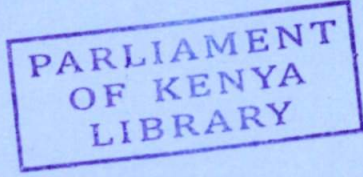
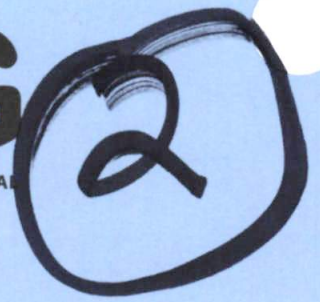


REPUBLIC OF KENYA



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**COUNTY EXECUTIVE OF ELGEYO  
MARAkwET**

**FOR THE YEAR ENDED  
30 JUNE, 2025**

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





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**COUNTY GOVERNMENT OF ELGEYO MARAKWET**

**COUNTY EXECUTIVE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2025**

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



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**Elgeyo Marakwet County Executive  
Annual Report and Financial Statements for the year ended June 30, 2025**

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

A. Acronyms and Abbreviations

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

B. Definition of Key Terms

<i>Fiduciary Management</i>	<i>The key management personnel who had financial responsibility</i>
-----------------------------	--

## **2. Key Entity Information and Management**

### **a) Background information**

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

#### **Vision**

A destination of choice for tourism, sports and investments

#### **Mission**

To provide innovative and high-quality services in an equitable, socially inclusive, open and economically transformative environment for accelerated development, harnessing of potentials and nurturing of talents

#### **Core Values**

- ✓ Professionalism
- ✓ Team work
- ✓ Accountability
- ✓ Transparency
- ✓ Responsiveness
- ✓ Integrity

The County Executive is comprised of the following departments:

<b>No.</b>	<b>Department</b>	<b>Major Responsibility</b>
1.	Finance and Economic Planning	Management of County Treasury and Planning
2.	Office of the Governor	To promote and participate in the provision of County government services to all.
3.	Agriculture Livestock ,Fisheries and Irrigation	Promote food security, poverty reduction and employment creation in Elgeyo Marakwet County.
4.	Water, Environment and Climate Change	Plan, promote and protect the County natural resources for sustainable quality life
5.	Education and Technical Training	To provide and promote education and training environment conducive for acquisition of desired values attitude, knowledge, skills and competencies for socio-economic transformation
6.	Health Services	To provide quality health care services that is accessible, equitable and affordable to all county citizen

**Elgeyo Marakwet County Executive  
Annual Report and Financial Statements for the year ended June 30, 2025**

No.	Department	Major Responsibility
7.	Lands, Physical Works, Housing and Urban Development	To ensure efficient and effective management and administration of land for sustainable development and improved security tenure
8.	Roads, Public Works and Transport	To provide efficient and reliable infrastructure through construction, modernization, rehabilitation and effective management.
9.	Cooperatives, Trade Industrialization, Tourism and Wildlife.	To provide an enabling environment that facilitates trade investments, tourism enhancement, industrial development and cultural preservation
10.	Sports, Youth Affairs, Culture, Children and Social Services	Formulate, mainstream and implement policies that empower the vulnerable groups and marginalized groups and promote sports talents
11.	Public Service, Devolution, Administration, Communication, ICT & E-Governance	To improve coordination and management of government services for effective and efficient service delivery.
12.	County Public Service Board	

**b) Key Management team**

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

No.	Designation	Name
1	Governor	<b>H.E Wisley Rotich</b>
2	Deputy Governor	<b>H.E Prof. Grace Jerotich Cheserek</b>
3	CECM-Finance and Economic Planning	<b>Alphaeus Kipsang Tanui</b>
4	CECM-Agriculture, Livestock, Fisheries and Irrigation	<b>Edwin Kiplagat Kibor</b>
5	CECM-Roads, Public Works and Transport	<b>Emmy Jerotich Kosgei</b>
6	CECM-Public Service, Devolution, Administration, Communication, ICT & E-Governance	<b>Edwin Seronei</b>
7	CECM-Cooperatives, Trade Industrialization, Tourism and Wildlife.	<b>Robert Kiptoo Kangogo</b>
8	CECM-Lands, Physical Works, Housing and Urban Development	<b>Thomas Kipkemboi Maiyo</b>
9	CECM-Education and Technical Training	<b>Purity Jepkurui Koima</b>
10	CECM-Health Services	<b>Monica Jeptum Rotich</b>

**Elgeyo Marakwet County Executive  
Annual Report and Financial Statements for the year ended June 30, 2025**

No.	Designation	Name
11	CECM-Sports, Youth Affairs, Culture, Children and Social Services	Michael Kipkorir Kibiwot
12	CECM-Water, Environment and Climate Change	Jason Kemboi Lagat
13	County Secretary	Lazarus Chebii
14	County Attorney	Doreus Cheruiyot

**c) Fiduciary Management**

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

No.	Designation	Name
1.	CEC Finance and Economic Planning	Alphaeus K.Tanui
2.	Chief officer -Finance & Economic Planning	Kipruto Chesos P
3.	Chief officer-Health and Sanitation	Jeremiah Chirchir
4.	Chief officer-Office of governor	Lornah Kipsang
5.	Chief officer-Agriculture and Irrigation	Edwin Komen
6.	Chief officer-Livestock, Cooperatives & Fisheries	Robert Lagat
7.	Chief officer - Sports, Youth Affairs, Culture, Children and Social Services	Lily Kimetto
8.	Chief officer - Cooperatives, Trade Industrialization, Tourism and Wildlife	Elizabeth Korir
9.	Chief Officer -Water, Environment and Climate Change	Isaac Koech
10.	Chief officer –Roads ,Public Works, Transport and Energy	Flomency Kosgei
11.	Chief officer– Education and Technical Services	Paul S.Rutto
12.	Chief officer – Public Service, Devolution, Administration,	Charity Kimaiyo
13.	Chief Officer -Promotive Health	Caroline Magut
14.	Chief Officer –Lands	Emmanuel Birir
15.	Chief Officer –ICT	Daniel Kimutai
16.	Board Secretary –CPSB	Christine Ngeno
17.	County Secretary	Paul Chemmutter
18.	Director of Accounting Services	JohnKeen Murkeu Jairo
19.	Director of Budget & Economic planning	John Maritim
20.	Ag. Director of Supply Chain	Peter Maiyo
21.	Ag.Director of Revenue	Solomon Kandie

**d) Fiduciary Oversight Arrangements**

*The key fiduciary oversight arrangements include;*

- The Internal Audit department responsible for ensuring proper recording of all books of Account.
- The Controller of Budget approves Exchequers requisitions in line with the Approved Budget
- Auditor General is responsible for audit of County's financial statements
- The County Assembly is vested with oversight role of all activities in the County.
- Audit and finance committee
- Parliamentary committee activities

**e) County Executive Headquarters**

P.O. Box 220-30700  
Elgeyo Marakwet County Treasury Building, Iten  
Eldoret -Iten Road  
**ITEN, KENYA**

**f) County Executive Contacts**

Telephone: 053-4142277  
E-mail: [elgeyomarakwet.go.ke](mailto:elgeyomarakwet.go.ke)  
Website: [www.elgeyomarakwet.go.ke](http://www.elgeyomarakwet.go.ke)

**g) County Executive Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**
2. Kenya Commercial Bank  
P.O Box 456-30700  
**Iten**
3. Equity Bank  
P.O. Box 75104-00200  
**Nairobi**

4. Access Bank Ltd  
P.O.Box 34353-00200  
**Nairobi**

5. Cooperative Bank  
P.O.Box 48231-00100  
**Nairobi**

**h) Independent Auditor**

Auditor-General  
Office of The Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
**NAIROBI, KENYA**

**i) Principal Legal Adviser**

The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
**NAIROBI, KENYA**

**j) County Attorney/ Legal Advisor.**

P.O. Box 220-30700  
Elgeyo Marakwet County  
**ITEN, KENYA**

**Elgeyo Marakwet County Executive  
Annual Report and Financial Statements for the year ended June 30, 2025**




**3. Governance Statement**

Elgeyo Marakwet County is established as per Section 176 of the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County.

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





**The County Executive**

The membership of the cabinet/County Executive Governance Structures include;

Ref	Name /Passport photograph	Designation	Details of qualifications	Experience
1.	H.E. Wisley Rotich 	Governor	Bachelor's Degree (Economics)	3 years' in the banking industry and 4 years public service and administration both as a director of Cooperatives and 5 years as a Deputy governor. 2 years as a Governor
2.	Prof. Grace Cheserek 	Deputy Governor	Bachelors Masters in Philosophy PHD	Over 20 years of experience in various fields,10years as a researcher,6 Years as a Senior Lecturer,5 years Associate Professor and 2 years as a Deputy Governor
3.	Alphaeus K. Tanui 	CECM - Finance and Economic Planning	BBM Business Management (Accounting) MBM Finance PHD-Business Management (Awaiting graduation)	12 years of experience in various fields, Graduate Assistant at Moi University and 2 years CECM-Finance and Economic Planning
4.	Edwin Seronei	CECM -Public Service, Devolution, Administration ,Communication, ICT and E-	Bachelor of ARTS Masters of Arts in Project Planning and Management	Over 10 years of experience ,5 years as an Intern and Programme Volunteer ,3years as field worker international organization for migration,3 years as Chief Officer Water






Elgeyo Marakwet County Executive

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

		governance		and 2 years as CECM-Agriculture, Livestock and Fisheries.
5.	Emmy Kosgei 	CECM -Roads, Public Works and Transport	Bachelors of Education (Science)	Over 15 years of experience ,6 years at the Ministry of Interior & Coordination ,5 years as Ward Administrator, 4 years director Cherang'any Marakwet Water & Sewerage Company Limited and 1 year as CECM-Roads, Public Works & Transport.
6.	Monicah Rotich 	CECM- Health and Sanitation	BSC Computer Science & PGDE	14 years of experience 9 years at the state department for Vocational Training as Graduate teacher ,5 years CECM-Sports ,1-year CECM-Public Service Management
7.	Robert Kangogo 	CECM – Cooperatives, Trade, Industrialization, Tourism and Wildlife	Bachelor of Business Management( Finance and Banking)	5 years of experience,4 years at PEFA Nairobi Central Sacco Ltd. As Credit manager and 1 years as CECM-Cooperatives, Trade Industrialization, Tourism and Wildlife
8.	Jason Lagat 	CECM - Water, Environment and Climate Change	Master of Science (Msc),ITIL,CCNA,MC ITP	16 years in various fields, 1 years as CECM Water Environment and Climate Change
9.	Thomas K. Maiyo	CECM – Lands	Bachelors of Laws	Over 15 years of experience in various fields,8 years at the Police Service as a Lawyer.6

Elgeyo Marakwet County Executive

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

				Years at NLC as County Coordinator and 1-year CECM-Lands, Physical Works, Housing & Urban Development
10.	Edwin Kibor 	CECM – Agriculture, Livestock, Fisheries and Irrigation	Bachelor of Education(Arts)	Over 10 years of experience at TSC and 1 year of as CECM-Education and Technical Training
11.	Michael Kibiwott 	CECM – Sports, Youth Affairs, culture, Children and Social Services	Bachelor of Environmental Studies(Science) Master of Public Health	6 years of experience ,5 years AMPATH as Monitoring & Evaluation Advisor and 1 Year as CECM-Health Services
12.	Purity Koima 	CECM – Education & Technical Services	Masters in Environment & Dev., Lead expert in EIA	Overs 10 years of experience in various fields,9 years as a Lecturer and 1 years as CECM- Sports, Youth Affairs, Culture, Children and Social Services
13.	Lazarus Chebii 	County Secretary	Bachelor of Education (Arts in Human Resource Development	Over 30 years of experience ,Graduate teacher ,Deputy Head Teacher, Office of the President as District officer III, District officer I, Senior Assistant Secretary (SAS),Constituency Election Coordinator and County Secretary.

## **The County Assembly**

The County Assembly is made of the MCAs. It is headed by the Speaker who is elected by the MCAs. The CA is the legislative authority in the county. It also plays an oversight role in ensuring that the county resources are well allocated and well spent. The CA is especially critical in the budgeting process. The MCAs meet every week in accordance with the Standing Orders of the County Assembly.

In executing its mandate, the County Assembly has the following oversight committees:

1. Public Accounts Committee
2. Budget and Appropriations Committee

### **Public Accounts Committee**

The committee was formed to provide oversight on the County's finances.

### **Budget and Appropriations Committee**

The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process.

### **Audit Committee**

The County Government is the process of renewing the audit committee after the expiry of contract of the outgoing audit committee members. Recruitment of the members is on-going.

The mandate of the audit committee is to advise the County Government on institutional risk management and compliance.

### **Communication with all Stakeholders**

The County is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the County held Annual consultative meetings where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

### **Risk management policy**

The aim of this Risk Management Policy Framework is to improve the ability to deliver the County Government's strategic goals, by managing risks, enhancing risk awareness and creating an environment that adds value to operational activities and to our stakeholders.

**Elgeyo Marakwet County Executive  
Annual Report and Financial Statements for the year ended June 30, 2025**

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

The County Government of Elgeyo Marakwet has prepared the First Transitional Financial Statements from Cash basis of Accounting to Accrual. The financial statements for the period ended 30 June, 2025 have been prepared to comply with relevant accounting standards as prescribed by Public Sector Accounting Standards Board

**Revenue Ceiling**

The County Government of Elgeyo Marakwet operates on a Revenue Ceiling of Sh. 7,899,869,159 in the FY 2024/2025 comprising of:

Recurrent Expenditure	-Sh. 4,752,778,430
Development Expenditure	-Sh. 3,147,090,729
<b>Total</b>	<b><u>Ksh. 7,899,869,159</u></b>

The total transfers from County Revenue fund (CRF) as approved by the Controller of Budget during the financial year is summarized below;

Transfers to County Executive	5,160,075,806
Transfers to County Assembly	<u>619,407,879</u>
<b>Total Ksh.</b>	<b><u>5,779,483,685</u></b>

**Transfers from County Revenue Fund**

The total transfers from the County Revenue Fund against the approved Budget are tabulated below;

	<b>Final Budget</b>	<b>Transfers from CRF</b>	<b>Balance</b>
County Executive	7,257,374,296	5,160,075,806	2,097,298,490
County Assembly	642,494,863	619,407,879	23,086,984
<b>Total Ksh.</b>	<b>7,899,869,159</b>	<b>5,779,483,685</b>	<b>2,120,385,474</b>

The total transfers of Ksh. 5,160,075,806 to Elgeyo Marakwet County Executive and SPA from the CRF to the during the year consist of;

<b>Total Transfers from CRF</b>	<b>(Kshs.)</b>
County Executive –CBK Recurrent account	3,715,888,122
County Executive –CBK Development account	748,199,789
Special Purpose Accounts (SPA)	549,195,930
Self-reporting entities (FLoCCA & Iten Municipality)	<u>146,791,965</u>
<b>Total</b>	<b><u>5,160,075,806</u></b>

**Elgeyo Marakwet County Executive  
Annual Report and Financial Statements for the year ended June 30, 2025**

**Revenue from non-exchange transactions**

The total Revenue from non-exchange transactions reported in the financial statements is analyzed below;

Transfers to County Executive	5,013,283,841
Transfers to Self-reporting entities (FLOCCA & Iten Municipality)	146,791,965
<b>Total</b>	<b>5,160,075,806</b>

The County executive recorded total transfers of Sh. 5,013,283,841 from County Revenue Fund under Note 6 in the Statement of Financial Performance for the year ended 30 June 2025. The balance of Sh. 146,791,965 transferred from the CRF has been accounted separately under FLoCCA and Iten Municipality.

**Total Expenditure**

The total expenditure for the County Executive during the year amounted to Kshs. 4,669,481,109. The absorption rates and expenditure for recurrent expenditures and development expenditure for the Elgeyo Marakwet County Executive is summarized below;

	<b>Budget</b>	<b>Actual</b>	<b>Absorption</b>
Recurrent Expenditure	3,860,283,567	3,718,545,013	96%
Development Expenditure	2,183,611,971	950,936,096	44%
<b>Total KSh</b>	<b>6,043,895,538</b>	<b>4,669,481,109</b>	<b>77%</b>

The overall absorption of funds by Elgeyo Marakwet County Executive during the financial year 2024/2025 is 77%

**Recognition of Assets and Liabilities**

The Financial liabilities amounting to Sh. **111,147,207** recognized in the financial statements is summarized below;

Trade and Other Payables –Pending bills	17,492,942	<i>Note 32</i>
Refundable Deposits –Retention Monies	93,654,265	<i>Note 33</i>
<b>Total Kshs</b>	<b>111,147,207</b>	

**Non -Current Assets**

The cost of non-Current assets has been presented in the financial statements at historical costs. The County Executive undertakes to identify inventory of all non-current assets to establish status and

**Elgeyo Marakwet County Executive**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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the current market values. All identified assets will be depreciated, re-valued and recognized in the coming financial year. However, PPE relating to the current year has been depreciated using the prescribed rates.

