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REPORT

OF

THE AUDITOR-GENERAL

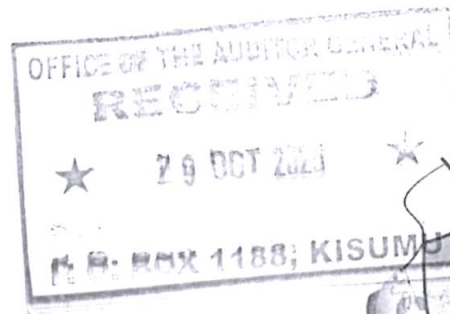
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COUNTY EXECUTIVE OF SIAYA

FOR THE YEAR ENDED
30 JUNE, 2025



RF



SIAYA COUNTY EXECUTIVE

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

Transitional IPSAS Financial Statements

**Siaya 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

Example

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

(This list is an indication of acronyms, abbreviations, and key terms; the County entity should include all from the annual report and financial statements prepared)

**Siaya County Executive
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2. Key Entity Information and Management

a) Background information

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

No.	Department	Major Responsibility
1.	Finance and Economic Planning	Management of County Treasury and Planning
2.	Governance , Administration and ICT	Effective administration, provision of holistic, inclusive, and quality services to all through effective stakeholder engagement, formulation and implementation of relevant legislations, policies and plans.
1.	Agriculture ,Irrigation, Food Security and Livestock and Fisheries	Overseeing County Agriculture, livestock and fisheries industry for sustainable food security, income generation and employment creation
2.	Water , Sanitation, Environment, Climate Change and Natural Resources	Promoting, conserving and protecting life, environments and improving access to water and sanitation for sustainable development
3.	Education ,Youth Affairs, Gender and Services	Providing sustainable Education and Training, Social protection, Mentorship programmes and Sports
4.	Health	Providing quality healthcare for all
5.	Lands, Physical Planning, Housing And Urban Development	Facilitating management of land, access to decent and affordable housing and efficient and responsive urban development
6.	Public Works, Energy, Roads And Transport	Providing a well-maintained road network system and other related county transport infrastructure and efficiently utilizing energy resource for sustainable socio-economic growth and development
7.	Trade, Enterprise And Industrialization	Promoting and Coordinating Enterprise, Cooperative and Industrial development through strategic interventions
8.	Tourism, Culture, Sports And Arts	developing and marketing diverse tourism products; preserving and promote cultural heritage; improve ICT enabled service delivery and nurture and expose arts talents.

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b) Key Management team

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

1. Office of the Governor
2. Department of Finance and Economic Planning
3. Department of Governance , Administration and ICT
4. Department of Agriculture ,Irrigation, Food Security and Livestock and Fisheries
5. Department of Water , Sanitation, Environment, Climate Change and Natural Resources
6. Department of Education ,Youth Affairs, Gender and Services
7. Department of Health
8. Department of Lands, Physical Planning, Housing And Urban Development
9. Department of Public Works, Energy, Roads And Transport
10. Department of Trade, Enterprise And Industrialization
11. Department of Tourism, Culture, Sports And Arts

c) Fiduciary Management

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

No.	Designation	Name
1.	CECM Finance and Economic Planning	Hon. George Odhiarn Nying'iro
2.	Accounting Officer-Department Finance & Economic Planning	Ouma Jacktone Odin
3.	Accounting Officer-Department of Governance , Administration and ICT	Walter Okello
4.	Accounting Officer-Department of Tourism, Culture, Sports And Arts	Judith Oyugi
5.	Accounting Officer-Department of Education , Youth Affairs, Gender and Services	Richard Ogeda
6.	Accounting Officer-Department- Water , Sanitation, Environment, Climate Change and Natural Resources	Michael Ombambo
7.	Accounting Officer-Department of Lands, Physical Planning, Housing And Urban Development	Joseph Omondi
8.	Accounting Officer-Department of Health	Dr. Samuel Omondi
9.	Accounting Officer-Department Trade, Enterprise And Industrialization	Elizabeth Adongo
10.	Accounting Officer- Agriculture ,Irrigation, Food Security and Livestock and Fisheries	Elizabeth Adongo
11.	Accounting Officer-Department of Public Works, Energy, Roads And Transport	Kevin Ajuul

