposed construction of maternity block at Kurkum dispensary In laisamis sub county	Health	Laisamis	Kargi /South Horr	4,850,000.00	4,798,340.00	4,798,340.00	100% Completed					
40	Proposed Erection and Completion of X-Ray Block at Laisamis Sub-County Hospital	Health	Laisamis	Laisamis	10,670,000.00	10,435,847.00	4,174,338.80	40% Completed					
41	Improvement works on Turbi Town DCC Office road	Road	North Horr	Turbi	1,940,000.00	1,899,825.00	1,899,825.00	100% Completed					
42	Opening of road from main road (highway) in the parkishon village i Saku Sub-County	Road	Saku	karare	1,940,000.00	1,939,568.70	1,939,568.70	100% Completed					
43	Upgrading of Road A.1-Hula Hula in Saku Sub-county	Road	Saku	karare	1,940,000.00	1,939,404.00	1,939,404.00	100% Completed					

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44	Proposed Improvement Works on North Horr-Malabot Road	Road	NORTH HOKR	North Horr	4,850,000.00	4,729,761.90	4,729,761.90	4,729,761.90	100% Completed
45	Upgrading of Road from Korr to Illaui in Laisamis Sub-county	Road	Laisamis	korr Ngurnit	4,900,000.00	4,796,600.00	4,796,600.00	4,796,600.00	100% Completed
46	Proposed Opening of Utalii Village Road Illeret Ward North Horr Sub-County	Road	North Horr	Illeret	3,880,000.00	3,850,000.00	3,850,000.00	3,850,000.00	100% Completed
47	Desilting of Dukana water pan in north Horr sub county	water	North Horr	Dukana	2,425,000.00	2,343,600.00	2,343,600.00	2,343,600.00	100% Completed
48	Drilling borehole at Ndkiro kamatoryi laisamis sub-county	water	Laisamis	Laisamis	6,790,000.00	4,968,720.00	4,968,720.00	4,968,720.00	100% Completed
49	borehole drilling and capping 200m depth in south Horr community laisamis sub-county	water	Laisamis	Kargi /South Horr	9,700,000.00	4,992,065.50	4,992,065.50	4,992,065.50	100% Completed
50	Construction of new Pipeline Water supply	water	North Horr	Turbi	6,790,000.00	6,557,985.00	6,557,985.00	6,557,985.00	100% Completed

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	connection from Lagawarabesa Borehole to Turbi Girls Secondary School in North Horr Sub-County												
51	Piping of water from Dakabaicha to Dub-Goja in Saku Sub-County	water	Saku	Sangate/Jaldesa	4,559,000.00	4,400,000.00	4,400,000.00	4,400,000.00	4,400,000.00	4,400,000.00	4,400,000.00	100%	Completed
52	Drilling and Solarization of Borehole in Galasa	water	North Horr	North Horr	11,640,000	4,980,050.00	4,980,050.00	4,980,050.00	4,980,050.00	4,980,050.00	4,980,050.00	100%	Completed
53	Construction of Kukub Water Pan in Moyale sub-county	water	Moyale	Obbu	6,596,000.00	6,399,999.00	6,399,999.00	6,399,999.00	6,399,999.00	6,399,999.00	6,399,999.00	100%	Completed
54	PIPING /PLASTIC TANK FOR MARIME COMMUNITY	water	North Horr	Dukana	2,619,000.00	2,599,990.40	2,599,990.40	2,599,990.40	2,599,990.40	2,599,990.40	2,599,990.40	100%	Completed
55	Propose d Construction of no 250m ³ masonry water tank at korr mixed secondary school	water	Laisamis	Laisamis	3,000,000.00	2,999,280.00	2,999,280.00	2,999,280.00	2,999,280.00	2,999,280.00	2,999,280.00	100%	Completed
56	Piping System from Compassionate School to	water	Laisamis	logo logo	1,500,000	1,488,300.00	1,488,300.00	1,488,300.00	1,488,300.00	1,488,300.00	1,488,300.00	100%	Completed

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	Elbarok Dispensary & installation of 10,000 litres water tank.																		
57	New Pipeline Water Supply Connection From Sarria Borehole to Sakardei Primary School	water	Laisamis	Laisamis	2,400,000	2,320,000.00	2,320,000.00	2,320,000.00	2,320,000.00	2,320,000.00	2,320,000.00	100%	Completed						
58	Electrification of maikona girls	energy	North Horr	Maikona	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	100%	Completed							
59	Rehabilitation of Road from Iontolio to losidan to sarai-Grading 45km and Graveling 1km carriage way 6m	Rroad	Laisamis	Laisamis	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	100%	Completed							
60	Grading of Loiyangalani Moite Heavy grading 60km carriage way 6m	Road	Laisamis	Loyangalani	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	100%	Completed							

Marsabit County Government
 Equalisation Fund

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Appendix III: Transfers from Government Entities

Name of the Entity Transferring the funds	Date received as per bank statement	Total Amount - LCES	Statement of Financial Performance	Where Recorded/recognized Receivables	Total Transfers during the Year
Equalisation Fund	18-Mar-25	59,410,245	59,410,245	59,410,245	59,410,245
Equalisation Fund	20/12/2024	28,428,154	28,428,154	28,428,154	28,428,154
		124,468,917	124,468,917	124,468,917	124,468,917
Total		212,307,316	212,307,316	212,307,316	212,307,316

Marsabit County Government
 Equalisation Fund
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 Appendix IV - Inter-Entity Confirmation Letter

Name of transferring entity:.....Equakisation Fund national treasurer.....
 Name of beneficiary entity:..... Marsabit County

Confirmation of amounts received by Marsabit county as at 30 th June 2025			
Reference Number	Date Received	Total	Remarks
FT243557H12M	20/12/2024	28,428,154	Received
FT25077LGOE:8	18/03/2025	59,410,245	Received
ET25185BJIH5	4/07/2025	124,468,917	Received
Total		212,307,316	

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name *Hisba An Hisba Fund* Sign *[Signature]* Date *21/6/2025*

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Appendix V: Funding Summary

Financial Year	Appropriation during the FY a	Funds received during the FY b	Outstanding funds c=a-b
2024/2025	469,136,157	212,307,316	256,828,841
Total	469,136,157	212,307,316	256,828,841

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Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N/A									

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Appendix VII: Reporting on Disaster Management Expenditure

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