The amount of **Ksh. 8,726,658,435** reflected as the opening balance of Net Assets consist of;

<b>Opening balance -Cash and Cash Equivalent</b>		
<b>1.7.2024</b>		<b>213,198,295</b>
<b>Add: Historical Cost of PPE (Balance B/f 1.7.2024)</b>		
Land	440,215,934	
Buildings And Structures	2,071,290,972	
Transport Equipment	289,717,584	
Office Equipment, Furniture And Fittings	293,472,636	
ICT Equipment	23,785,947	
Machinery And Equipment	757,023,663	
Infrastructure Assets- Roads, Rails	4,513,396,128	
		<b>8,388,902,864</b>
<b>Add :Other Non-Current Assets</b>		
Intangible Assets	54,935,518	
Biological Assets -Seeds, Breeding stock and Live animals	274,642,715	<b>329,578,233</b>
		<b>8,931,679,392</b>
<b>Less :Liabilities</b>		
Trade and Other Payables	103,638,811	
Refundable deposits and prepayments	101,382,146	<b>(205,020,957)</b>
<b>TOTAL NET ASSETS -1.7.2024</b>		<b>8,726,658,435</b>

**Elgeyo Marakwet County Executive  
Annual Report and Financial Statements for the year ended June 30, 2025**

The figure of **Sh. 8,443,838,382** for the PPE comprise of Assets acquired by the County Government and Defunct Local Authorities as tabulated below

<b>Asset class</b>	<b>County Government</b>	<b>Defunct Local Authorities</b>	<b>Total Cost</b>
Land	128,775,934	311,440,000	440,215,934
Buildings And Structures	1,879,152,695	192,138,277	2,071,290,972
Transport Equipment	232,860,120	56,857,464	289,717,584
Office Equipment, Furniture And Fittings	288,601,711	4,870,925	293,472,636
ICT Equipment	20,203,447	3,582,500	23,785,947
Machinery And Equipment	757,023,663	-	757,023,663
Infrastructure Assets- Roads, Rails	4,568,331,646	-	4,568,331,646
<b>Total Cost -PPE</b>	<b>7,874,949,216</b>	<b>568,889,166</b>	<b>8,443,838,382</b>

**Challenges in Budget Implementation and Transition to Accrual**

The challenges faced in the of FY 2024/2025 budget include;

- ❖ Lack of funds to carry out identification of Assets and revaluation
- ❖ Inadequate resources affect adversely program implementation and supervision
- ❖ Weak monitoring and evaluation (M&E) system to uniformly track achievements against set targets. We are in the process of developing an integrated M&E system to track and communicate on performance of all development projects in the County.
- ❖ There is a lot of political influence which affect implementation of projects.
- ❖ Limited development partnership.

In conclusion, the financial statements for County Government of Elgeyo Marakwet for the period ended 30<sup>th</sup> June, 2025 reflect the true and fair view.





Alphaeus K. Tanui  
CECM Finance and Economic Planning  
County Government of Elgeyo Marakwet

## **5. Statement of Performance against Predetermined Objectives**

### **Strategic development objectives**

The Elgeyo Marakwet County Integrated Development Plan (CIDP) 2023–2027 identified five strategic development objectives. These were formulated through a participatory process that considered priorities from the Fourth Medium Term Plan (MTP IV) of Kenya Vision 2030, the Sustainable Development Goals (SDGs), Agenda 2063, the Governor’s Manifesto, and other key national and international policy frameworks.

The objectives are a harmonized outcome of these frameworks, aligning their thematic priorities with the county’s development aspirations.

The strategic objectives of the 2023–2027 CIDP are to:

1. Deliver reliable, sustainable, and affordable infrastructure and clean energy.
2. Strengthen social protection and empowerment for an inclusive and resilient society.
3. Promote a healthy population within a safe and clean environment.
4. Boost enterprise productivity and enhance food security.
5. Promote an open, efficient, and responsive system of governance.

Details on progress towards these objectives are provided in **Table 1**

**Elgeyo Marakwet County Executive  
Annual Report and Financial Statements for the year ended June 30, 2025**

**Table 1: Progress on attainment of Strategic development objectives**

<b>Ref</b>	<b>Objective as per CIDP</b>	<b>Performance/Progress made up since 2023 up to date</b>	<b>Remarks (Explain The reasons underperformance/ Over performance)</b>
	To develop priority crop value chains into sustainable commercial enterprises	In the year 2024, the department distributed (i) 944,200 seedlings for the prioritized crop value chains (PCVC) (Mango, Avocado, Macadamia, Coffee and tea) and (ii) 303,600 Kgs of seed (Irish Potato) to farmers.	EDA public participation fora at the ward levels determine the priority value chains to be supported and the allocations. Quantities procured and distributed are determined by the ward allocations in the ADP.
	To increase crop productivity through irrigation	The county in 2024/2025 financial year implemented the following projects in its efforts to achieve CIDP target; (i) 3 irrigation water furrows rehabilitated (ii) 1 dam constructed to support irrigation activities (iii) 2 groups supported with portable pumps and pipes (iv) 2 irrigation pipelines constructed for small scale farming (v) 2 food security farms that are under subsistence irrigation fenced	We targeted to implement the Kimwarer and Aror dam projects to attain an additional 5000 Ha. The two projects have not been implemented.
	To increase livestock productivity and commercialization	The county department purchased and supplied; 264 heifers, 136 doper sheep and rams, 1,428 chicks and 100 dairy goats across the county in the 2024/2025 financial year. This initiative helps to improve livestock breeds thus enhancing productivity.	The CIDP target is to increase productivity by over 10%. The department is determined to achieve the target by the end of the plan period.
	To reduce prevalence of notifiable and tick-borne diseases	The county managed to vaccinate 104,721 animals, renovated 14 cattle dips and supplied 8,866 litres of acaricides to dips across the county to foster its efforts to reduce tick-borne diseases.	The department lacks enough allocation due to limited resources. The department intends to encourage cooperative societies to offer the service to the farmers.
	Promote social	The county managed to ensure support of special interest	The sector lacks enough allocations due to

**Elgeyo Marakwet County Executive  
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Ref	Objective as per CIDP	Performance/Progress made up since 2023 up to date	Remarks (Explain The reasons underperformance/ Over performance)
	protection and empowerment to achieve a socially inclusive and empowered society	groups i.e., PLWDS groups, Women groups, and youth groups which were supported with projects which are income generating in nature. Also, youth were trained on various economic and empowerment Skills through youth skill and tujiajiri program, which aims to educate youth and further provide them with start-up kits.	limited attendance of public participation by the SIGs during the budget making process. This group needs to be encouraged to attend the forums so that they can be heard.
	To increase road network accessibility	The total county road network has increased from 2,243 KM to 2,318.3 KM implying a 3 percent increase.	The CIDP target was 2,649 by 2024, this means that the performance of the targets is below schedule. This can be attributed to financing constraints especially with regards to non availability of RMLF funds during the last 2 FYs.
	To enhance sustainable access to potable water in a clean environment	The department managed to increase access to piped water by 400 HHs.	Resource constraints have hampered the achievement of the targets in the period under review
	To enhance sustainable management and conservation of the environment	The department managed to distribute more than 2 million seedlings in line with the country's efforts of increasing tree cover..	FloCCA programme has boosted efforts of growing more trees within the plan period.
	To improve health status of the individual, family and Community	Immunization coverage was attained at 70%, representing steady progress towards the national target of 80%. Confirmed outpatient malaria cases were recorded at 25 per 1,000 population, reflecting ongoing transmission but within the expected epidemiological range for the region. Skilled birth attendance reached 65.3%. HIV testing coverage was	Resource constraints have hampered the achievement of the targets in the period under review

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Ref	Objective as per CIDP	Performance/Progress made up since 2023 up to date	Remarks (Explain The reasons underperformance/ Over performance)
		94% among targeted populations, with antiretroviral therapy (ART) coverage at 95% for known positives. Tuberculosis treatment success rate reached 98%.	
	To reduce incidences of preventable diseases and ill health.	Vitamin A supplementation for children aged 6–59 months was achieved at 82% of the target population. Antenatal care (ANC) coverage for at least four visits stood at 68% while modern contraceptive prevalence rate was 56%. Sanitation coverage stood at 84%, surpassing the national minimum standards. 1260 Community Health Promoters were also incentivized through payment of a stipend of 2,500/- for 12 months. 4 PCNs were also operationalized.	Resource constraints have hampered the achievement of the targets in the period under review
9.	To enhance Tourism development	The department has carried out rehabilitation of Rimoi game reserve through repairs and maintenance. Tourism product development has been done through tourism marketing and completion of museums and snake parks. Further, the department has carried out establishment of tourism sites i.e. Tingwo and Kureswo	Underdeveloped infrastructure and poor road network has limited access to tourism sites, greatly hampering development of tourism.
10.	To improve business environment for trade investment in order to promote MSMEs	The department <b>constructed</b> lockup shops/market stalls in major trading centres. Also, the department has renovated two markets i.e. Kapcherop and Kapsowar and establishment of an open-air market at Matira	The department was not able to give out loans to MSME's. This requires development of a policy and guidelines before its implementation.
11.	To enhance the preservation and fostering of cultural values	The department of culture has carried out culture days competitions at ward and county level. Various cultural groups were supplied with cultural attire and ornaments.	The cultural competitions were not adopted by all wards. More sensitization campaigns are required so that all wards can appreciate cultural activities

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Ref	Objective as per CIDP	Performance/Progress made up since 2023 up to date	Remarks (Explain The reasons underperformance/ Over performance)
12	To Ensure efficient and effective management and administration of land for sustainable development and improved security of tenure.	The department has managed to construct and equip a GIS lab for land digitization and storage and analysis of county geospatial data. Community sensitisation on land matters has been undertaken, resulting in the preparation and gazetting of 39 unregistered community land in Endo, Sambirir and Tambach Wards. The preparation of the county Land inventory is ongoing. Four urban centres (Tambach, Bugar, Kapsowar & Kapcherop) have been surveyed and documented. The County has also prepared one Community land inventory and four Physical and land use plans . So far, the county land valuation roll has not been updated.	The achievement of the setting up of GIS lab and registration of unregistered community lands can be attributed to having a strong partnership with FAO through the Digital Land Governance Programme (DLGP) and other partners through resource mobilisation. Documentation of public land moroso for the 4 urban centres, has been supported by the State Department for Housing and Urban Development through KISIP 2, tenure regularisation programme. Documentation of other urban centres is ongoing though slowly, due to resource constraints.
13	To Support establishment and strengthening of urban governance, management institutions and systems to deliver improved infrastructure in urban areas in the County.	The department through partnership support of KISIP and KUSP Programs has upgraded 2 Informal settlement ie Chebiemit & Cheptongei, and construction of a modern market at Iten County Headquarters is ongoing. 4 Economic Stimulus Markets are also being constructed across the county, 1 at each subcounty, with the one at Iten nearing completion. The disaster management centre is being operationalised. Iten Municipality is in the process of reviewing its Integrated Development plan and already has by-laws in place to facilitate its operations. The municipality has so far upgraded construction and extension of 2.1 km	For KISIP 2 projects there was delay in the disbursement of funds from National Treasury resulting in delay in implementation.

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<b>Ref</b>	<b>Objective as per CIDP</b>	<b>Performance/Progress made up since 2023 up to date</b>	<b>Remarks (Explain The reasons underperformance/ Over performance)</b>
		walkways, 2km storm drainage and construction of 120 parking slots.	
14	To Manage the collection, transportation, and disposal of solid waste effectively, while also promoting recycling and composting.	The department has managed waste through acquisition of 1 skiploaders, 8 skip containers and 66 waste bins. Further there are regular environmental cleanup days conducted for awareness on waste management. However the County has not yet constructed waste transfer stations nor established a designated Material Recovery Centre with a Sanitary Landfill. The sewage system is still a challenge.	Lack of allocation of funds to acquire land for acquisition of land for establishment of a designated Material Recovery Centre with a Sanitary Landfill.
15	To Increase coverage on street lighting and connect all households with electricity within the County.	The department in partnership with KPLC has so far installed 1286 streetlight units to enhance wider coverage and improve security within the urban areas . 80% of households have been connected with electricity and 198 centres have functional streetlights. The generation of Wind/ solar power plants have not yet been established.	There is delay of implementation from KPLC on installation and maintenance of street lights. Some of the projects, more so wind/solar power plants, are capital-intensive and there is need to source for more partnerships

**Progress on Attainment of Development Objectives from Annual Development Plan for FY 2024/25**

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

The below provide the progress on attaining the stated objectives.

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**Table 2: Progress on Achievement of 2024/25 FY ADP Objectives**

<b>Department</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Roads, Transport & Public Works	To develop, maintain and increase access to road transport network to global standard	Increased efficient transportation of people, goods and services.	KM of roads graded	In the FY 2024/25 the department managed to grade 452.6 KM of roads to motorable gravel status, against a target of 672 KM.
			KM of roads gravelled	In the FY 2024/25 the department managed to gravel 75.4 KM of roads to motorable gravel status, against a target of 108 KM.
			length of newly roads opened	The department managed to open 77.9 KM of roads to motorable status against a target of 100 KM
			Length (M) of culverts installed	During the same plan period the department managed to install a total length of 619 M of culverts
			No of machines acquired	The department also managed to acquire 2 graders. That would significantly reduce the cost of road constructions
			No of Box culvert constructed	During the same plan period, the department also managed to construct 5 Box culverts.
Lands, Physical Planning, Housing and Urban Development	Ensure efficient and effective management and administration of land for sustainable development and improved security of tenure	Secure Land Tenure	KM of Roads Surveyed	The department also managed to survey 28.8 KM of roads
			Acres of Land Acquired	In the FY 2023/24 the department managed to facilitate the acquisition of 6.3 acres for public utilities
			No. of Public land surveyed and beacons	During the same plan period the department surveyed and beacons 3.3 acres of public land

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			No. of Public Land Titled	During the same plan period the department titled 1.6 acres of public land
	Support implementation of affordable housing within the County.	Improved access to affordable and decent housing	No. of affordable housing structures established	During the same plan period the department facilitated the construction of 1 unit of affordable housing
	Support establishment and strengthening of urban governance, management institutions and systems to deliver improved infrastructure in urban areas in the County	Sustainable Management of Urban Areas	No. of Informal Settlement areas Upgraded	During the same plan period the department upgraded 2 informal settlement areas.
Km. of tarmacked urban roads			During the same plan period the department tarmacked 2 Km of urban roads.	
Km. of storm water drainage constructed			During the same plan period the department constructed 2 Km of storm water drainage	
	Support establishment and strengthening of urban governance, management, institutions and systems to deliver improved infrastructure and services in Iten municipality.	Sustainable systems to deliver improved infrastructure and services in Iten Municipality	No. of by-laws developed	During the same plan period the department developed 1 set of municipal by laws
	Manage the collection, transportation, and disposal of solid waste effectively, while also promoting recycling and composting.	Improved overall cleanliness of the community	No. of waste bins acquired.	During the same plan period the department acquired 66 waste bin disposal units

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Agriculture Livestock Fisheries and Irrigation	Increase coverage on street lighting and connect all households with electricity within the County	Improved urban street lighting	No. of Centers with functional streetlights	During the same plan period the department equipped 42 centres with functional streetlights
	To develop priority crop value chains into sustainable commercial enterprises	Increased crop productivity	No. of Street lights units installed	During the same plan period the department installed 133 streetlights units
	To increase crop productivity through irrigation	Increased area under irrigated agriculture	Kilos of certified seeds supplied	During the plan period, 12,431 kgs of certified seedlings was supplied to farmers
			Number of certified seedlings supplied	During the plan period, 21,300 certified seedlings were supplied to farmers
			Number of Agro stores constructed	During the plan period, two(2) agrostore was constructed
			Number nurseries established	During the plan period, 2 tree nurseries were established
			Length of irrigation pipeline laid (KM)	During the plan period, 0.5km of irrigation pipeline was laid
			Lengthy of fence constructed	During the plan period, 1km of fence was erected
			Number of irrigation schemes established	During the plan period, 1 irrigation scheme was established
			Number of water furrows renovated/rehabilitated/expanded	During the plan period, 3 water furrows were constructed, and 2 rehabilitated and/or expanded
Number of food security farms fenced	During the plan period one security farm (Kabanon-Kapkamak) was fenced.			

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	To increase livestock productivity and commercialization	Increased livestock productivity	Number of heifers purchased and supplied	During the plan period, 264 heifers were supplied
				Number of doper sheep and rams purchased and supplied
			Number of indigenous chicks purchased and supplied	During the plan period, 1,428 chicks were supplied
			Number of dairy goats purchased and supplied	During the plan period, 100 dairy goats were supplied
	To reduce prevalence of notifiable and tick-borne diseases	Reduced livestock disease prevalence	No. of animals vaccinated	During the plan period, 104,721 animals were vaccinated
			No. of dips Renovated	During the plan period, 14 cattle dips were renovated.
			No of Dips constructed	During the plan Kapkono cattle dip was constructed to completion
			Litres of acaricide purchased	During the plan period, 8,866 litres of acaricides was supplied
	To improve cattle breeds	Improved livestock productivity	No. of cattle inseminated	During the plan period, 171 cows were inseminated across the county
			No. of tourism ventures and niches developed	2 tourist attraction sites were upgraded
Cooperatives, Trade, Industrialization, Tourism and Wildlife	To enhance growth and development of co-operatives	Increased turnover for cooperatives	No of stores constructed	The department managed to construct 5 storage facilities
			No of Pit latrines done	2 public pit latrines were constructed in different market centers

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Health Services	investment in order to promote MSMEs	Improve health status	No. of market stalls constructed	The department constructed 4 Construction of Market Stalls
	To improve health status of the individual, family and Community		No. of ambulances maintained	The department successfully maintained a fleet of 32 ambulances by ensuring timely servicing, fueling, and renewal of insurance covers to guarantee uninterrupted emergency response services across the county
			No. of facilities equipped	17 health facilities were equipped with essential medical tools, diagnostic equipment, and furniture to enhance service delivery capacity.
			No. of facilities upgraded	1 facility was upgraded from a lower-level health centre to a higher classification, enabling the provision of more comprehensive services, including maternity and laboratory functions.
			No. of furniture purchased	Assorted Furniture was purchased to improve the working environment for healthcare workers and the comfort of patients.
			No. of generators purchased	1 standby generator was procured to ensure continuous power supply in a key health facility
			No. of persons screened	A total of 40,000 individuals were screened for various health conditions during targeted community outreach programs, medical camps, and facility-based initiatives.