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d) Fiduciary Oversight Arrangements

No.	Designation	Fiduciary Activity
1.	Siaya County Assembly	Overall oversight of County operations
2.	Public Accounts and Investments Committee	Interrogation of FY 2023/2024 OAG reports
3.	Finance Committee	Preparation of Finance bill and review of Quarterly Financial Reports
4.	Budget and Appropriations Committee	Preparation of Appropriation bill
5.	Controller of Budget	Authorization of withdrawals from CRF
6.	Office of the Auditor General	Audit of Financial statements for FY 2024/2025

e) County Executive/Assembly Headquarters

P.O. Box 803 - 40600

Siaya County Headquarters,

Siaya, Kenya **NAIROBI, KENYA**

f) County Executive/Assembly Contacts

Telephone: (254) 792 631 619

E-mail: info@siaya.go.ke

Website: www.siaya.go.ke

g) County Executive/Assembly Bankers

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

2. Other Commercial Banks

i. Kenya Commercial Bank

P.O. Box ,52-40600

Siaya Kenya

ii. Co-operative Bank of Kenya

P.O.Box 847-40600

Siaya, Kenya

iii. Equity Bank Siaya

P.O Box 253-40600

SIAYA

iv. Faulu Bank Limited

P.O. Box60240-40600

NAIROBI



v. Independent Auditor

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

vi. Principal Legal Adviser

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

vii. County Attorney

P.O. Box 803-40600
Siaya County Headquarters
Siaya, KENYA

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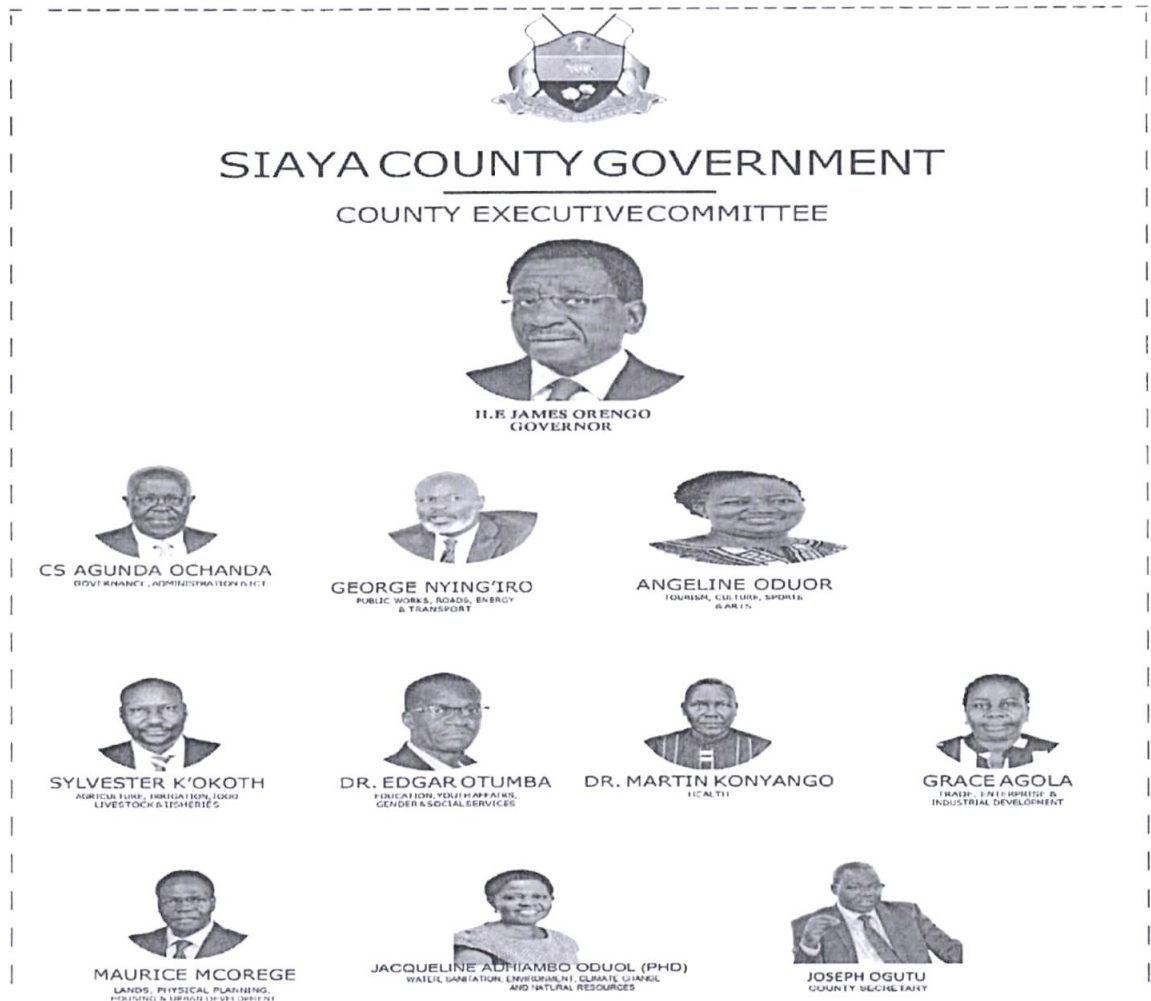
3. Governance Statement