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			No. of solar equipment installed	1 solar power system was installed to provide sustainable, clean, and cost-effective energy to a remote facility with limited access to the national grid.
To reduce incidences of preventable diseases and ill health	Reduced incidence of preventable diseases	No. of burning chambers constructed	1 medical waste burning chamber was constructed to enhance safe disposal of hazardous healthcare waste	
		No. of CHPs paid	A total of 1,260 Community Health Promoters (CHPs) received their monthly stipends, enabling them to continue delivering essential preventive and promotive health services at the household level	
		No. of CHPs supported	A total of 1,260 Community Health Promoters (CHPs) were supported with work tools, training, and logistical facilitation to improve the efficiency and quality of community-level health interventions.	
		No. of facilities completed	Construction works for 2 health facilities were finalized	
		No. of facilities constructed	1 new health facility (Toror dispensary) was constructed to expand access to essential health services, particularly in underserved areas.	
		No. of facilities renovated	8 existing health facilities underwent renovations, which included structural repairs, repainting, plumbing, and electrification to enhance patient safety, comfort, and operational efficiency.	

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		No. of facilities upgraded	3 health facilities were upgraded with additional infrastructure, equipment, and staffing capacity to offer higher-level services, including expanded maternity, laboratory, and emergency care.
		No. of Households sprayed	A total of 500 households were sprayed with insecticides as part of integrated vector control measures to reduce the prevalence of malaria and other vector-borne diseases.
		No. of public toilets constructed	2 new public sanitation blocks were constructed in strategic community locations to improve hygiene, reduce open defecation, and promote public health.
		No. of rooms constructed	1 additional room was constructed in a health facility to expand space for service delivery, particularly for specialized clinics and storage.
		No. of staff houses constructed	5 staff houses were built to accommodate healthcare personnel in remote postings, enhancing staff retention and ensuring availability of skilled personnel at all times.
		No. of staff houses renovated	1 existing staff house underwent renovation to improve living conditions for healthcare workers and prolong the building's lifespan.
		No. of toilets constructed	1 toilet facility was constructed in a health facility to improve sanitation standards for both staff and patients.
		No. of wards constructed	7 wards were constructed across various health facilities to expand inpatient

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				capacity and improve patient care, especially during peak admission periods.
			No. of motorbikes purchased	1 motorbike was procured to facilitate outreach, supervision, and rapid emergency response by public health officers and field healthcare teams.
Water, Environment and Climate Change	Enhance sustainable access to clean and adequate water to the citizens	Increased access to clean water in adequate quantities	No. of intake structures constructed	In the FY 2024/25 the department managed to construct 30 intake structures
			Km. of pipeline laid and extended	During the same plan period the department laid and extended 77 KM of pipeline
			No. of Masonry water tanks constructed	During the same plan period the department constructed 18 masonry water tanks
			No. of boreholes surveyed, drilled, and equipped	During the same plan period the department surveyed, drilled and equipped 30 boreholes
			No. of water dams/pans/intake weirs desilted	During the same plan period the department desilted 1 dams and intake weirs
			No. of Water pan liners supplied	During the same plan period the department supplied 500 water pan liners
	Restore, protect, conserve, and manage the environment for sustainable development	Improved environmental quality and sustainability.	Ha. of Wetlands, Springs and riparian areas protected	During the same plan period the department protected 5 springs and riparian areas
			No. of tree nurseries established	During the same plan period the department established 9 tree nurseries
			No. of assorted fruit tree seedlings grown	During the same plan period the department grew 2 million assorted fruit

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				tree seedlings
			No. of assorted indigenous supplied and grown	During the same plan period the department grew and supplied 794,000 indigenous trees
			No. of assorted tree seedlings grown	During the same plan period the department grew 2,495,401 assorted tree seedlings
	To enhance equitable access to quality and relevant Pre-primary Education	Improved access to quality and relevant pre-primary education	No. of disability-friendly classrooms Constructed and equipped	48 ECD centres were constructed
	To increase access to vocational education and training	Improved access to vocational education and training	No. of ECD learners provided with Capitation	1,103 ECD learners were provided with capitation.
			No. of Disability friendly Workshops constructed	1 disability friendly workshops were constructed
			No. of workshops equipped	2 workshop equipped
			No. of capitation beneficiaries	120 students were provided with capitation grants
			No. of bursary beneficiaries	8,432 students were provided with bursaries
			Types of events organized	Thematic events were organized and conducted including Iten International Marathon, Governor wa Raia Cup, Ward tournaments among other sports events
Sports Youth Affairs, Culture Children and Social Services	To protect and empower the vulnerable and special interest groups	Improved wellbeing of the vulnerable, special interest groups and Children	No. of Ward field upgraded to Standard Fields	19 ward fields were graded and leveled

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	To develop Sports in all levels	Improved sports participation and performance	Types of special interest groups benefiting from IGAs Grants	PWDS groups, Women groups and youth groups were empowered through with income generating projects (IGAs) such as purchase and supply of public address system, tents chairs etc
	To safeguard and manage cultural and natural heritage, practices, knowledge, and movable historical artifacts	Improved culture Preservation	No. of Cultural Festivals / Exhibition and Shows held	5 Cultural Festivals / Exhibition held
Public Service Management, Administration, Devolution Enforcement and Corporate Affairs		Increased compliance with county regulations and laws	No of stakeholder engagement forums held	10 forums held with CSOs, leaders, and citizens
			No of enforcement officers trained	Action Plans were tabled for approval 55 enforcement officers trained to strengthen compliance capacity
			No of enforcement actions taken	110 compliance checks conducted across business licensing, building codes, and public health 70% Public satisfaction with enforcement measures;with citizens reporting improved regulatory compliance in urban and rural areas
			No of joint programs initiated between county and national government	Successfully launched 4 joint programs with national government, including disaster response and health services enhancement 4 quarterly meetings held to oversee joint programme implementation
	Strengthened intergovernmental relations and collaborative efforts in service delivery		No of public participation forums held	18 public participation forums held across 4 sub-counties

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	county governance and development processes	Percentage of citizens engaged in decision-making	Over 62% of citizens engaged in participatory decision-making in development projects through forums and online platforms. Citizen satisfaction surveys show improvement in engagement processes, indicating progress towards inclusiveness and accountability
To promote effective service delivery	Enhanced capacity of county staff and devolved units to deliver quality services	No of training programs conducted No of county staff trained	9 training programmes conducted to strengthen service delivery 320 staff trained across departments
	Improved access to services in devolved units and sub-counties	No of service centers established	4 new service centres established in rural areas
	Improved public service accountability and transparency	No of sub-county offices operational	4 fully staffed and operational sub-county offices
		No of audits and performance evaluations conducted	3 audits conducted to enhance compliance and transparency
		Level of public trust in government processes	22% increase in public trust through digital accountability frameworks

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

Elgeyo Marakwet County has embraced an all-encompassing sustainability strategy in line with the growing global focus on sustainable development within local governance. Acknowledging the delicate balance between development and conservation, the county has integrated sustainability into nearly every aspect of its administration and community life. This progressive agenda is anchored on five main pillars: environmental stewardship, employee well-being, ethical market practices, community involvement, and a strong sustainability profile. Through initiatives ranging from innovative climate adaptation measures to community-driven programs, the county showcases its commitment to building resilience and prosperity for future generations. While challenges such as political instability and limited resources persist, Elgeyo Marakwet's steadfast pursuit of sustainable practices stands out as a model for regional governance. The following sections highlight each dimension of this strategy, illustrating how the county's holistic approach is shaping its future and inspiring broader transformation across Kenya.

### **a. Sustainability strategy and profile**

The top management, especially the accounting officer, should refer to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

Elgeyo Marakwet County's sustainability strategy focuses on leveraging its unique environmental and socio-economic attributes to achieve balanced development while safeguarding natural resources. The county is located in Kenya's Rift Valley, known for its diverse ecosystems, from highlands to valleys, which are central to its sustainability efforts.

Key Areas of Focus include:

- **Environmental Conservation:**

Elgeyo Marakwet is home to forests and water catchment areas that are vital for the region. The county prioritizes conservation efforts to address deforestation, soil erosion, and the protection of water sources. Sustainable land use practices, afforestation, and agroforestry are central to its strategy to mitigate the environmental degradation risks posed by agriculture and human settlements.

- **Sustainable Agriculture:**

Given the county's agricultural base, efforts are made to adopt climate-smart and sustainable agricultural practices. This includes promoting organic farming, reducing overreliance on chemical fertilizers, and encouraging crop diversification to ensure food security while protecting the soil.

- **Water Resource Management:**

With the Kerio River and other water sources running through the county, water conservation is a critical aspect of sustainability. Initiatives aim to improve water catchment management, rainwater harvesting, and enhancing water access for both households and irrigation in an environmentally friendly manner.

- **Renewable Energy Initiatives:**

The county is exploring renewable energy, particularly solar and small-scale hydropower projects, to provide energy to rural areas while reducing reliance on non-renewable sources. These initiatives align with global efforts to reduce carbon emissions and promote clean energy.

- **Climate Change Mitigation and Adaptation:**

Elgeyo Marakwet faces climate-related challenges, including landslides and droughts. The county's sustainability strategy involves proactive measures such as community-based disaster risk management and building infrastructure that is resilient to climate impacts.

**Broad Trends Influencing Sustainability:**

- **Political and Macroeconomic Environment:**

Kenya's devolution framework gives counties more autonomy, allowing Elgeyo Marakwet to tailor sustainability strategies to its specific context. National economic strategies such as Vision 2030 and environmental policies heavily influence the county's priorities.

- **International Best Practices:**

The county aligns its sustainability efforts with international frameworks like the Sustainable Development Goals (SDGs), particularly focusing on clean water, affordable energy, sustainable agriculture, and climate action.

**Achievements and Challenges:**

- **Achievements:**

- Successful reforestation projects and agroforestry initiatives have helped to restore degraded lands.
- Promotion of eco-friendly farming practices has led to increased agricultural productivity while protecting the environment.

- Investment in small-scale renewable energy projects has expanded energy access.
- **Challenges:**
  - Persistent issues like deforestation, soil erosion, and climate-induced disasters such as landslides remain significant.
  - Limited financial resources and infrastructure gaps hinder the full implementation of sustainability projects.

Overall, Elgeyo Marakwet County's sustainability strategy emphasizes environmental stewardship, sustainable agricultural practices, renewable energy, and climate resilience, with a focus on aligning with national and global best practices for long-term development.

#### **b. Environmental performance**

Population pressure and poor land use in Elgeyo Marakwet have caused encroachment into forests, riparian zones, and fragile ecosystems, leading to environmental degradation, biodiversity loss, and climate change impacts such as erosion, landslides, and reduced hydropower potential. To address this, the County has undertaken sustainable resource management measures including Climate Smart Agriculture programs, planting over 2 million fruit trees and 700 thousand indigenous trees aligning with the national 15-billion-tree agenda by 2032.

On waste management, the County targets zero waste through clean-ups, segregation, and policy development. Currently, 30 tonnes of solid waste are collected daily in urban centres, only 30% of total waste generated. Waste is not segregated or recycled, with crude dumping and burning being the main disposal methods, and no NEMA-designated dumpsite. Hazardous medical waste is managed through incineration, while a waste compressor truck has been procured to improve disposal in urban areas.

#### **c. Employee welfare**

Elgeyo Marakwet County has placed employee welfare at the heart of its sustainability agenda, recognizing that a motivated and empowered workforce is central to effective service delivery and long-term development. The county's approach to staff well-being is holistic, addressing not only professional needs but also physical, social, and emotional aspects of employee life.

#### **Key Components of Staff Welfare:**

- Holistic Approach to Staff Well-being

The county's welfare framework extends beyond traditional salary and benefits, embracing a holistic perspective that addresses the physical, mental, social, and professional needs of employees. This approach acknowledges that employee productivity and morale are influenced by multiple factors, including workplace culture, career development opportunities, health, and work-life balance.

- Health and Wellness Initiatives

The county has invested in medical cover schemes, workplace health programs, and awareness campaigns on mental health, nutrition, and preventive care. These initiatives ensure that staff remain healthy, productive, and supported in their daily responsibilities.

- Professional Growth and Capacity Building

The county prioritizes continuous training, mentorship, and skill development programs. By equipping staff with up-to-date knowledge and competencies through workshops, seminars, and skill development programs, Elgeyo Marakwet enhances both individual career progression and institutional effectiveness.

- Social Support and Employee Engagement

Beyond the workplace, the county fosters social support and employee engagement by encouraging team-building activities, social gatherings, open communication, and recognition of staff achievements through awards. Platforms for dialogue between management and employees strengthen cohesion, while inclusive practices nurture a sense of belonging.

- Work-Life Balance and Flexibility

Recognizing the importance of work-life balance and flexibility, the county supports policies that allow staff to harmonize professional duties with personal responsibilities. Flexible work arrangements and family-friendly policies contribute to reduced stress and increased job satisfaction.

- Welfare Committees and Employee Representation

The county has established welfare committees to ensure that staff voices are heard in decision-making processes affecting their well-being. These committees serve as a bridge between management and employees, advocate fair treatment, facilitate dialogue, resolve grievances, and propose improvements to welfare policies.

- Long-Term Vision

The county's approach to staff welfare is not merely reactive but strategic, aligning with long-term governance objectives. By embedding welfare considerations into its operational culture, the county aims to attract and retain skilled personnel, reduce turnover, and cultivate a resilient, motivated and innovative workforce capable of driving sustainable development for generations to come.

**d. Marketplace practices**

**Responsible Supply chain and supplier relations-**

The County Government has improved its procurement processes by training suppliers on online tendering, ensuring timely payments, and complying with the Public Procurement and Asset Disposal Act (2015). It promotes inclusivity by reserving 30% of procurement opportunities for youth, women, and persons with disabilities, as per the 2011 regulations. Additionally, the county has streamlined procurement through automation, reducing delays and fostering accountability. By integrating these practices, including a focus on sustainability, the government creates a more transparent, efficient, and inclusive business environment that supports economic growth and social empowerment as well as preparing for the implementation of the e-GP procurement

**Responsible ethical practices**

Elgeyo-Marakwet County upholds responsible business practices by honoring contracts, ensuring timely payments, and maintaining transparent, fair dealings with suppliers. Through clear agreements, open communication, and ethical sourcing, the county fosters trust, supports small suppliers, and promotes compliance with labor, environmental, and anti-corruption standards—building a stable, integrity-driven supply chain.

**Stewardship of goods and services**

This was achieved through the following efforts.

- ❖ Elgeyo Marakwet County ensures citizens have access to budgets, development plans, and decisions through open data portals and public forums
- ❖ It encourages citizen participation in decision-making through town halls, consultations, and surveys.
- ❖ The county enforces strict anti-corruption measures, including internal audits, public financial reporting, and whistleblower protections to prevent the misuse of public funds

- ❖ Elgeyo Marakwet County promotes economic empowerment by launching programs that provide training, grants, and loans for youth and women entrepreneurs. It supports farmers with subsidies, modern farming technology, and training, while aiding small businesses through financial programs and market access
- ❖ Elgeyo Marakwet County provides quality service by ensuring access to affordable healthcare and quality education by improving facilities, hiring qualified staff, and maintaining infrastructure in hospitals and schools.
- ❖ The County expands access to clean water, sanitation services, and waste management to enhance public health, it invests in infrastructure development, including roads and bridges, to boost economic growth and improve connectivity.
- ❖ Elgeyo Marakwet County ensures legal protection and social justice by offering free or subsidized legal aid to vulnerable citizens, advocating for human rights through dedicated programs addressing issues like domestic violence and land disputes, and strengthening local judiciary systems for fair and efficient dispute resolution.
- ❖ Regularly reviewing laws related to weights and measures to ensure accurate weighing machines in trade.
- ❖ Developing and strengthening consumer protection policies based on established guidelines.
- ❖ Undertaking training programs for educators, media professionals, and consumer advisers to improve consumer education.
- ❖ Providing facilities to test and verify the safety, quality, and performance of essential consumer goods and services (e.g., KEBS).
- ❖ Sensitizing citizens on consumer rights through public participation at locations such as cooperative societies and milk ATMs.

**e. Community Engagements**

The County Government of Elgeyo Marakwet has embraced a wide range of initiatives to demonstrate its commitment to community engagement, citizen empowerment, and improved service delivery. These interventions cut across various sectors and are designed to enhance the well-being of residents.