Siaya 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

a. Siaya County Executive Governance Structure



- b. How the County deals with the stakeholders especially on matters that require public participation
- There is Siaya County Public Participation & Petitions Act, 2015 provides for mechanisms, processes and procedures with regard to:
 - ✓ Section 29 – Communication by Directorate
 - ✓ Section 30 – Notification by Directorate
 - ✓ Section 31 – County citizens’ participation forum
 - There is also Siaya County Public Participation Guidelines
 - ✓ Section 3 (d) – Access to information and public communication
 - ✓ 3 (e) - Stakeholder Mapping, mobilization and outreach for public engagement. The County has undertaken stakeholders mapping upon which it has developed stakeholders’ registers per department
 - There is no specific provision on whistleblowing
- c. Safeguards against unethical conduct and corruption
- Sensitization of staff on national values and principles of governance and Ethics and Anti-corruption
 - In partnership with the EACC, the County government undertook Corruption Risk Assessment and the report was launched and disseminated across all the departments and the general public
 - Engagement with the County Assembly

There are 10 sectoral committees of the County Assembly aligned to the corresponding departments of the county Executive

Functions of Sectoral Committees

- Investigate, inquire into and report on all matters relating to county departments
- Study the programmes and policy objectives of the departments and the effectiveness of implementation
- Study and review all county legislation referred to it
- Assess the success of county departments on the basis of results achieved compared to the stated objectives

d. Risk Management

- i. Are there effective arrangements for risk management and internal controls?
- ii. Are there formal processes to identify and assess risks?
- iii. Are there formal processes to analyze risks as a basis for how they should be managed?
- iv. Are there formal processes to assess changes in the internal and external environments which could give rise to risks?
- v. Are risks identified and analyzed in the period and how they were management?

In order to address the above, the County government has Internal Audit directorate and the Audit Committee in place-

i. Audit Committee

The Audit Committee should ensure that risk management is implemented in the County Government as per Regulations 168 (a), and (b) of the Public Finance Management Regulations,

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2015, Guidelines 3.1 (d) (iii) and (iv), 3.2 (a) and (b), (i), 3.3.4 (a), (b) and (c) of the Audit Committee Guidelines for County Governments (Kenya Gazette Notice No. 2690 of 15th April 2016) by:

- (a) Supporting the Accounting Officers with regard to their responsibilities for issues of risk, control and governance and associated assurance provided that the responsibility over the management of risk, control and governance processes remains with the management.
- (b) Following up on the implementation of the recommendations of internal and external auditors.

Mandate

The Audit Committee is responsible for communicating with the internal and external auditors. In its oversight role, the committee shall focus on:

- (a) Audit findings, including comments on governance, risk and controls.
- (b) Proposed audit scope and audit coverage and approaches with respect to complex, high risks, and judgment areas.

Roles

The Audit Committee is play a key role with respect to the integrity of the County Government's financial information, its system of governance, risk and internal controls and the legal and ethical conduct of management and County public servants.

Depending upon circumstances affecting the County Government, the function undertaken by the Audit Committee shall generally encompass on evaluating whether processes are in place to address key roles and responsibilities in relation to risk management.

Responsibilities

- (a) The audit committee to review the County Government's internal financial controls (that is, the systems established to identify, assess, manage and monitor financial risks).
 - (b) The County Government 's management is responsible for the identification, assessment, management and monitoring of risk, for developing, operating and monitoring the system of internal control and for providing assurance to the County Executive Committee that it has done so.
- The Audit Committee to receive and review quarterly strategic risk management reports

ii. Internal Audit – Sec. 155 of the PFMA,2012

Internal Audit shall:

- Ensure processes used by management to identify all significant risks are effective;
- Ensure that risks are correctly assessed by management in order to prioritize them;
- Evaluate risk management processes, to ensure the response to any risk is appropriate and conforms to County Government policies;
- Evaluate the reporting of key risks by Accounting Officers to the County Executive Committee;
- Review the management of key risks by Accounting Officers to ensure controls have been put into operation and are being monitored;
- Promote the county government wide culture of risk management;
- Prepare reports to the Audit Committee regarding the control environment within the County Government; and

g. Compliance

The County is governed by the following laws.
PFMA, 2012 & Regulations 2015
CGA, 2012

▪ **Other governance issue**

There is need to put in place:

- ✓ County Risk Management Policy Framework
- ✓ County Disaster Risk Management Policy
- ✓ Supply Chain Risk Management practices
- ✓ Public Finance Management Standing Committee

The Public Finance Management Standing Committee shall be required to ensure that risk management is implemented in the County Government as per Regulation 19 (1), (a), (c), and (g) of the Public Finance Management Regulations, 2015 by:

- ✓ Ensuring that there is prioritization on resources allocated to the County Government for the smooth implementation of its mission, strategy, goals, risk policy plans and objectives;
 - ✓ Identifying risks and implementation of appropriate measures to manage such risks or anticipated changes impacting on the Government of Makueni County; and
 - ✓ Monitoring timely resolution of audit issues
- The Public Finance Management Act, 2012 and its accompanying regulations of 2015. Regulation 165 (1) requires accounting officers to ensure that government entities develop;
- ✓ risk management strategies, which include fraud prevention mechanisms; and
 - ✓ a system of risk management and internal control that builds robust business operations.

4. Foreword by CECM Finance and Economic Planning

It is my pleasure to present the County Government of Siaya financial statements for the year ended 30th June 2025. The financial statements present the financial performance of the Siaya County Revenue Fund over the past year.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

a. Financing of the County Governments

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. They key local revenue sources for Siaya County included business permits, land rates, business plan approval, plot rents, cesses and various other administrative charges.

The County continues to explore new and innovative ways of increasing its local revenue collections. Some of the steps that the County has taken towards improving its revenue collections include:

- 1) Automation of revenue collection system – the County is currently in the process of sourcing for competent firm to undertake full automation of its revenue collection.
- 2) Consultancy on revenue potential – the County has engaged its staff through a centralized committee to study the County revenue potential and advise the County on new streams of revenue and ways of enhancing the current streams to achieve their full potential.

b. Financial Performance

i. Revenue

In the year ended 30th June 2025 the County had projected revenues of Kshs.10,948,133,478 consisting of Kshs.1,044,061,306.00 from own sources and Kshs.7,545,450,410 from Equitable share Kshs. 698,115,420.00 from conditional Grants and Kshs. 1,660,506,342 as balance brought forward.

A graphical representation of the revenue budget is as shown below:



Figure 1: Siaya County revenue sources in FY2024/2025

CARA revenues (Equitable shares) continue to form the largest part of our revenue budget, contributing 6 % towards our budget whereas and CGAA (Conditional grants), own generated revenues and Balance brought forward formed 7%, 16% and 8% of our budget respectively.

Out of the projected revenue, the County was able to realize Kshs.8,226,249,822.90 in actual revenues, representing 75% performance. This good performance was as a result of high realization of CARA revenue. In the table below, we present an analysis of revenue performance during the year.