### **Social Support Initiatives**

- The County Government allocates 2 percent of its funds to social causes. These include direct financial assistance to children's homes, bursaries for orphans, disaster relief contributions during floods or droughts, and emergency response funds for affected families. This ensures vulnerable groups receive timely financial relief when crises strike.
- The county also provides tangible support in the form of food packages, school uniforms, medical supplies, and shelter materials to disadvantaged households. For example, in disaster-stricken areas, food rations, mattresses, and blankets are distributed in coordination with the CSO Network and humanitarian partners.
- County employees are encouraged to organize and participate in fundraising events such as charity walks, marathons, and digital campaigns. Proceeds often go to local causes like supporting cancer patients, children with disabilities, or victims of natural disasters. This creates a culture of solidarity and shared responsibility.

### **Community Social Investment**

- Through partnerships with schools, universities, and CSOs, the county funds scholarships and bursaries targeting bright but needy students. These scholarships cover tuition and boarding fees, learning materials, bridging the education gap among marginalized groups.
- The county invests in vocational and technical programs in trades such as carpentry, tailoring, ICT, and agribusiness. These initiatives help youth and women acquire market-ready skills, enabling them to secure jobs or start enterprises, thus boosting household incomes and reducing unemployment.

### **Promoting Education**

- Renovation and construction of classrooms, libraries, VTC laboratories, and early childhood centers ensure safe and conducive learning environments. This reduces congestion in schools, enhances day to day learning, and promotes digital literacy..
- ECDE Teachers and VTC instructors are trained on modern pedagogy, inclusive education, and digital teaching tools. This raises the quality of education and ensures learners get equal opportunities regardless of location.

- Collaborations with institutions of higher learning such as universities provide opportunities for research grants, internships for county youth, and knowledge-sharing forums. These strengthen innovation and link academia to county development priorities.
- PEPEA program offers international scholarships, particularly to students from marginalized groups. Beneficiaries study in countries such as Canada and Australia, gaining global exposure and returning with skills to drive local development.

### **Social Protection and Empowerment**

- The county, in collaboration with CSOs, empowers organized groups of youth, women, and PWDs as well as culture by providing training on entrepreneurship, financial management, and leadership. It also supports them with income-generating assets such as tents, chairs, and sound systems to establish small enterprises.
- The county undertakes identification and registration of persons with disabilities and provides assistive devices such as wheelchairs, crutches, and braille materials. This fosters inclusivity and ensures PWDs participate in economic and social activities.

### **Sports and Youth Development**

- County sponsorship of local sports teams and tournaments like the Governor wa Raia Cup fosters talent development, teamwork, and social cohesion. It also fosters athletics by organising local and international races such as Iten International marathon which attracts a lots of national and international athletes.
- Sports camps, clinics, and ward-level competitions identify and nurture emerging talent in athletics, football, volleyball, and other disciplines, while also promoting discipline and healthy lifestyles.
- Investment in running tracks, football fields, and multi-purpose courts provides safe spaces for training and competitions, positioning the county as a hub for nurturing national and international sports talent.

### **Healthcare Initiatives**

- Free medical camps provide checkups, vaccinations, family planning, cancer screening, and rehabilitation services in underserved areas. They are often organized in partnership with NGOs and the CSO Network.

- The county supports local hospitals and health centers by supplying essential items such as ventilators, diagnostic machines, maternity beds, and ambulances to strengthen healthcare systems.
- Public awareness drives focus on maternal health, HIV/AIDS prevention, nutrition, sanitation, and mental health. These campaigns use radio, community forums, and schools to promote preventive healthcare and reduce disease burden.

### **Labor Relations and Workforce Development**

- The county enforces fair wage structures, ensures safe working environments, and upholds workers' rights in line with labor laws. This reduces disputes and promotes productivity.
- Recruitment policies emphasize equal opportunity, ensuring representation of women, youth, and PWDs in county workforce and leadership positions.
- Wellness initiatives include access to counseling services, stress management workshops, physical fitness programs, and work-life balance arrangements such as flexible schedules.

### **Staff Training and Development**

- County senior management officers undergo periodic leadership and management training to prepare them for higher responsibilities and effective decision-making.
- Staff benefit from short courses, seminars, and e-learning platforms in emerging areas such as digital governance, data analysis, and climate adaptation.
- Senior officers mentor junior staff, promoting knowledge transfer, succession planning, and continuous career development.

### **Water and Sanitation**

- Significant budget allocation to construction of boreholes, pipelines, intakes, and purification systems ensures rural communities and schools have access to safe drinking water. This reduces waterborne diseases and saves time for women and children who often fetch water.
- The county builds toilets, bathrooms, and handwashing stations in schools, markets, and public centers to enhance hygiene and safeguard public health.

- Water Conservation are fostered through awareness programs on rainwater harvesting, sustainable irrigation, and efficient water use practices, especially in drought-prone areas.

### **Environmental Sustainability**

- County-wide tree planting campaigns and fruit tree distribution combat deforestation, improve soil conservation, and support climate change mitigation.
- Waste Management: Community clean-ups, garbage collection, and recycling programs improve environmental health in towns and trading centers.
- Adoption of renewable energy (e.g., solar), promotion of energy-efficient technologies, and reduction of single-use plastics help lower the county's carbon footprint.

### **Employee Volunteerism**

- Staff are granted leave days to engage in activities such as tree planting, school mentorship, community clean-ups, and medical outreach.
- Through joint initiatives with CSOs and NGOs, employees volunteer in awareness programs on HIV/AIDS, climate action, and youth mentorship, ensuring broader community impact.

### **Partnerships and Collaborations**

- The county works with private sector investors on Public-Private Partnerships (PPPs) to deliver large-scale projects in infrastructure, health, and education. For example, co-financed water projects and joint hospital expansions.
- Partnering with NGOs enables the county to reach remote populations with health, education, and social welfare services.
- The CSO Network plays a crucial role in strengthening grassroots community engagement, monitoring service delivery, and promoting accountability in governance. Through this partnership, communities are directly involved in planning and evaluating development programs.

By implementing a combination of these strategies, the County Government of Elgeyo Marakwet will not only strengthen its relationship with the community but also build a reputation for social responsibility, sustainability, and ethical business practices. These actions contribute to the long-term well-being of both the community and the county Government.

**Elgeyo Marakwet County Executive  
Annual Report and Financial Statements for the year ended June 30, 2025**

**7. Management Discussion and Analysis**

The County Government of Elgeyo Marakwet operates on a Revenue Ceiling of Sh. 7,899,869,159 in the FY 2024/2025 comprising of:

Recurrent Expenditure	-Sh. 4,752,778,430
Development Expenditure	-Sh. <u>3,147,090,729</u>
<b>Total</b>	<b>Ksh. <u>7,899,869,159</u></b>

The total transfers from County Revenue fund (CRF) as approved by the Controller of Budget during the financial year is summarized below;

Transfers to County Executive	5,160,075,806
Transfers to County Assembly	<u>619,407,879</u>
<b>Total Ksh.</b>	<b><u>5,779,483,685</u></b>

The Budget performance in the FY 2024/2025 is tabulated below;

	<b>Original Budget</b>	<b>Re-allocation</b>	<b>Final Budget</b>	<b>Actuals expenditure</b>
County Assembly	701,876,015	(59,381,152)	642,494,863	619,899,693
County Executive - Recurrent	3,105,437,155	754,846,412	3,860,283,567	3,718,545,013
County Executive - Development	2,287,762,620	(104,150,649)	2,183,611,971	950,936,096
FLOCCA	-	356,991,583	356,991,583	133,363,432
Iten Municipality	-	606,487,175	606,487,175	96,922,822
Facility Improvement Funds (FIF) -Recurrent	200,000,000	50,000,000	250,000,000	210,693,046
	<b>6,295,075,790</b>	<b>1,604,793,369</b>	<b>7,899,869,159</b>	<b>5,730,360,102</b>

The reporting of actual expenditure of Sh.5,730,360,102 has been reported under the financial statements of the following separate entities;

County Executive	-Sh. 4,669,481,109
County Assembly	- Sh. 619,899,693
Climate Change (FloCCA)	- Sh. 133,363,432
Iten Municipality	- Sh. 96,922,822
Facility Improvement Funds	-Sh. 210,693,046

The comparison of total expenditure against the total budgeted is tabulated below;

**Elgeyo Marakwet County Executive**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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	<b>Budget</b>	<b>Actual</b>
Compensation of employees	2,645,251,530	2,635,956,505
Use of goods and services	2,287,989,484	1,406,917,625
Transfers to other government units	582,031,153	329,558,301
Other grants and transfers	128,384,936	128,384,936
Social security benefits	15,964,652	15,663,277
Acquisition of PPE & Depreciation	383,373,783	252,365,913
Other payments	900,000	-
<b>Total</b>	<b>6,043,895,538</b>	<b>4,768,846,557</b>

The County executive paid total of Sh. 2,635,956,505 towards compensation of employees during the year. There were no unpaid salaries and statutory deductions as at 30<sup>th</sup> June 2025.

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

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

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

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

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

The CEC member for finance confirms that the County Executive has complied fully with applicable Government Regulations and the terms of external financing covenants (where

applicable), and that the County Executive's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

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

Approval of the financial statements

**Elgeyo Marakwet County Executive**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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The County entity's financial statements were approved and signed by the CEC member for finance

on 23.10.2025.



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CECM – Finance and Economic Planning

# REPUBLIC OF KENYA

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

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### 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.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of County Executive of Elgeyo Marakwet set out on pages 1 to 57, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

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

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

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in Property, Plant and Equipment Balance**

##### **1.1 Variance in Property, Plant and Equipment Balance**

The statement of financial position reflects property, plant and equipment balance of Kshs.8,676,298,839 which differs with the corresponding Note 26 to the financial statements that reflects Kshs.8,656,393,383 resulting to an unexplained variance of Kshs.19,905,456.

In the circumstances, accuracy and completeness of the property, plant and equipment balance of Kshs.8,676,298,839 could not be confirmed.

##### **1.2 Recognition of Property, Plant and Equipment from Defunct Local Authorities without Valuation**

The statement of financial position reflects property, plant and equipment balance of Kshs.8,676,298,839 as disclosed in Note 26 to the financial statements. Included in this balance is property, plant and equipment acquired from the defunct local authorities of Kshs.568,889,166 without valuation as summarized at Appendix VIII to the financial statements.

In the circumstances, accuracy and completeness property, plant and equipment balance of Kshs.8,676,298,839 could not be confirmed.

#### **2. Biological Assets**

The statement of financial position reflects biological assets balance of Kshs.274,642,715 as disclosed in Note 30 to the financial statements. However, the recognition of biological assets failed to account for the change in fair value in biological assets arising from growth and valuation.

In the circumstances, accuracy, valuation and completeness of the biological assets balance of Kshs.274,642,715 could not be confirmed.

### 3. Misstatements in Statement of Cash Flows

The statement of cash flows reflects cash flows from investing activities of NIL balance. However, casting the statement of cash flows revealed cash flows from investing activities of Kshs. (7,727,881). In addition, the statement of cash flows reflects net increase in cash and cash equivalents of Kshs.256,614,859. However, casting of the statement cash flows disclosed net increase in cash and cash equivalents of Kshs.(240,188,338) resulting to an unexplained variance of Kshs.(496,803,197).

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

### 4. Non-Disclosure of Returns to County Revenue Fund from County Executive

The statement of financial performance of the County Executive did not disclose returns to County Revenue Fund. However, statement of performance of County Revenue Fund reflects returns from County Executive of Kshs.17,775,994 as disclosed in Note 9 to the financial statements and as detailed below;

Description	2024/2025 (Kshs)
Recurrent Account – County Executive	3,868
Development Account – County Executive	14,797,126
Other Salary Suspense Account	2,975,000
<b>Total</b>	<b>17,775,994</b>

In the circumstances, the accuracy and completeness of the financial statements of the County Executive could not be confirmed.

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

### Emphasis of Matter

#### Budgetary Control and Performance

The statement of comparison of budget and actual amounts recurrent and development combined had an approved final budgeted receipts of Kshs.6,043,895,538 against actual receipts of Kshs.5,013,283,841 resulting to under-funding of Kshs.1,030,611,607 or 17% of the budget. Similarly, the County Executive spent Kshs.4,748,941,101 against actual

receipts of Kshs.5,013,283,841 resulting to under-expenditure of Kshs.264,342,740 or 5% of the actual receipts.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Audit Matters**

In the audit report of the previous year, several issues were raised under report on Financial Statements, Report on Lawfulness and Effectiveness in the use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, review of their status during the audit of the Executive as at 30 June, 2025 indicated that the issues remained unresolved as indicated in **Appendix I**.

### **Other Information**

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

In connection with my audit on the County Executive's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

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

## **Conclusion**

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

## **Basis for Conclusion**

### **1. Failure to Establish a County Budget and Economic Forum**

As previously reported, the County Executive of Elgeyo Marakwet has not established a County Budget and Economic Forum. This contravenes Section 137 of the Public Finance and Management Act, 2012 which states that as soon as practicable after the commencement of this Act, a County Government shall establish a forum to be known as the Elgeyo Marakwet County Budget and Economic Forum.

The purpose of this forum is to provide a means for consultation by the County Government on preparation of county plans, the County Fiscal Strategy Paper and the Budget Review and Outlook Paper for the county; and matters relating to budgeting, the economy and financial management at the county level.

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

### **2. Excessive Budgetary Allocation to the County Assembly**

Review of budget documents revealed that County Assembly of Elgeyo Marakwet was allocated Kshs.619,407,879 which is equivalent to 12% of the County Government's total revenue of Kshs.5,013,283,841. The approved allocation to the County Assembly would have been Kshs.350,929,869 or 7% of the County total revenue. The excess allocation of 5% or Kshs.268,478,010 is contrary to the provisions of Regulation 25(1)(f) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the approved expenditure of a County Assembly shall not exceed seven percent (7%) of the total revenue of the County Government or twice the personnel emoluments of that County Assembly, whichever is lower.

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

### **3. Failure to Appoint a Committee to Guide the Transition from Cash to Accrual Accounting**

The County Executive did not plan adequately to transition from cash basis of reporting to accrual reporting in accordance with The National Treasury Circular No 3/2025 dated 14 April, 2025 guidelines. The County Executive did not appoint a Steering Committee and a project manager to guide the transition and therefore, there was no road map for transitioning.

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

#### **4. Irregular Acting Appointments**

Review of the payroll and payment schedules revealed that seven (7) senior County Government officials have been in acting position beyond the stipulated six (6) months period. In addition, review of personal files revealed that two (2) officers; Director of Human Resources and Director of Alcoholic Drinks Control Fund, were in acting positions without official appointment letters to the acting positions. Further, a third director, Director of Supply Chain Management had been acting since 9 February 2022 through an appointment letter dated 10 March, 2022, from the County Secretary/Head of County Public Service. The County Public Service Board did not provide any evidence to show efforts to recruit substantive holders of the above positions despite the prolonged acting appointments. This was contrary to Section 34 (5) (b) of the Public Service Commission Act 2017(Revised 2023) which states that an officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding a period of six (6) months.

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

#### **5. Failure to Convert Casual Employment to Permanent Basis**

Review of payroll revealed that the County Public Service Board engaged ninety-five (95) employees for the Department of Lands and thirteen (13) employees at the Governor's office on temporary basis on a three months' renewable contract on 1 July, 2016. However, they have served continuously since then. The employees terms of employment were not converted to permanent contrary to Section 37 of the Employment Act, 2007 which provides for conversion of the casual employment to regular employment terms for employees who have worked in an entity continuously for more than two (2) months.

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

#### **6. Irregularities in Management of Human Resources**

Review of the employee costs revealed the following anomalies;

##### **6.1 Lack of Annual Recruitment Plans**

Review of records revealed that the County Executive recruited fifteen (15) employees during the year. However, it did not have recruitment plans to guide the recruitment process. In addition, no evidence was provided for review to prove that the recruitment of the fifteen (15) employees was budgeted for contrary to Section 59(1)(g) of the County Governments Act, 2012 which requires the County Public Service Board to facilitate the development of a coherent, integrated human resource planning and budgeting for personnel emoluments in counties.

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

## 6.2 Variance in Employee Numbers

Comparison of employees list provided by chief officers of respective departments as at 30 June 2024 against list of employees extracted from the IPPD system, established that there were twelve (12) employees in the IPPD system that were not in the employee list provided by chief officers. The twelve (12) employees were paid Kshs.3,993,880 during the period under review.

In the circumstances, the actual number of employees could not be confirmed.

## 6.3 Non-Adherence to One Third Pay of the Basic Salary Policy Rule

Review of the Integrated Payroll and Personnel Database (IPPD) and Human Resources Information Systems (HRIS) for the County Government revealed various totals in twelve months from July, 2024 to June, 2025 which indicated the number of employees who earned less a third of their basic pay as tabulated below;

Month	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025
No. of Officers below a Third	163	154	146	371	260	2	98	123	135	120	142	19

This was contrary to Section (19)(3) of the Employment Act, 2007 which states that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of Sub-Section (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

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

## 7. Special Audit of the Payroll

### 7.1 Irregular Budgeting of Employee Costs

A special audit established that the ratio of the budgeted compensation of employees to budgeted revenue exceeded 35% in the three (3) financial years which were reviewed and reported (2022 - 38%, 2023 - 43% and 2024 - 43%). This was contrary to Regulation 25(1)(b) of Public Finance Management (County Governments) Regulations, 2015 which limits the County Governments' expenditure on wages and benefits to a maximum of 35% of total revenue for the year.