Table 1: Revenue performance in FY 2024/2025

Revenue classification	Revenue budget (Kshs)	Actual (Kshs)	Realization (%)
Balance Brought Forward	1,660,506,342.00	581,041,559.00	5%
CARA	7,545,450,410.00	7,301,472,443.00	67%
CGAA	698,115,420.00	111,448,420.90	1%
Own generated revenues	1,044,061,306.00	232,287,400.00	2%
Total	10,948,133,478.00	8,226,249,822.90	75%

During the year under review Own generated revenue was Kshs.948,124,858 representing 92% performance out of which Kshs.232,287,400 was transferred to the CRF, Kshs.521,168,230 as AIA and Kshs. 194,669,228 as receivables. Kshs. 194,669,228 comprise of Kshs. 63,361,905 being receivable to be transferred to CRF and Kshs.131,307,323 being receivable to be utilised as AIA

ii. Payments

Our total expenditure for the year amounted to Kshs. 7,486,087,487.10 Out of which Kshs 2,666,511,909 was spent on development expenditure while Kshs.4,819,575,578.10 was spent on recurrent expenditure representing 35% and 65% respectively. Out of the Recurrent Expenditure of Kshs 4,819,575,578.10 an amount of Kshs.3,008,852,595.20 was spent on Personnel Emoluments and Kshs. 1,744,523,671.92 on Operation and Maintenance representing 62% and 36% respectively. Expenditure on Personnel Emoluments represented 62% of Recurrent Expenditure and 40% of the total expenditure.

iii. Cash flows

In the FY 2024/2025, we had many liquidity disruptions. This was as a result of late disbursements by the National Treasury. Cash and cash equivalents decreased from Kshs.89,024,823.40 as at 30th June 2024 to Kshs 4,302,184.30 as at 30th June 2025. The cash and cash equivalent for Saiya county executive as 1st July 2024 was adjusted by Kshs.57,553,437 from Kshs.89,024,823.40 to Kshs. 31,471,386.40. The Kshs. 57,553,437 is a reconciled cash book balance for Siaya County Climate Change fund reported in their separate financial statement.

iv. Accounts receivables

Imprest management is a critical area of focus in Siaya County. Our aim is to adhere to the PFM regulations on imprest management. In the financial year under review Outstanding Imprest was Kshs. 5,139,474 against last year's amount of Kshs. 5,026,471. We appreciate that there is still room for improvement in this area. Going into FY 2025/2026, we will place more emphasis on complying with the PFM regulations with regards to imprests. Currently Imprest management has been centralized to control issuance of imprest, ensure that no officer holds more than one imprest, and enhance adherence to recovery deadline of 14 days after advancement of imprests.

v. Fixed assets

Siaya County has made significant investments in fixed assets since coming into office in 2013. Additionally, we inherited some assets from the defunct municipal council. We have the process of developing a comprehensive asset management policy. The policy will among other things incorporate physical verification of all assets, valuation of assets, tagging of assets and maintenance of asset registers.

vi. Physical progress since establishment of the County Government

Economic Pillar

This pillar targeted to uplift the economy of Siaya by improving the economic prosperity of the County through investments in Enterprise and Industrial Development; Financial Services; Tourism, Culture and Sports; and Agriculture, Irrigation, Food, Livestock and Fisheries

The contribution of Siaya to the GDP was estimated at 1% equivalent to Ksh. 15.4 billion. Out of Ksh. 15.4 billion, Agriculture accounts for 60% which is equivalent to Ksh. 9.2 billion (Gross County Product Report 2021). The contribution of agriculture can be attributed by the county's deliberate investment in crop, livestock and fisheries production and productivity. Cognizant of the potential of

Agriculture in the county, the sector will subsequently adopt a value chain approach that is expected to create jobs, improve livelihood and ultimately improve the economy of Siaya.

To create a conducive business environment that support trade and investment, the county trained 540 SMEs on e-business and linked 30 SMEs to EPZ; improved market infrastructure across the county and strengthened fair trade practices and cooperative management. In addition, the county also developed tourist attraction sites and promoted Siaya as a tourism destination to increase tourism contribution to the County's economy. In financial services, the county has strengthened internal controls to ensure prudent use of financial resources and formulation of favourable policies that support business environment.

Social Pillar

This pillar targeted to improve the quality of life and the livelihood of the people of Siaya through investments in Health and sanitation: Education, youth affairs, gender, sports and social service, and Water, Environment and Natural Resources.

The County's investment in health realized a reduction of infant mortality from 59/1000 live births to 42/1000 live births; under-five mortality rate from 159/1000 live births to 67/1000 live births; maternal mortality from 619/100,000 in 2011 to 424/100,000 and improvement in skilled deliveries from 65% to 95%.; mortality arising from communicable diseases due to decline in HIV Prevalence from 17.6% to 14.7%; decline in Malaria prevalence from 38% in 2018 to 19%. The efficiency of the Community health volunteer's system has helped reduce communicable diseases and maternal deaths and remains a critical part of the healthcare system.

In education, the gross enrolment in ECD increased from 76,680 pupils to 81,771 pupils. This was attributed to construction of 96 ECDE centres, equipping of 35 ECD centres, establishment of two centres of excellence in Bondo and Yala and implementation of school feeding programs on pilot basis in East Asembo and West Alego. Additionally, the enrolment in VTC increased from 1,580 students to 3,706 students. This achievement is attributed to; construction of 8, equipping of 31 and renovation 34 classrooms; construction of 2 computer laboratory and administration blocks; provision of tuition support to 10,460 trainees through capitation. The sector also improved livelihoods for vulnerable groups by providing bursary to 45,266 students while improved sports in the county through construction of a 20,000 seater stadium which was a county flagship project.

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The water access in the county increased from 51% to 58% between 2018-2022. This can be attributed to continued Support to 2 Water Service Providers (SIBO & Maji Milele) and 10 Community Managed Water Schemes; drilling and equipping of 140; laying of 381 km of water pipeline; desilting of 75 Water pans; protection of 45 Springs; augmentation and expansion of 9 water supply schemes; construction of 24 water harvesting tanks. The increase in water access and coverage was also attributed to investments by the National Government (Siaya – Bondo Water and Sanitation project and Ugunja – Segwa – Ukwala water project) and partners (Maji Milele and Pisoko).

Enabler pillar

This pillar consists of Governance and Administration; Public Works, Energy, Roads and Transport; Lands, Physical Planning, Housing and Urban Development; Siaya Municipality and the County Assembly Sectors. The pillar provide a base for the realization of the economic and social pillars.

To increase accessibility and mobility within the County the sector; opened 1512.82km of roads; maintained 1895.897 km; tarmacked 2.18km of Bondo Township-Opoda road and constructed 20 box culverts. county. Key ongoing projects include: Tarmacking of Bondo-Nango-Uyawu Road and Got Nanga-Jera-Bar Ober-Uring Road. Generally, the sector surpassed set targets in opening and maintenance of roads due to increased budgetary allocation to address the high demand for road accessibility in the County.

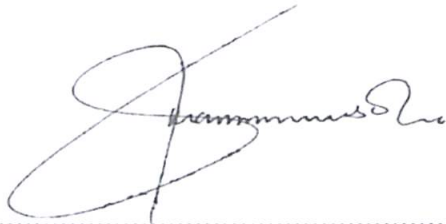
In governance and administration, the sector provided a conducive work environment through construction and equipping of the county administrative Office (headquarters); recruitment, promotion and training of officers; provision of enhanced Medical Cover to all staff; enhanced capacity building through partnership with the World Bank- Kenya Devolution Support Programme (KDSP); paid liabilities of the defunct Local authority staff and Improved payroll management.

During the implementation of its programmes, the county faced the following key challenges: delayed exchequer releases; supplementary budget adjustments; inadequate staffing especially of technical officers; delays in approval of policies and laws; unrealized own source revenue target; poor coordination and overlapping functions among departments. The operations of the county government were impacted upon by emerging issues such as effect of climate change such as frequent droughts,

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floods and rising water levels; COVID 19 pandemic and resultant shocks; geopolitical e.g Russia-Ukraine wars and economic factors that led to inflation.

Over the medium term, the county has adopted an agriculture driven development model that will address food and nutrition insecurity, low household incomes and high unemployment by restructuring and revamping agriculture into a vibrant industry.