In addition, comparison of actual compensation of employee with actual revenue as reflected in the financial statements revealed that the County Executive also exceeded the thirty-five (35%) percent threshold in the three (3) years (2022 - 49%, 2023 - 52%, 2024 - 55%).

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

## **7.2 Irregular Engagement of County Employee**

The special audit for the financial year 2023/2024 revealed that an employee was engaged by both the County Executive of Elgeyo Marakwet and the County Executive of Turkana and drew a gross salary of Kshs.2,315,500 from both County Executives. This was a breach of Section 26 of the Leadership and Integrity Act, 2012. which prohibits a full-time state officer from engaging in other gainful employment.

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

## **7.3 Circumventing Payroll Controls to Pay Irregular Salary Arrears**

The special audit for the year 2023/2024 revealed that seventy (70) employees were irregularly paid Kshs.15,547,510 monthly gross pay as arrears. The employees did not meet the eligibility criteria stipulated in Section 6.1 of the Compendium of Remuneration and Benefits which determines remuneration and benefits for state officers and other public officers serving in the County executive

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

## **7.4 Irregular Payment of Hardship Allowance**

The special audit for the financial year 2023/2024 revealed that seventeen (17) employees were overpaid hardship allowance totaling Kshs.632,400. The overpayment is a financial loss to the County Executive and ineffective use of public resources.

In the circumstances, the regularity of the expenditure could not be confirmed.

## **7.5 Non-Deduction and Non-Remittance of Statutory Deductions**

The special audit revealed that Kshs.348,000 in respect of PAYE was not deducted and remitted to Kenya Revenue Authority. Further, employee and employer contributions to the National Social Security Fund (NSSF) amounting to Kshs.656,640 were not remitted. This was contrary to Section 22(1) (a) of the Public Finance Management (County Governments) Regulations, 2015 which states that in addition to the responsibilities of Accounting Officers provided for in the Act, an Accounting Officer designated under the Constitution, the Act or any other Act, shall— (a) comply with any tax, levy, duty, pension, commitments and audit commitments as may be provided for by legislation; In addition, there were cases of delayed remittance of NHIF, PAYE and NSSF deductions. This exposed the County Executive to penalties, interest and reputational risks.

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

## **8. Non-Adherence to Ethnicity and Regional Balance in Staffing**

Review of the Integrated Payroll and Personnel Database (IPPD) records revealed that the County Executive had a total of 1,542 employees, out of which 1,461 employees or approximately 95% were from the local dominant community. In addition, the County Government recruited 15 employees during the year and all were from the local dominant ethnic community, an indication that Management is not making any effort to bridge the existing ethnicity gap. This contravenes Section 65(1)(e) of the County Government Act, 2012, which requires that at least 30% of the vacant posts at entry level should be filled by candidates who are not from the dominant ethnic community in the County.

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

## **9. Irregularities in Training Management**

Examination of human resource records in relation to trainings expenditure revealed that Management did not carry out training monitoring and evaluation, employee performance appraisals and training impact assessments during the year. This was contrary to Section H.3(1) of the Public Service Commission Human Resource manual of May, 2016 which states that training in the Public Service shall be based on training needs assessment. In addition, Section H.3(3) states that selection of trainees for all training programmes will be based on identified needs and will emphasize on training for performance improvement that address individual, organizational and national goals. Further, the criteria of selection of personnel to attend various trainings could not be established because the trainings offered were not linked to employee performance appraisals and identified skills gaps.

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

## **10. Inefficiencies in the Operation of the Revenue Management System**

Review of contract documents for the Revenue Management System revealed that the County Executive contracted a Telcom Company for the design, deployment, and operationalization of the County Revenue Management System at a contract of Kshs.27,719,658 payable in three phases. The supporting documents revealed that the County Executive paid Kshs.17,517,718 to the Telcom Company that included a payment of Kshs.1,296,547 which represents a 4% share of revenue collected for the period from August, 2024 to May, 2025. However, the following weaknesses were noted in the contract;

- i. The system modules for citizen self-service portal, enforcement, and integration with Banks and hospital systems were not operational.
- ii. Integration with the County's banking systems had not been implemented, and manual reconciliations continued to be performed by revenue officers.
- iii. The County Executive had not implemented a hospital revenue management system for hospitals within the County that is linked to the county revenue

collection system. The County is therefore unable to centrally oversee the revenue collection and reporting process for the health facilities.

In the circumstances, value for money for the Revenue Management System of Kshs.17,517,718 could not be confirmed.

#### **11. Irregular Retention of Refundable Deposits and Prepayments**

Review of refundable deposits aging analysis revealed that deposits and retentions balances of Kshs.13,763,797 or 15% have been outstanding between 1 – 2 years, Kshs.6,699,967 or 7% for between 2 - 3 years and Kshs.39,691,164 or 42% had been retained for over 3 years with some dating to as back as the year 2015. Management did not explain the reasons for non-settlement of the refundable deposits and prepayments.

In the circumstances, the prolonged non-payment of retention monies may expose the entity to potential litigation, penalties, and interest claims.

#### **12. Irregular Procurement of Air Ticketing Services**

Included in the use of goods and services amount of Kshs.1,406,917,625 is foreign travel and subsistence amount totalling Kshs.5,250,573. However, review of procurement records revealed the following anomalies:

- i. The procurement plan for the financial year indicated that air ticketing services would be sourced through the Request for Quotation (RFQ) method. However, the services were procured through a framework agreement without documented justification or amendment to the procurement plan.
- ii. Seven (7) bidders responded to the framework bidding process, as required under Section 114(1)(c) of the Act and Regulation 102(1)(b), which mandates inclusion of a minimum of seven alternative vendors for each category. However, only two firms signed for the framework agreements with the County Executive. No contract agreements were provided for the remaining five bidders, raising concerns over the completeness and competitiveness of the framework arrangement.
- iii. Contrary to Regulation 101(2) of the Public Procurement Regulations 2020, the use of the framework agreement appeared to restrict fair competition. All orders were issued to a single supplier, African Touch Safaris Ltd, despite the existence of multiple vendors, indicating possible favoritism and a lack of equitable rotation. Notably, the said supplier was not among the 12 prequalified firms for air ticketing services.
- iv. Pricing terms were not clearly defined in the framework agreement. In addition, there was no documentary evidence of market surveys or value-for-money assessments before awarding contracts, contrary to Regulation 101(3)(a), which prohibits awards where prices exceed indicative market rates.
- v. There was no evidence that mini-competitions were conducted among framework contractors as required by Regulation 103(4) of the Public Procurement Regulations

2020. No written invitations, financial bids, or evaluation records were presented to confirm that contracts were awarded to the lowest evaluated tenderers.

- vi. The framework agreements did not specify essential details such as maximum quantities contrary to Regulations 102(1)(e) of the Public Procurement Regulations 2020 which requires an estimate of the total volume or scope of work or quantity of purchases expected to be made for the duration of the framework agreement, as appropriate; and details on ceiling prices contrary to Section 106(5) of the Public Procurement Regulations 2020, which requires that a procuring entity should ensure that the price or quantities for all the orders does not exceed any ceiling amount stated in the contract. Also, the individual LPOs lacked breakdowns necessary to establish full cost as required by Regulation 106(2) of the Public Procurement Regulations 2020 which requires that Individual orders shall include all the details required to establish the full cost or price for the delivery of goods, works or services.
- vii. The head of procurement did not prepare and submit the required quarterly reports on framework contract usage to the Accounting Officer and Internal Auditor as required by Regulation 134(3)) of the Public Procurement Regulations 2020

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

### **13. Conflict Between County Act and National Law**

The County in a bid to address development disparities through equality, equity and non-discrimination envisaged in Article 27 of the Constitution of Kenya, enacted specific local legislation to provide a framework for the allocation of funds to ward-based projects known as the Elgeyo Marakwet Development Act, 2015. However, review of the Act, revealed that there were sections that contradicted National Legislations such as the Public Procurement and Asset Disposal Act 2015 and Public Finance Management Act 2012 and Regulation, 2015 as detailed in Appendix II.

In addition, there is a risk of voiding projects initiated through a County legislation that is in conflict with National legislation in accordance with Article 191(1) and (2) of the Constitution of Kenya, that clarifies on conflicts between National and County legislation in respect of matters falling within the concurrent jurisdiction of both levels of government. National legislation prevails over County legislation.

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

### **14. Conflict of Interest by Members of County Assembly**

During the year under review, it was noted that the Members through the provisions of Section 17 of the Elgeyo Marakwet Equitable Development Act, 2015 were also members of Ward Development Committees in their respective wards. Section 19 of the Elgeyo Marakwet Equitable Development Act, 2015 gives the MCAs power to award tenders for ward-based contracts, monitoring and evaluating projects within the ward, ensuring compliance with the contract terms. It was therefore evident that the Members of County Assembly were involved in the executive functions which resulted to conflict of interest

contrary Section (2) County Government Act, 2012 which states that a member of the County Assembly shall not be directly or indirectly be involved in the— (a) executive functions of the County Government and its administration; or (b) delivery of services as if the member were an officer or employee of the County Government.

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

#### **15. Non-Compliance with Fiscal Responsibility Principles**

The statement of financial performance reflected total receipts of Kshs.5,013,283,841 and actual expenditure of Kshs.4,748,941,101. However, employee costs totalled Kshs.2,635,956,505, representing approximately 53% of total revenue which exceeded the 35% ceiling prescribed under 15(2)(b) of the Public Finance Management Act, 2012 . In addition, the County Executive Committee (CEC) Member for Finance and Economic Planning did not set a limit on the County Government's expenditure on wages and benefits for its public officers, contrary to Regulation 25(1)(a)) of the Public Finance Management (County Governments) Regulations, 2015.

Further, the County Government spent Kshs.4,748,941,101, out of which Kshs.4,516,480,644 (95%) was recurrent expenditure and Kshs.232,460,457 (5%) was development expenditure. It was noted that the development spending fell below the 30% minimum threshold required by 15(2)(a) of the Public Finance Management Act, 2012 which mandates that at least 30% of National and County Government budgets must be allocated to development expenditure over the medium term, promoting fiscal responsibility by ensuring funds go to growth, not just recurrent costs.

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

#### **16. Partial Funding of Projects**

During the year under review, the County Executive initiated and awarded twenty-two (22) contracts totaling Kshs.50,627,805 that were not executed to completion. Management explained that the partial funding was due to inadequate allocation of funds This was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which states that Accounting Officers shall not commence any procurement proceeding until satisfied that sufficient funds to meet the obligations of the resulting contract are reflected in its approved budget estimates. (9) An accounting officer who knowingly commences any procurement process without ascertaining whether the good, work or service is budgeted for, commits an offence under this Act.

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

#### **17. Project Verification**

Physical inspection of sampled water projects in July, 2025 revealed the following anomalies;

### **17.1 Muno Primary/Secondary Borehole Project**

Physical verification of the projects revealed that the County had a borehole project at Muno Primary and Secondary Schools at a contract sum of Kshs.3,123,000. However, there was no signage post installed at the project site. This obscured visibility of key project information such as name, contractor, source of funding, implementation timelines, and cost, undermining transparency and limiting public oversight. In addition, the borehole area was unprotected since no fencing was done. This exposed the borehole infrastructure to environmental degradation, vandalism, and posed safety hazards, especially to school children.

### **17.2 Kapsisi Water Project**

Verification of projects revealed that the County initiated Kapsisi Water Project at a contract sum of 3,101,900. However, there was no project signage erected at the site. In addition, the Water Facility lacked perimeter fencing, making it vulnerable to tampering or misuse. Although the water source infrastructure appeared installed, no piping network had been extended to the targeted beneficiary communities. This limited access and denied residents the intended benefits of a clean and reliable water supply, which was the primary goal of the investment.

### **17.3 Cheminya Water Project**

Physical verification of projects revealed that the County initiated Cheminya Water Project at a Contract Sum of Kshs.2,497,250. However, it was noted that two (2) Solar Panels were missing at the Project. It was also noted that the solar-powered system installed to support the water project was incomplete and yet panels were vital for powering pumps and ensuring continuous water flow.

In the circumstances, value for money for the incurred expenditure on water projects could not be confirmed.

## **18. Completion of Outpatient Block and Septic Tank at Kapteren Health Centre**

Review of records provided revealed that the County Executive entered into a contract with a local contractor in May 2024 at a contract sum of Kshs.4,589,732 to construct outpatient block and a septic tank at Kapteren Health Centre. However, physical verification done in month of July, 2025 revealed the following anomalies:

- i. Iron sheets used in roofing was gauge 30 instead of gauge 28 provided for in the bill of quantities.
- ii. Ablution block provided for in Bills of Quantities was not done.
- iii. Connection and piping of septic drainage was not done.
- iv. Leakages noted on the roof, the contractor not on site and the building not in use.

- v. There was no documentary evidence provided by the Project Implementation Committee on the Contract Management Plan that was to provide for review meetings, a risk register maintained to monitor all identified contract risks and their mitigation plan and a status report that include; executive summary report on performance of activities and budget; and any other issues relevant to the contract such as environmental and general observation on the performance rating.
- vi. There were two other blocks on the compound which were constructed to completion in 2013 and was meant to serve as maternity block and laboratory respectively. However, these two blocks have never been put to use. .

In the circumstances, there was no value for money on the outpatient block and septic tank at Kapteren Health Centre.

#### **19. Proposed Construction of One Bedroomed Staff House at Toror Health Centre, Soy North Ward**

Review of contract documents revealed that procurement requisition for the project was done and approved on 3 May, 2024. The successful bidders signed a contract agreement with the County Executive on 3 June, 2024 at a contract sum of Kshs.2,499,900 for a contract period of ninety (90) days. On 1 August, 2024, the contractor requested for contract extension covering the period 2 August, 2024 to 30 December, 2024. This request was granted by the procuring entity on 5 August, 2024. Inspection and acceptance was done on 20 December, 2024 and payment certificate for the entire contract sum was raised by the contractor on 22 January, 2025.

However, physical verification done in month of July, 2025 revealed the following anomalies;

- i. There was no documentary evidence provided by the Project Implementation Committee on the contract Management Plan that was to provide for review meetings, a risk register maintained to monitor all identified contract risks and their mitigation plan and a status report that include executive summary report on performance of activities and budget; and any other issues relevant to the contract such as environmental and general observation on the performance rating.
- ii. At the time of verification in July, 2025 the Project had already delayed by thirty-six (36) weeks based on the initial contract delivery date and twenty-eight (28) weeks since the lapse of the contract extension period.
- iii. Leakages were noted on the roof and the building was not in use.
- iv. There was no access road to the facility. It was however, not clear whether lack of access to the dispensary had been occasioned by illegal encroachment of the access road or lack of it.
- v. Ownership documents of the land on which the dispensary sits were not provided for audit review.

- vi. The Hospital serves less than ten (10) patients daily despite being a primary healthcare centre where patients are attended to at no cost. These low numbers may be as a result of the inaccessibility of the hospital and raises doubt on the effectiveness of the hospital and value for money for the constructed staff house.
- vii. The contractor was not on site and there was no activity ongoing at the time of physical verification.

In the circumstances, there was no value for money on the one bed-roomed staff house constructed at Toror Health Centre.

## **20. Other Projects Implementation Follow-Up**

During the year under review, the County Executive implemented several projects out of which fourteen (14) projects with a total value of Kshs.102,429,488 were not properly implemented as detailed in **Appendix III**.

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. Long Outstanding Payables – Refundable Deposits and Prepayments**

The statement of financial position reflects refundable deposits and prepayments balance of Kshs.93,654,265 as disclosed in Note 33 to the financial statements. Analysis of ageing balances revealed the status as follows; less than one (1) year Kshs.33,499,337; between 1-2 years Kshs.13,763,797; between 2-3 years Kshs.6,699,967 and over 3 years Kshs.39,691,164. Management did not explain why payments were not done.

In the circumstances, delay in payments of long outstanding debts might attract litigations against the County.

## **2. Lack of Fixed Asset Register**

Review of records revealed that the County Executive did not maintain a comprehensive fixed asset register detailing assets owned, their locations, acquisition dates, values and custodian's. This was contrary to Regulation 138(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires each County Government entity to maintain a register of all its assets in a form approved by the County Treasury.

In the circumstances, controls over fixed assets could not be confirmed.

## **3. Weaknesses in Information Communication Technology (ICT) Internal Control Environment**

Review of (ICT) internal control environment revealed the following deficiencies;

- i. The County did not have in place IT Strategic Committee and a Steering Committee which could provide guidance to IT-related decision-making processes.
- ii. There was no IT Business Continuity Plan and therefore, in case of a disaster the Entity may not recover critical information resources hence this may adversely affect the operations of the County.
- iii. the County Executive did not have a documented training program to build IT capacity.
- iv. The server room has air conditioning system however, the equipment was dysfunctional defeating the purpose for which it was installed.
- v. The server room lacked biometric access control system, environmental monitoring system to monitor the humidity and temperature in the server room and a closed-circuit television (CCTV) system to monitor access to the server room.