.....
CECM Finance and Economic Planning
County Government of Siaya

5. Statement of Performance against Predetermined Objectives

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

Strategic development objectives The County's CIDP 2023-2027 has identified three key strategic development objectives namely:

1. Improve household incomes by 30%;
2. Create 20,000 jobs annually; and
3. Improve the county's contribution to the manufacturing sector by 20% annually

In the table below we analyse the progress on attaining the stated objectives:

1. Agriculture, Food, Livestock and Fisheries

Sub Programme	Key output	Key Performance Indicator	Achieved	
Administrative support services Objective: To strengthen coordination of sectoral and inter sectoral programs Outcome: Improved sector performance	Improved Extension Services	No of farmers reached with extension services	111,846	
	Improved staffing level	Number of staff trained	724	
	Staff recruitmet	Advertisement, interviews..	69	
	Staff Promotion	Promotion of staff	0	
	Strengthened operation capacity	No of motor cycles procured		5
		No of vehicles rehabilitated		1
		No of MC rehabilitated		3
		No of office blocks refurbished and maintained		0
		Desk tops		2
	Sub Programme 2: Planning and policy	Developed legal and policy frameworks	No of Policies domesticated/developed	1
No of Regulations developed			1	
No of Bills developed			4	
Improved Collaboration & coordination of the Agriculture Sector		No of CASSCOM meetings held	4	
		No of Stakeholder meetings held	4	
Program: Livestock Management and Development				
Objective: To increase livestock production and productivity				
Outcome: Livestock production and productivity improved				
1:Dairy Development	Quantity of cattle milk Increased	No of dairy cows	12,568	
		Kshs of cow milk produced	24.9 M	

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	Quantity of manure from dairy cows utilized Increased	Tons of manure	1200
	Quantity of goat milk Increased	No of dairy goats	9,769
		Kg of goat milk produced	351,684
	Area under established fodder Increased	Area under fodder (Ha)	1900
		No of fodder trees Increased	102,799
		Strategic feed reserves established	0
Sub Programme 2: Poultry Development	Enhanced Poultry production	No of layers	120,798
		No of broilers	144,020
		No of indigenous chicken	1,278,109
		No of other poultry species	24,168
		No of eggs produced (trays)	5,792,173
	Quantity of Poultry meat produced	Kg of poultry meat	194,113
Sub Programme 3: Apiculture development	Quantity of honey increased	No of beehives	20,171
		Kg of honey produced	487,786
	Quantity of wax Increased	Kg of wax	33,988
		Kg of value added wax	12,000
		Kg of marketed wax	12,000
	Quantity of processed honey Increased	Kg of value added honey	250,000
Kg of marketed honey		160,000	
Sub Programme 4: Meat production and marketing	Increased Quantity of beef cattle and hides in the market	No of beef cattle	504,124
		Kg of beef	4,901,246
		No of hides	32,464
	Quantity of mutton in the market Increased	No of sheep	227,135
		Kg of mutton	327,470
		No of sheep skin	23,446
	Quantity of goats, chevon and hides in the market Increased	No of goats	402,068
		Kg of chevon	617,469
		No of goat skin	54,709
	Quantity of pigs, and pork in the market	No of pigs	20,260
		Kg of pork	827,643
	Quantity of rabbit meat in the market Increased	No of rabbits	18,522
		Kg of rabbit meat	9206
	Programme: Crop and Land Management		
Objective: To increase crop production and productivity			
Outcome: Crop production and productivity improved			
Sub Programme 1: : Land Management	Area under irrigation increased	No. of micro-irrigation schemes in the county	17
		Hectares under micro-irrigation schemes in the county	3,612