In the circumstances, effectiveness of the ICT controls could not be confirmed.

## **4. Deficiencies in Audit Committee and Internal Audit**

### **4.1 Deficiencies in Audit Committee Operations**

Review of the audit committee revealed the following anomalies;

- i. An annual report on the review of the independence, performance, and competence of the Internal Audit Unit was not published contrary to Regulation 159(2) of the Public Finance Management (County Governments) Regulations, 2015.
- ii. The Accounting Officer had not developed and submitted to the chairman of the audit committee a response and action plan to the recommendations made in the audit reports.
- iii. The Accounting Officer, who is responsible for implementation of audit recommendations, had not developed response and action plan on

implementation of audit recommendations and submitted the same to the chairperson of the Audit Committee.

- iv. The Accounting Officer had not developed policies and guidelines on Audit Committee, monitored the effectiveness of Audit Committees and provided periodic updates of audit committee activities through the county's website. This contravenes Regulation 175 of Public Finance Management (County governments) Regulations, 2015
- v. The Audit Committee had not reviewed, and reported to the Executive Management on, the significant financial reporting issues and judgements made in connection with the preparation of the county executive's financial statements.
- vi. The Audit Committee had not reviewed the County Executive's internal financial controls.
- vii. The Audit Committee had not performed independent review of the financial statements to ensure the integrity and transparency of the financial reporting process during the period under review.
- viii. The Audit Committee had not monitored and reviewed the effectiveness of the entity's internal audit function during the year under review.
- ix. Management had not provided evidence that the Audit Committee had assessed the performance of the Head of Internal Audit, monitored management's responsiveness to internal audit findings and recommendations, or evaluated the effectiveness of the internal audit function within the County's risk management framework during the period under review.
- x. One (1) Member of the Committee, who served in the previous committee, had his contract extended for a further period of three years. However, no evidence was provided to show that performance of this Member had been evaluated and that in deed he was reappointed based on the outcome of his performance appraisal.
- xi. The Audit Committee had not issued periodic, annual and special/investigative reports and that the same was made available to stakeholders.
- xii. The Audit Committee had not produced periodic reports to the Accounting Officer citing key issues affecting the operations of the County Executive during the period under audit.
- xiii. The Audit Committee did not carry out self- assessment and submitted to the Accounting Officer a report on its performance and achievements against its mandate, roles, duties, responsibilities, its composition, training, meetings, charter and performance to ensure that the audit committee is meeting its objectives efficiently and effectively.
- xiv. The Audit Committee had not sought feedback from the Senior Management on their effectiveness.

- xv. Both the Internal Audit Unit and the Audit Committee lacked independent budgets or authority to incur expenditure as they were left at the mercy of the Office of the Governor under whom they have been placed. This deprived the Audit Committee operational independence, in contravention of Regulation 155 of Public Finance Management (County Governments) Regulations, 2015 which gives the Head of Internal Audit unit in a County Government entity operational independence by requiring the Head of Internal Audit Unit to report administratively to the Accounting Officer and functionally to the Audit Committee.
- xvi. At the time of audit in July, 2025, two (2) Members of the Audit Committee who were members of the Institute of Certified Public Accountants of Kenya (ICPAK) were not in good professional standing.

#### **4.2 Deficiencies in Internal Audit Functions**

Review of the internal audit department revealed the following anomalies;

- i. The Head of Internal Audit unit had not provided evidence of annual report of self-assessment of the effectiveness of the Internal Audit Department and annual review of the performance to County Treasury.
- ii. The Internal Audit Department did not carry out risk assessments neither did they have in place risk register which is fundamental for effective internal audit.
- iii. The Internal Audit Unit had not undergone a professional assessment of its effectiveness by a professionally recognized body or institution in the last three years.
- iv. The Head of Internal Audit Department had not provided the Audit Committee with a progress report summarizing; work performed in comparison with the approved Annual Work Plan, reports on consulting engagements undertaken and other special assignments, risks which Management had accepted to undertake and were not acceptable according to the Internal Auditor's opinion, major disagreements with Management, reports on cooperation between internal and external audit and periodic management accounts.
- v. There was no organogram to inform operation structure and reporting relationships. In addition, it was noted that the Directorate had been placed under the Chief Officer in the Office of the Governor. Further, the Internal Audit Unit lacked independent budgets or authority to incur expenditure

In the circumstances, the County Executive may not have benefited from the audit and oversight.

#### **5. Manual Processing of Salary**

The County Executive processed employee's salary totalling Kshs.230,406,186 manually through payrolls maintained in excel. The use of manual payroll systems for salary processing is vulnerable to errors.

In the circumstances, salary processing 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 the 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) for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the County Executive's, ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using 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 County Executive's, financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

to influence the economic decisions of users taken on the basis of these financial statements.

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**9 December, 2025**

## Appendix 1: Unresolved Prior Year Matters

S/No.	Financial Year	Audit Issue
1	2023/2024	Variances Between Financial Statements and IFMIS Records
2	2023/2024	Unsupported Health Facilities Operational Bank Balances
3	2023/2024	Unsupported Pending Bills
4	2023/2024	Unsupported Expenditure on Legal Services
1	2023/2024	Failure to Establish a County Budget and Economic Forum
2	2023/2024	Excessive Budgetary Allocation to the County Assembly
3	2023/2024	Failure to Operationalize the Office of the County Attorney
4	2023/2024	Failure to Adhere to Ethnic Diversity Requirement in Employment
5	2023/2024	Non-submission of Financial Statements for Level 4 Hospitals
6	2023/2024	Conflict in the Law - The Elgeyo Marakwet Equitable Development Act, 2015
7	2023/2024	Conflict of Interest by Members of County Assembly on the County Executive Functions
8	2023/2024	Partial Funding of Projects
9	2023/2024	Non-Compliance with the 35% Wage Bill
10	2023/2024	Stalled Proposed Maintenance of Chepkerengoi Road in Sengwer Ward
11	2023/2024	Irregular Funding of National Government Functions
12	2023/2024	Irregular Payment of College Fees for KMTC Students
13	2023/2024	Implementation of Projects with no Value for Money
14	2023/2024	Non-Adherence to One Third Pay Policy
15	2023/2024	Irregular Implementation of Income Generating Activity Program (IGA)
1	2023/2024	Understaffing of Internal Audit Department
2	2023/2024	Operational Shortcomings in the Audit Committee
1		Payroll Management for the County Executive of Elgeyo Marakwet

## Appendix II: Conflict between County Act and National Law

No	Details of Contradicting Clause to Superior Law	Offending Sections in Equitable Development Act 2015	Public Procurement and Asset Disposal Act 2015 and PFM Act 2012 and Regulation 2015
1	Preferential award of tender to specific group as per EDA Act, 2015	Section 8 (2) Priority shall be given to eligible companies and registered groups in the ward where the tender is ward based.	Section 60 of the Public Procurement and Asset Disposal Act 2015 which highlights the requirement of a tender to include technical requirement which does not include preference in a certain group of suppliers or contractors domiciled in a geographical area.
2	EDA Act, 2015 encourages the using public participation process in all phases of the projects including planning, implementation and execution instead of only budget process according to PFM Act 2015	Section 10 (1) County officers shall promote and sustain public participation and to that effect, shall involve the communities, organizations and the people to be affected by any development project or activity in the county, sub-county ward and all other units established under the County Government Act, in all stages of decision-making process of the project or activity.	Section 125(2) of the PFM Act 2015 state that the County Executive Committee member for finance shall ensure that there is public participation in the budget process.  The implementation and budgeting process has been taken over from the county executive.
3	Use of ward development committee and project management committee in EDA Act, 2015 instead of Public Investment Management Unit at the County Treasury, which shall be the focal point for public investment	Section 16 and 21 of the EDA Act on establishment of the ward development committee and project management committee	Regulation 10 of the Public Finance Management (Public Investment Management) Regulations, 2022 which states that a County Treasury shall (a) establish a Public Investment Management Unit at the County Treasury, which shall be the focal point for public investment management for the County Government. Regulation 15. (1) states that an Accounting Officer in a County Government or its entity shall establish a project committee (2) The members shall be appointed from departments

No	Details of Contradicting Clause to Superior Law	Offending Sections in Equitable Development Act 2015	Public Procurement and Asset Disposal Act 2015 and PFM Act 2012 and Regulation 2015
	management for the County Government. PFM Act, 2022		within the Ministries, departments and agencies or other relevant County Government agencies.
4	Project management process such as pre-feasibility and feasibility and pre-appraisal and appraisal phases not captured in EDA Act 2015 but these are key phases in PFM Regulation 2022	EDA Act has omitted Project Pre-feasibility and pre-appraisal; (c) Project Feasibility and Appraisal;	Regulation 17 of the Public Finance Management (Public Investment Management) Regulations, 2022 highlight on the Public Investment Management Process which comprise of six distinct and sequential stages (a) Project Identification and Planning; (b) Project Pre-feasibility and pre-appraisal; (c) Project Feasibility and Appraisal; (d) Project Selection for Budgeting; (e) Implementation, Monitoring, Evaluation and Reporting; and (f) Project Closure, Sustainability and Ex-post Evaluation.

### Appendix III: Implementation of Other Projects

Project	Project Description	Amounts (Kshs)	Auditors' Observations
Tunyo Health Centre	Construction of Morgue	3,887,260	Although a 9 bodies fridge has been purchased and installed. Septic tank has not been constructed.
Maron/Marichor Dispensary	Construction of Male and Female wards	3,000,000	The project is complete but the wards are not in use since they are not equipped. Poor workmanship was also noted on the pavements. And the project not labelled.
Kamogo Health Centre	Construction of Male and Female wards	2,499,940	Project complete but not equipped.
Kabetwa Health Centre	Construction of Maternity Block and placenta pit	2,999,950	The maternity block had poorly installed grills and ventilations. Some gutters are missing while some are incorrectly fitted causing rainwater to drain onto the ground, no septic tank, no installed equipment, no running water, and remained non-operational.
Korion Primary School	Construction of Twin ECDE Classroom and 3 door pit latrines	2,699,990	Toilet not labelled and gutters for rainwater collection not installed
Kapcherop Sub County Hospital	Construction of outpatient department	21,224,289	Works were incomplete and ongoing, with flooring, painting, and door installations unfinished; equipment remained stored in a separate building and

Project	Project Description	Amounts (Kshs)	Auditors' Observations
			the block was not in use.
Kabiemit Ward	Proposed twin workshop and 3 doored pit latrines at Tambul vtc-kabiemit ward.	3,499,970	The workshop was partially equipped, lacked workbenches, and one room had been converted into a classroom.
Kabiemit Ward	Proposed construction of intake and Solar Equipping of Sugutek Water Project in Kabiemit Ward	2,179,850	Water supply and pipeline distribution to community not complete as only 4 households are connected.
Kabiemit Ward	Proposed Borehole Drilling at Kogibor Water Project in Kabiemit Ward	2,014,000	Borehole drilled however, the project is not in use as the installation of a solar pumping system and storage tank has not been undertaken.
Kaptarakwa Ward	Proposed opening and maintenance of AIC Twiga-chebororor Road in kaptarakwa ward	2,399,800	The Kenya Rural Roads Authority recently redid the road-gravelling works in October 2025. However, the drainage is not done and the culverts are clogged hence ineffective.
Metkei Ward	Proposed grading and levelling of kiptengwer primary school field in metkei ward	2,381,815	Field grading and levelling were not undertaken, leaving the ground uneven and unusable, despite full payment of the contract sum contrary to the contract and bill of quantities..

<b>Project</b>	<b>Project Description</b>	<b>Amounts (Kshs)</b>	<b>Auditors' Observations</b>
Soy South Ward	Proposed construction of katumoi ECDE and 3 door pit latrines - Soy south ward	2,699,700	It was noted that the classrooms roofs are leaking as a result of poor workmanship. It was observed that roofing timber had warped causing gaps between the iron sheets. The windows were poorly welded causing some windows to fall apart. The classrooms had not been connected to electricity despite the fact that installation of electrical works was already complete.
Iten County Referral Hospital	Construction of Amenity ward	10,987,030	The project is incomplete, stalled and abandoned.
Kamariny stadium	Expired Memorandum of understanding with Sports Kenya for Construction, management and maintenance of the Stadium	46,843,154	The project is now under Sports Kenya; however, it remained incomplete with no ongoing works, and the contractor was not on site during the October 2025 audit inspection
<b>Total</b>		<b>102,429,488</b>	

**Elgeyo Marakwet County Executive  
Annual Report and Financial Statements for the year ended June 30, 2025**

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

	Notes	2024-2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from CRF	6	5,013,283,841
Miscellaneous Revenue	7	-
<b>Total</b>		<b>5,013,283,841</b>
<b>Revenue from exchange transactions</b>		
Other income	8	-
<b>Total revenue</b>		<b>5,013,283,841</b>
<b>Expenses</b>		
Employee costs	9	2,635,956,505
Use of goods and services	10	1,406,917,625
Transfers to other Government Entities	11	329,558,301
Depreciation and amortization expense	12	19,905,456
Other Grants and Subsidies	13	128,384,936
Finance costs	14	-
Social Benefits	15	15,663,277
<b>Total expenses</b>		<b>4,536,386,100</b>
Gain/(loss) on sale of assets	16	-
Gain/Loss on Foreign Exchange	17	-
Gain/Loss on fair value of investments	18	-
Impairment loss	19	-
<b>Surplus for the year</b>		<b>476,897,741</b>
Taxation	20	-
<b>Net Surplus/</b>		<b>476,897,741</b>

The Financial Statements set out on pages 1 to 7 were signed by:

Name: Kipruto Chesos P  
Chief Officer Finance



*[Handwritten Signature]*

Name: John Keen Murkeu Jairo  
Director Accounting Services  
ICPAK M/No:8112

23 OCT 2025

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11. Statement of Financial Position as at 30 June 2025

	Notes	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	21	469,813,154	213,198,295
Receivables from Exchange Transactions	22	34,010,295	-
Receivables from Non-Exchange Transactions	23	-	-
Inventories	24	-	-
Current portion of investments	25	-	-
<b>Total Current Assets</b>		<b>503,823,449</b>	<b>213,198,295</b>
<b>Non-Current Assets</b>			
Receivables from Exchange Transactions	22(b)	-	-
Non- Current portion of investments	25	-	-
Property, Plant and Equipment	26	8,676,298,839	8,443,838,382
Intangible Assets	27	-	-
Investment Property	28	-	-
Right-of-use assets	29	-	-
Biological Assets	30	274,642,715	274,642,715
Tangible Natural Resources	31	-	-
<b>Total Non- Current Assets</b>		<b>8,950,941,554</b>	<b>8,718,481,097</b>
<b>Total Assets (A)</b>		<b>9,454,765,003</b>	<b>8,931,679,392</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	32	17,492,942	103,638,811
Refundable Deposits and Prepayments	33	93,654,265	101,382,146
Current Provision	34	19,905,456	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Employee Benefit Obligation	37	-	-
Current Portion of Borrowings	38	-	-
<b>Total Current Liabilities</b>		<b>131,052,663</b>	<b>205,020,957</b>

**Elgeyo Marakwet County Executive  
Annual Report and Financial Statements for the year ended June 30, 2025**

	Notes	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
<b>Non-Current Liabilities</b>			
Non-Current Provisions	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Non-Current Employee Benefit Obligation	37	-	-
Borrowings – Non-Current Portion	38	-	-
Service Concession Liability	39	-	-
<b>Total Non- Current Liabilities</b>		-	-
<b>Total Liabilities (B)</b>		<b>131,052,663</b>	<b>205,020,957</b>
<b>Net Assets(A-B)</b>		<b>9,323,712,340</b>	<b>8,726,658,435</b>
<b>Represented By:</b>			
Reserves		-	-
Accumulated Surplus		9,323,712,340	8,726,658,435
Capital Fund		-	-
<b>Net Assets</b>		<b>9,323,712,340</b>	<b>8,726,658,435</b>

The financial statements set out on pages 1 to 7 were signed by:

.....  
Name: Kipruto Chesos P  
Chief Officer Finance and  
Economic Planning



.....  
Name: JohnKeen Murkeu Jairo  
Director Accounting Services

**Elgeyo Marakwet County Executive  
Annual Report and Financial Statements for the year ended June 30, 2025**

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

	<b>Accumulated Surplus</b>	<b>Reserves</b>	<b>Capital Fund</b>	<b>Total</b>
<b>As at 30<sup>th</sup> June 2024 (cash basis)</b>	213,198,295	-	-	213,198,295
Adjustments:				
Recognition of assets	8,617,098,951	-	-	8,617,098,951
Recognition of liabilities	(103,638,811)			(103,638,811)
<b>As at July 1, 2024</b>	<b>8,726,658,435</b>	-	-	<b>8,726,658,435</b>
Return to CRF	-			-
Surplus/ deficit for the year	476,897,741	-	-	476,897,741
Other changes (Recognition of Assets and liabilities)	120,156,164	-	-	120,156,164
<b>As at June 30, 2025</b>	<b>9,323,712,340</b>	-	-	<b>9,323,712,340</b>

**Note:**

1. The amount of Sh.120,156,164 is the adjustment to recognize the assets and liabilities during the year.

Elgeyo Marakwet County Executive  
Annual Report and Financial Statements for the year ended June 30, 2025

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

		2024-2025
	Notes	Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from CRF		5,013,283,841
Miscellaneous Revenue		-
Other income		-
<b>Total receipts</b>		<b>5,013,283,841</b>
<b>Payments</b>		
Employee costs		2,635,956,505
Use of goods and services		1,406,917,625
Transfers to other Government Entities		329,558,301
Other Grants and Subsidies		128,384,936
Finance costs		-
Social Benefits		15,663,277
<b>Total payments</b>		<b>4,516,480,644</b>
<b>Net cash flows from/(used in) operating activities</b>	40	<b>496,803,197</b>
Adjustments for Decrease in Refundable deposits		(7,727,881)
Decrease in Trade and Other payables		(86,145,869)
Increase in Receivables from Exchange/Non Exchange transactions		(34,010,295)
Adjustments for Recognition of Assets and Liabilities		120,156,164
<b>Cash flows from investing activities</b>		
Purchase of PPE		(232,460,457)
Purchase Intangible assets		-
Proceeds from sale of PPE		-
Proceeds from sale of Biological Assets		-
Purchase of investments		-
Sale of investments		-
<b>Net cash flows from/(used in) investing activities</b>		<b>(232,460,457)</b>
<b>Cash flows from financing activities</b>		
Returns to CRF		-
Proceeds from borrowings		-

**Elgeyo Marakwet County Executive  
Annual Report and Financial Statements for the year ended June 30, 2025**

		<b>2024-2025</b>
	<b>Notes</b>	<b>Kshs</b>
Repayment of borrowings		-
<b>Net cash flows from financing Activities</b>		-
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>256,614,859</b>
Cash and cash equivalents at 1 July	21	213,198,295
<b>Cash and cash equivalents at 30 June</b>	21	<b>469,813,154</b>

*(PSASB has prescribed the use of the direct method for cash flow preparation)*

**Elgeyo Marakwet County Executive  
Annual Report and Financial Statements for the year ended June 30, 2025**

**14. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025  
Recurrent and Development Budgets Combined**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	D	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Budget carry overs (Special Purpose A/c)</b>						
<b>Receipts</b>						
Transfers from the CRF	5,393,199,775	650,695,763	6,043,895,538	5,013,283,841	1,030,611,697	83%
Other receipts	-	-	-	-	-	-
<b>Total Receipts</b>	<b>5,393,199,775</b>	<b>650,695,763</b>	<b>6,043,895,538</b>	<b>5,013,283,841</b>	<b>1,030,611,697</b>	<b>83%</b>
<b>Payments</b>						
Compensation of employees	2,759,825,493	-114,573,963	2,645,251,530	2,635,956,505	9,295,025	100%
Use of goods and services	1,742,389,519	545,599,965	2,287,989,484	1,406,917,625	115,866,484	61%
Subsidies	-	-	-	-	-	-
Transfers to other government units	456,805,771	125,225,382	582,031,153	329,558,301	252,472,852	57%
Other grants and transfers	156,789,376	-28,404,440	128,384,936	128,384,936	-	100%
Social security benefits	26,989,093	-11,024,441	15,964,652	15,663,277	301,375	98%
Acquisition of assets	250,400,523	132,973,260	383,373,783	232,460,457	150,913,326	61%
Finance costs, including loan interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	-	900,000	900,000	-	-	0%
<b>Total</b>	<b>5,393,199,775</b>	<b>650,695,763</b>	<b>6,043,895,538</b>	<b>4,748,941,101</b>	<b>1,291,031,647</b>	<b>79%</b>
<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>264,342,740</b>	<b>-</b>	<b>-</b>

**Elgeyo Marakwet County Executive  
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**Reconciliation table**

	Description of Particulars	Amount in Kshs
	<b>Actual Surplus Amounts as per the statement of Budget</b>	<b>264,342,740</b>
1	Decrease in Retention deposits	(7,727,881)
2	Decrease in Accounts payable	(86,145,869)
3	Increase in Receivables from Exchange Transactions	(34,010,295)
4	Increase in Receivables from Non Exchange transactions	
5	Recognition of Increase in assets	120,156,164
6	Opening Cash and Cash Equivalent as per the statement of Cash flows	213,198,295
	<b>Closing Cash and Cash Equivalent as per the statement of Cash flows</b>	<b>469,813,154</b>

**Budget Notes**

1. The overall absorption of funds was 79% during the year
2. The adjustment of Sh. 650,695,763 in the budget is the additional funds appropriated in the supplementary budget passed in the year.

## 15. Notes to the Financial Statements

### 1. General Information

Elgeyo Marakwet County Government is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities is to carry out devolved functions aimed at bringing services closer to the people and fostering social and economic development.

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

#### Statement of compliance

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

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1<sup>st</sup>/ 2<sup>nd</sup>/ 3<sup>rd</sup>/ years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33.

#### Basis of Preparation

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

#### Reporting period

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

Notes to the financial statements

**Critical accounting judgements**

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

**Recognition of revenue**

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

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

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

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

**Purpose and nature of financial instruments**

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

**Climate change obligations**

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO<sub>2</sub>eq. Entities commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

**Physical assets**

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

Elgeyo Marakwet County Executive  
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Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1<sup>st</sup> 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 1<sup>st</sup> January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <p><b>i. Providing further detailed guidance on the implementation of</b></p>

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

Standard	Effective date and impact:
	<p>commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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

Standard	Effective date and impact:
IPSAS 47- Revenue	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50:	<p><i>Applicable 1<sup>st</sup> January 2027</i></p>

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Standard	Effective date and impact:
Exploration For & Evaluation of Mineral Resources	<p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's 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.</li> </ul>

*iii) Early adoption of standards*

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

4. Summary of Significant Accounting Policies

- a) Revenue recognition
  - i) Revenue from non-exchange transactions

**Transfers from other government entities**

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

ii) **Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

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

b) **Budget information**

The original budget for FY 2024-2025 was approved by the County Assembly on 25<sup>th</sup> June, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final

**Elgeyo Marakwet County Executive  
Annual Reports and Financial Statements for the year ended June 30, 2025**

budget. Accordingly, the Entity recorded additional appropriations of Sh.1,604,793,169 on the 2024/2025 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

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

**c) Investment property**

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

**d) Property, plant and equipment**

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

e) Right of use asset

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

f) **Tangible Natural Resources**

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

**Leases**

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

that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**i) Financial instruments**

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

Notes to the Financial Statements (Continued)

**i. Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

Notes to the Financial Statements (Continued)

**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

**Fair value through surplus or deficit**

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

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss.

**ii. Financial liabilities**

**Classification**

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

Notes to the Financial Statements (Continued)

**j) Inventories**

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

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

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

**k) Provisions**

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

**l) Contingent liabilities**

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

Notes to the Financial Statements (Continued)

**m) Contingent assets**

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

**n) Nature and purpose of reserves**

The Entity did not create or maintain any reserves in terms of specific requirements.

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

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

**p) Employee benefits**

**Retirement benefit plans**

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

**q) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

**r) Borrowing costs**

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

**s) Related parties**

The *Entity* 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 *Entity*, or vice versa. Members of key management are regarded as related parties and comprise the Governor, Deputy governor, County Secretary, County Executive Committee Members and Chief Officers, Speaker of the county assembly and, Clerk of the county Assembly, Directors and senior managers.

**t) Service concession arrangements.**

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

**u) Cash and cash equivalents**

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

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

**v) Comparative figures**

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

**w) Subsequent events**

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

## 5. Significant Judgments and Sources of Estimation Uncertainty

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

### **Estimates and assumptions.**

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

### **Useful lives and residual value**

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

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

### **Provisions**

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

Elgeyo Marakwet County Executive  
Annual Reports and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers 2024-2025
			Kshs
Recurrent	3,715,888,122	-	3,715,888,122
Development	748,199,789	-	748,199,789
Special purpose transfers	549,195,930	-	549,195,930
<b>Total</b>	<b>5,013,283,841</b>	<b>-</b>	<b>5,013,283,841</b>

7. Miscellaneous Revenue

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

8. Other Incomes

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

Elgeyo Marakwet County Executive  
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Notes to the Financial Statements (Continued)

9. Employee Costs

Description	2024-2025
	Kshs
Basic salaries of permanent employees	1,071,381,146
Basic wages of temporary employees	254,977,693
Personal allowances – part of salary	1,045,559,242
Pension and other social security contributions	-
Employer contributions to compulsory national social security schemes	103,636,657
Employer contributions to compulsory national health insurance schemes	140,000,000
Employer contribution to compulsory housing scheme	-
Other social benefit schemes	18,327,811
Other personnel costs	2,073,956
<b>Total Employee costs</b>	<b>2,635,956,505</b>

10. Use of Goods and Services

Description	2024-2025
	Kshs
Utilities, supplies and services	10,215,909
Communication, supplies and services	1,993,960
Domestic travel and subsistence	306,170,703
Foreign travel and subsistence	5,250,573
Printing, advertising, and information supplies & services	2,512,677
Rentals of produced assets	-
Training expenses	7,636,014
Hospitality supplies and services	20,726,330
Insurance costs	16,941,547
Specialized materials and services	221,110,559
Other operating expenses	15,837,213
Office and general supplies and services	63,240,893
Fuel Oil and Lubricants	42,166,584
Routine maintenance – vehicles and other transport equipment	16,074,622
Routine maintenance – other assets	45,212,906
Routine Roads	482,547,653
Seeds and Breeding stock distribution	69,141,411
Construction of community infrastructure	80,138,071
<b>Total</b>	<b>1,406,917,625</b>

Elgeyo Marakwet County Executive  
Annual Reports and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

11. Transfers to Other Government Entities

Description	2024-2025
	Kshs
Transfers to car loan and mortgage schemes	-
Other Current Transfers -Donations	2,000,000
Other Current Transfers -Donations	800,000
Other Current Transfers Grants	235,633,243
Other Current Transfers -Grants	35,469,000
Other Current Transfers –DANIDA and User fees	27,660,533
Other Current Transfers -Grants	1,440,000
Other Current Transfers -Grants	17,799,000
Other Current Transfers -Grants	8,756,525
<b>Total</b>	<b>329,558,301</b>

12. Depreciation and Amortization Expense

Description	2024-2025
	Kshs
Property, plant and equipment	19,905,456
Intangible assets	-
Investment property carried at cost	-
<b>Total</b>	<b>19,905,456</b>

13. Other Grants and Subsidies

Description	2024-2025
	Kshs
Membership dues and subscriptions to international organizations	-
Scholarships and other educational benefits –ECD Capitation	18,085,042
Scholarships and other educational benefits-Bursaries	100,967,894
Grants to small businesses, cooperatives, and self employed	-
Scholarships and other educational benefits-Other Transfers	3,132,000
Other Transfers –Grants to VTC's	6,200,000
<b>Total Grants and Subsidies</b>	<b>128,384,936</b>

**Note:** The amount of **Sh.119,052,936** (Sh.18,085,042 and Sh.100,967,894) relating to ECD Capitation and Bursaries was transferred to Elgeyo Marakwet County Education fund during the year.

Elgeyo Marakwet County Executive  
**Annual Reports and Financial Statements for the year ended June 30, 2025**  
 Notes to the Financial Statements (Continued)

**14. Finance Costs**

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

**15. Social Benefits**

Description	2024-2025
	Kshs
Transfers to the elderly	-
Transfers to orphans	-
Transfers to the physically challenged	-
Gratuity	15,663,277
<b>Total social benefit expenses</b>	<b>15,663,277</b>

**16. Gain/Loss on Sale of Assets**

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

**17. Gain/Loss on Foreign Exchange**

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

18. Gain/Loss on Fair Value Investments

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

19. Impairment Loss

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

20. Taxation

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

21. Cash and Cash Equivalents

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Recurrent Account	1,505,148	3,868
Development Account	506,192	14,797,126
Deposits Account	93,654,265	101,382,146
Special Purpose Accounts	374,147,549	97,015,155
Other operating commercial accounts		
<b>Total</b>	<b>469,813,154</b>	<b>213,198,295</b>

Elgeyo Marakwet County Executive  
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Notes to the Financial Statements (Continued)

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

			Period ended 30 June 2025	Opening Statement 1 <sup>st</sup> July 2024
Financial Institution	Account number	Type	KShs	KShs
CBK, Development Account	100017391	Development	506,192	14,797,126
CBK, Recurrent Account	1000171421	Recurrent	1,505,148	3,868
CBK Road Maint Levy - Account	1000253948	Special purpose	52,760,853	5,462
CBK Dev of Youth polytechnic Account	1000367946	Special purpose	-	-
CBK Maternal Health Account	1000287748	Special purpose	80	80
CBK Retention monies	10002405571	Deposit account	93,654,265	101,382,146
CBK, KCSAP Account	1000364831	Special purpose	-	-
CBK, ASDSP Account	10004847	Special purpose	-	-
CBK, EMC-KDSP Account	1000433884	Special purpose	11,075,438	44,683,300
CBK COVID Account	1000455527	Special purpose	-	-
CBK Emergency Locusts Fund	1000524162	Special purpose	-	-
CBK Nutrition International	1000536257	Special purpose	2	1,721,016
CBK, EMC Primary Health	1000561211	Special purpose	43,675	605,297
CBK ,Elgeyo Marakwet Equalisation fund	1000737824	Special purpose	-	-
CBK, EMC Kenya Informal Settlements Improvement Project	1000737832	Special purpose	260,000,000	-
CBK, EMC Aggregated and Industrial Park	1000739088	Special purpose	50,000,000	50,000,000
CBK, EMC Kenya Livestock Commercialization Project	1000743115	Special Purpose	-	-
CBK, EMC Community Health	1000743123	Special Purpose	267,500	-
CBK, EMC Food Systems Resilience Program	1000744944	Special Purpose	-	-
<b>Total</b>			<b>469,813,154</b>	<b>213,198,295</b>

22. Receivables from Exchange Transactions

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Total receivables</b>		
Other exchange debtors –Prepaid Fuel and Insurance costs	34,010,295	-
Less: impairment allowance	-	-
<b>Total receivables</b>	<b>34,010,295</b>	-
a) Current receivables	34,010,295	-
b) Non-current receivables	-	-
<b>Total Receivables (a+b)</b>	<b>34,010,295</b>	-

i) Ageing analysis for Receivables

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
	2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	34,010,295	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	<b>34,010,295</b>	<b>%</b>	-	<b>%</b>

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance	2024-2025
	Kshs
At the beginning of the year	-
Additional allowance during the year	34,010,295
Recovered during the year	-
Written off during the year	-
At the end of the year	<b>34,010,295</b>

23. Receivables from Non-Exchange Transactions

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

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

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

24. Inventories

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

Elgeyo Marakwet County Executive  
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Notes to the Financial Statements (Continued)

Detailed disclosure on inventories

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

**25. Investments**

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

d) Movement of Equity Investments

	2024-2025
	Kshs
At the beginning of the year	-
Purchase of investments in the year	-
Sale of investments during the year	-
Increase /(decrease ) in fair value of investments	-
At the end of the year	-

e) Shareholding in other entities

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

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

**Elgeyo Marakwet County Executive  
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Notes to the Financial Statements (Continued)

**26. Property, Plant and Equipment**

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Machinery and Equipments	Total
<b>Depreciation Rate</b>		2-10%	10-16.67%	2-20%	12.5%	33.3%			10%	
<b>Cost</b>	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Opening Bal as at 1<sup>st</sup> July 2024</b>	440,215,934	2,071,290,972	289,717,584	4,568,331,646	293,472,636	23,785,947	-	-	757,023,663	8,443,838,382
Additions	-	64,277,125	23,871,826	67,540,871	3,282,725	7,476,140	-	-	66,011,770	232,460,457
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-	-
<b>As At 30 Jun 2025</b>	440,215,934	2,135,568,097	313,589,410	4,635,872,517	296,755,361	31,262,087	-	-	823,035,433	8,676,298,839
<b>Depreciation And Impairment</b>										
Depreciation for the year	-	1,285,543	2,387,183	6,754,087	410,341	2,467,126	-	-	289,717,584	19,905,456
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-	-
<b>As At Jun 2025</b>	-	1,285,543	2,387,183	6,754,087	410,341	2,467,126	-	-	6,601,177	19,905,456
<b>Net Book Values</b>										
<b>Opening Bal as at 1<sup>st</sup> July 2024</b>	440,215,934	2,071,290,972	289,717,584	4,568,331,646	293,472,636	23,785,947	-	-	757,023,663	8,443,838,382
<b>As At 30 Jun, 2025</b>	440,215,934	2,134,282,555	311,202,227	4,629,118,430	296,345,020	28,794,961	-	-	816,434,256	8,656,393,383

Elgeyo Marakwet County Executive  
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Notes to the Financial Statements (Continued)

27. Intangible Assets

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

28. Investment Property

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

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Notes to the Financial Statements (Continued)

29. Right-of-use assets

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

30. Biological Assets

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Seeds and Breeding stock	274,642,715	274,642,715
<b>Total</b>	<b>274,642,715</b>	<b>274,642,715</b>

31. Tangible Natural Resources

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

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32. Trade and Other Payables

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Trade payables-Pending bills	17,492,942		103,638,811	
Payments received in advance	-		-	
Employee payables	-		-	
Third-party payments	-		-	
Other payables	-		-	
<b>Total trade and other payables</b>	<b>17,492,942</b>		<b>103,638,811</b>	
<b>Ageing analysis: (Trade and other payables)</b>	<b>2024-2025</b>	<b>%</b>	<b>Opening balance</b>	<b>% of the Total</b>
Under one year	17,492,942	100%	103,638,811	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	<b>17,492,942</b>		<b>103,638,811</b>	

33. Refundable Deposits and Prepayments

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Customer deposits	-		-	
Prepayments	-		-	
Other deposits	93,654,265		101,382,146	
<b>Total deposits</b>	<b>93,654,265</b>		<b>101,382,146</b>	
<b>Ageing analysis: (Refundable deposits)</b>	<b>2024-2025</b>	<b>% of the Total</b>	<b>Opening Balance</b>	<b>% of the Total</b>
Under one year	33,499,337	36%	56,159,193	55%
1-2 years	13,763,797	15%	16,359,735	16%
2-3 years	6,699,967	7%	5,715,906	6%
Over 3 years	39,691,164	42%	23,147,312	23%
<b>Total</b>	<b>93,654,265</b>	<b>100%</b>	<b>101,382,146</b>	<b>100%</b>

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34. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
<b>Total provisions year end</b>	-	-	-	-
Current Provisions	-	-	19,905,456	19,905,456
Non-Current Provisions	-	-	-	-
<b>Total</b>	-	-	<b>19,905,456</b>	<b>19,905,456</b>

35. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

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

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Notes to the Financial Statements (Continued)

36. Deferred Income

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

The deferred income movement is as follows:

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

Analysed as:

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

37. Employee Benefit Obligations

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

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

**Retirement benefit Asset/ Liability**

The Entity does not operate defined benefit scheme for all full-time employees .On this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

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

**Recognition of Retirement Benefit Asset/ Liability**

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

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

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Notes to the Financial Statements (Continued)

b) Amounts recognized in the Statement of Financial Position

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

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a Contributory scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time per employee per month. Other than NSSF the Entity also has a Contributory scheme to Pension Fund and LAPFUND.

38. Borrowings

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

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

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

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

	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
Description	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

**39. Service Concession Arrangements Liability**

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

Notes to the Financial Statements (Continued)

40. Cash Generated from Operations

	2024-2025
	Kshs
Surplus for the year before tax	476,897,741
Adjusted for:	-
Depreciation	19,905,456
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
<b>Working capital adjustments</b>	-
Increase in inventory	-
Increase in receivables	-
Increase in deferred income	-
Increase in payables	-
Increase in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>496,803,197</b>

41. Financial Risk Management

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

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

i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks,

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as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

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

	<b>Total amount</b>	<b>Fully performing</b>	<b>Past due</b>	<b>Impaired</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>As at 30 June 2025</b>				
Receivables from exchange transactions	34,010,295	34,010,295	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	469,813,154	469,813,154	-	-
<b>Total</b>	<b>503,823,449</b>	<b>503,823,449</b>	<b>-</b>	<b>-</b>

**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.

ii) Liquidity risk management

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

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

Notes to the Financial Statements (Continued)

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2025</b>				
Trade payables	17,492,942	-	-	17,492,942
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>17,492,942</b>	<b>-</b>	<b>-</b>	<b>17,492,942</b>

**Financial Risk Management**

iii) Market risk

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

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

a) Foreign currency risk

The Entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk from future

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Notes to the Financial Statements (Continued)

**Financial Risk Management**

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

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

**Financial Risk Management**

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

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>20xx</b>			
Euro	10%	-	-
USD	10%	-	-
<b>20xx-1</b>			
Euro	10%	-	-
USD	10%	-	-

Notes to the Financial Statements (Continued)

**b) Interest rate risk**

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

**Financial Risk Management**

**Sensitivity analysis**

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Notes to the Financial Statements (Continued)

**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).
- 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.

**Financial Risk Management**

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

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Notes to the Financial Statements (Continued)

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

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

**iv) Capital Risk Management**

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

	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	9,323,712,340	8,726,658,435
<b>Total Funds</b>	<b>9,323,712,340</b>	<b>8,726,658,435</b>
Total Borrowings	-	-
Less: Cash And Bank Balances	469,813,154	213,198,295
Net Debt/(Excess Cash And Cash Equivalents)	<b>469,813,154</b>	<b>213,198,295</b>
<b>Gearing</b>	0%	0%

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Notes to the Financial Statements (Continued)

42. Related Party Disclosures

**Nature of related party relationships**

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

**Government of Kenya**

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

**Other related parties include:**

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

	2024-2025
	Kshs
<b>Transactions with related parties</b>	
<b>a) Sales to related parties</b>	
Others (specify) e.g. interest and bank charges	-
<b>Total</b>	-
<b>B) purchases from related parties</b>	
Purchases of electricity from KPLC	-
Purchase of water from govt service providers	-
Rent expenses paid to govt agencies	-
Training and conference fees paid to govt. Agencies	-
Others (specify)	-
<b>Total</b>	-
<b>b) Grants /transfers from the government</b>	
Grants from national govt	-
Grants from county government	-
Donations in kind	-
<b>Total</b>	-
<b>c) Expenses incurred on behalf of related party</b>	
Payments of salaries and wages for employees	-
Payments for goods and services	-
<b>Total</b>	-
<b>d) Key management compensation</b>	
Compensation to key management	-
<b>Total</b>	-

43. Segment Information

The County does not operate in different geographical regions or in segments

44. Contingent Assets and Contingent Liabilities

Contingent Assets

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

Contingent Liabilities

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

45. Capital Commitments

2024-2025	
Kshs	
<b>Capital Commitments</b>	
Authorised for	-
Authorised and contracted for	-
<b>Total</b>	-

Notes to the Financial Statements (Continued)

46. Program for Results (PforR) Disclosure

*This disclosure note is for entities implementing Programs for Results (PforR). Implementing entities are required to make disclosures in accordance with their respective financing agreements. The disclosure should capture the program's goal and expenditures designated in the expenditure framework.*

Name of PforR: xxxxxx		Name of Financing Partners: xxx and xxx				
Expenditure Details*	Opening Cumulative for Previous FYs		Current FY		Total Cumulative	
	Budget	Actual	Budget	Actual	Budget	Actual
Program code						
Sub-program						
Sub-program						
<b>Sub-total</b>						
Program code						
Sub-program						
Sub-program						
<b>Sub-total</b>						
<b>Total</b>	-	-	-	-	-	-

*Expenditure Details\* - Provide the details per your expenditure framework requirements. (Program, sub-program, and or economic item)*

47. Events after the Reporting Period

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

48. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

49. Currency

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

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16. Appendix

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status:	Timeframe:
				(Resolved /Not Resolved)	Date when you expect the issue to be resolved)
1	Variance between Financial Statements and IFMIS Records	With the technical assistance from the National Treasury, the variances between the Financial Statements and IFMIS Records has now been reconciled and the two sets now agree	Chief officer – Finance and Economic Planning	Not Resolved	3 months
2	Unsupported Health Facilities Operational Bank Accounts	The banks disclosed in the financial statements relate to operational accounts for various Level 2 (Dispensary) and 3 (Health Centers) across the County. The Bank statements, Bank Reconciliation statements and the Cashbooks at the health facilities. The Board of survey, bank reconciliations and bank statements as at 30 June 2024 have been availed to auditors for review	Chief officer –Health	Not Resolved	3 months
3	Unsupported Pending bills	The County has prepared a debt repayment plan for the settlement of all outstanding bills amounting to K.sh.103,636,606. The County is committed to clear all the outstanding pending bills in the financial year 2025/2026.	Chief officer –Health	Not Resolved	3 months
<b>Emphasis of Matters</b>					
1	Budgetary Control and Performance	The underfunding and delays in disbursement of funds greatly affected the implementation of planned activities on service delivery to the public. The last tranche of Equitable share was in the subsequent financial year	Chief officer – Finance	Not Resolved	3 months
2	Un-resolved prior year matters	The County Executive is making up a follow up with the office of Auditor General for resolution of un-resolved issues from previous audit reports	Chief officer – Finance and Economic planning	Not Resolved	6 months
<b>Lawfulness and Effectiveness in use of Public Resources</b>					

**Elgeyo Marakwet County Executive  
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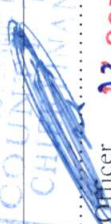
<b>1</b>	Unsupported Expenditure on Legal services	The payment on legal fees is now full supported with fee notes, court ruling documents and contract agreement.	Chief officer –Office of the Governor	Not Resolved	3 months
<b>2</b>	Failure to establish County Budget and Economic Forum	The County Government of Elgeyo Marakwet has established the County Budget and Economic Forum (CBEF) as per the Kenya Gazette Notice No.4356 of 12th April 2024.	Chief officer –Office of the Governor	Not Resolved	3 months
<b>3</b>	Excessive allocation to the County Assembly	The ceiling to the County Assemblies depends on Commission on Revenue Allocation (CRA) recommendation to the Senate. The Senate would approve the ceiling with or without amendments under the County Allocation of Revenue Act (CARA).	Chief officer – Finance and Economic planning	Not Resolved	6 months
<b>4</b>	Failure to Operationalize the Office of the County Attorney	The position for the County Attorney was advertised on 22nd April, 2024 on standard newspaper and the position has since been filled and gazetted vide Kenya Gazette notice No.15621 dated 27th November,2024 are attached	Chief officer –Office of the Governor	Not Resolved	3 months
<b>5</b>	Failure to Adhere to Ethnic Diversity Requirements in Employment	The County is making an effort to bridge the existing ethnic gap of ethnic composition of the workforce	Secretary –CPSB	Not Resolved	3 months
<b>6</b>	Non-submission of Financial Statements for Level 4 Hospitals	The five health facilities namely; Chesoi, Kamwosor, Kaptarakwa, Kochohwo and Tot which had been earmarked for upgrade to Level 4 did not meet minimum requirements of KMPDC as Level 4 hospitals. The same were designated and gazetted as Level 3A and 3B which are not required to submit financial statements to the office of Auditor General.	Chief officer –Health	Not Resolved	9 months
<b>7</b>	Conflict of Laws - The Elgeyo Marakwet Equitable Development Act, 2015	The conflicting provisions between Elgeyo Marakwet Equitable Development Act 2015 (EDA 2015) and Public Finance Management Act, 2012, the Public Procurement and Assets Disposal Act, 2015 and the Constitution of Kenya 2010 is noted. The Executive arm in consultation with County Assembly commits to initiate the process of amending the highlighted conflicting sections of EDA 2015 to conform with other National Laws	Chief officer – Finance and Economic Planning	Not Resolved	6 months
<b>8</b>	Conflict of Interest by Members of County Assembly on the County Executive Functions	The Executive arm in consultation with County Assembly commits to instituting the process of amending the highlighted conflicting sections of EDA 2015 to conform with other National Laws	Chief officer – Finance and Economic Planning	Not Resolved	3 months

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9	9. Partial Funding of Projects	Due to Budgetary constraints the capital projects is to be implemented in phases. Most water projects involve construction of water Intake, Desilting, Distribution and pipeline extention.	Chief officer –Water	Not Resolved	3 months
10	Non-Compliance with the 35% Wage Bill	Staff rationalization through staff re-designation/ and redeployment of existing staff to be done to reduce the wage bill	Chief officer –Public Service Management	Not Resolved	3 months
11	Stalled Proposed Maintenance of Chepkerengoi Road in Sengwer Ward	Implementation of the project was halted by a pending court case which has not been concluded, However the contractor was instructed to work on an alternative route that serves the community. The alternative road has since been completed.	Chief officer –Roads	Not Resolved	3 months
12	Irregular Funding of National Government Functions	The county government undertakes community infrastructural development in Wards to be used by the communities and schools. Since there are no community fields, the respective communities identifies and recommends fields to be developed by the County government in primary schools through public participation and Ward development committees (WDC).	Chief officer –Roads	Not Resolved	3 months
13	Irregular Payment of College Fees for KMTC Students	Among the mandate of the department is social economic empowerment and this entails youth skills development in various trades, life skills, Entrepreneurship and equipping the beneficiaries with basic startup equipment's. In pursuance of the foregoing the Wards under equitable development act (EDA) set aside money to be used in this program. This is subsequently reflected in Annual Development Plan (ADP). For recruitment, an advert is raised and applicants are subjected to interviews by the department in conjunction with KCB at the ward level after which selected candidates are placed in different selected VTCs across the ward.	Chief officer –Youth and Sports	Not Resolved	3 months
14	Implementation of Projects with no value for Money	The county government allocated more funds for equipping and operationalizing of the listed projects in order to achieve value for money	Chief officers – Various departments	Not Resolved	3 months
15	Non-Adherence to One Third Pay Policy	Implementation of new rates for the public service superannuation scheme, NSSF (Tier 1 and 2), NITA and Housing Levy affected employees pay. The 1/3 rule on the affected employees has since be corrected	Chief officer –Youth and Sports	Not Resolved	3 months

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16	Irregular Implementation of Income Generating Activity Program (IGA)	Training of project beneficiaries is a continuous process that is carried out routinely by line officers being part of the duty of Social Development Officers posted across the County. The training commences from mobilization, sensitization, project item identification, distribution and post project items distributing IGA program had no clear structure and detailed monitoring mechanism that was regularly utilized to monitor and evaluate the program activities to establish the progress, achievements and failures	Chief officer – Youth and Sports	Not Resolved	3 months
	<b>Report on Effectiveness of Internal Controls, Risk Management And Governance</b>				
1	Understaffing of Internal Audit Department	Due to budgetary constraint the County is not able to meet the required internal audit staffing as per the staff establishment; the County Government intends to gradually recruit more internal audit staff once funds are available.	Chief officer –Office of the Governor	Not Resolved	3 months
2	Operational Shortcomings in the Audit Committee	The aud committee is now fully constituted. The Internal Audit work plans have been developed	Chief officer –Office of the Governor	Not Resolved	3 months
3	Information and Communication Technology (ICT) Controls and Data Environment	The Audit Committee has since developed its Calendar of activities for the subsequent financial years and a register for declaration of interest, attendance of meetings, and declaration of gifts registers has been maintained for that purpose. The existing ICT Policy in place is due for review to incorporate disaster management and business continuity, system development, testing and deployment policies The department has initiated development of Closed-Circuit Television (CCTV) installations at strategic service points at the ICT office to enhance surveillance and data security in the server room and in the county generally.	Chief officer –PSM	Not Resolved	3 months

  
 COUNTY GOVERNMENT, ELGEYO MARAKWET COUNTY  
 CHIEF FINANCE OFFICER  
**13 OCT 2025**  
 Sign:.....  
 P. O. Box 220 - 30700 ERM

.....  
 Accounting Officer  
 Date: **13.10.2025**

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Appendix II: Projects implemented by (The Entity)

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

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

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Deferred Income	Receivables	Others must be specific		
<b>World Bank</b>									
DANIDA	June 25	Recurrent	5,947,500	5,947,500	-	-	-	-	5,947,500
Kenya Livestock commercialization project	June 25	Development	39,998,624	39,998,624	-	-	-	-	39,998,624
Food Systems Resilience Project	June 25	Development	70,127,132	70,127,132	-	-	-	-	70,127,132
KISIP (II)	June 25	Development	260,000,000	260,000,000	-	-	-	-	260,000,000
KUSP	June 25	Development	41,251,578	41,251,578	-	-	-	-	41,251,578
RMLF	June 25	Development	52,755,391	52,755,391	-	-	-	-	52,755,391



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Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source	Of	Implementing Partners
				Q1	Q2	Q3	Q4	Funds		



Appendix VII: Disaster Expenditure Reporting Template

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

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Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2023-2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2024-2025
Land	440,215,934	-	-	-	440,215,934
Buildings and structures	2,071,290,972	64,277,125	-	-	2,215,706,168
Transport equipment	289,717,584	23,871,826	-	-	313,589,410
Office equipment, furniture and fittings	293,472,636	3,282,725	-	-	296,755,361
ICT Equipment	23,785,947	7,476,140	-	-	31,262,087
Machinery and Equipment	757,023,663	66,011,770	-	-	823,035,433
Biological assets	-	-	-	-	-
Infrastructure Assets- Roads, Rails	4,568,331,646	67,540,871	-	-	4,635,872,517
Heritage and cultural assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Work in Progress	-	-	-	-	-
<b>Total</b>	<b>8,443,838,382</b>	<b>232,460,457</b>	<b>-</b>	<b>-</b>	<b>8,676,298,839</b>

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**Note:**

The figure of **Sh.8,388,902,864** for the PPE comprise of Assets acquired by the County Government and Defunct Local Authorities as tabulated below

Asset class	County Government	Defunct Local Authorities	Total Cost
Land	128,775,934	311,440,000	440,215,934
Buildings And Structures	1,879,152,695	192,138,277	2,071,290,972
Transport Equipment	232,860,120	56,857,464	289,717,584
Office Equipment, Furniture And Fittings	288,601,711	4,870,925	293,472,636
ICT Equipment	20,203,447	3,582,500	23,785,947
Machinery And Equipment	757,023,663	-	757,023,663
Infrastructure Assets- Roads, Rails	4,513,396,128	-	4,513,396,128
<b>Total -PPE</b>	<b>7,820,013,698</b>	<b>568,889,166</b>	<b>8,388,902,864</b>