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		No. of smallholder pumps issued	45
	Increased mechanization	No of Acres Ploughed	1649.75
	Increased testing and analysis	No of soil tested and analyzed	2006
	Soil and water conservation improved	No. of farms conserved	4200
		No. of farmers trained	9129
Sub Programme 2: Crop Development	Access to quality farm inputs improved	MT of subsidized seeds procured and distributed	67,992
		MT of subsidized fertilizers procured and distributed	111.1
		No. of farmers accessing quality seeds and fertilizers	45,328
	Production of drought tolerant cereals (sorghum) increased	Acreage under sorghum (Ha)	12,780
		MT of sorghum harvested	17,148
	Production of roots and tuber crops (cassava and sweet potatoes) increased	Acreage under cassava (Ha)	3998
		MT of cassava harvested	53,172
		Acreage under sweet potatoes (Ha)	4075
		MT of sweet potato harvested	39,380
	Production of fruit tree crops increased	Acreage under mangoes (Ha)	194
		No. of mango seedlings produced	18,000
		MT of mangoes harvested	5,880
		Acreage under avocado (Ha)	356
		No. of avocado seedlings produced	12,000
		MT of avocado harvested	-
	Area under perennial cash crops increased	Acreage under coffee (Ha)	40
		MT of coffee harvested	44
	Area under cotton increased	Acreage under cotton (Ha)	553
		MT of cotton harvested	396
	Post-harvest infrastructure improved	No. of community Grain Storage facilities constructed	1
Sub Programme 3: Agribusiness and Information Management	Agro-processing and value addition Improved	No. of Agro processing and value addition infrastructure operationalized	1
	Access to Agricultural Finance improved	No. of farmer groups linked to Financial/ Credit institutions	93
	Access to Agricultural insurance improved	No of farmers linked to Agricultural insurance services/ institutions	-
Program: Fisheries Management and Development			

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Objective: To Sustainably Manage the Fisheries Resources for Increased Fish Production and Productivity			
Outcome: Sustainable Utilization of Fisheries Resources			
Fisheries Co-management	Sustainable exploitation of capture fisheries resources	No. of fisheries surveillance reports	15
		No. of County fish breeding areas mapped and developed	0
		No. of BMUs supported with fishing inputs	1
		No. of quarterly stakeholders' meetings by riparian counties and countries	0
		No. of surveys (FS and CAS)	12
		No. of BMUs supported with fish weighing platforms	0
Aquaculture Development	Improved production of fish from aquaculture	No. of aquaculture support enterprises	23
		No. of public dams restocked with fish	0
		No. of direct beneficiaries of targeted fisheries support programmes (culture units – cages and ponds)	1250
Fisheries Control Monitoring	Accurate and timely fisheries data for decision making	No. of fish catch assessment surveys undertaken	0
Fisheries inspection, Quality Assurance and Marketing	Enhance safety and quality of fish and fisheries products marketed	No. of fish handling infrastructure established	2
		No. of fish inspectors trained and gazetted	0
		No. of stalled fish handling projects completed	3
		No. of fresh retail outlets supported	0
		No. of fish marketing platforms developed	0
Program: Veterinary Services			
Objective: To increase livestock production and productivity			
Outcome: Reduced disease prevalence, morbidity and mortality			
Sub Programme 1: : Food safety and animal products development	Quality and safety of animal products assured	No. of animals inspected ante mortem	6000
		No. of carcasses inspected	17,000
		No of slaughterhouses operationalized	2
Sub Programme 2: Disease and vector management	Occurrence of diseases reduced	Purchase of laboratory equipment	0
		Procurement of vaccines	20,000
	reduced Incidence of zoonotic diseases in livestock	% decrease in incidence of zoonosis	2.5
		Improved livestock health	No. of animals sprayed
	No of crush pens constructed		3
% decrease in morbidity	1%		

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		% decrease in mortality	2.50%
Sub Programme 3: Animal breeding	Improved livestock breeds	No. of animals inseminated	1,000
		No. of animals vaccinated	1,000,000
		% Increase in improved livestock breeds	1.5
	improved Animal welfare	% increase in animal welfare	0

2. Water, Environment and Natural Resources

Sub program	Key Output	Indicator	Achievement 2023/24
Programme: Water Resources Development and Management			
Objective: To improve water and sewerage coverage			
Outcome: Improved quality water accessibility & increase sewerage coverage			
Water resources conservation and protection	Protected water pans & dams	Number of water pans & dams	18
	Protected Water springs	Number of Protected Water springs	7
Water supply and urban sewerage development	Rehabilitated & Augment Water Supplies	Number of rehabilitated & Augmented Water supplies	5
	Constructed shallow wells	Number of Constructed shallow wells	2
	Constructed Boreholes	Number of Constructed boreholes	31
Programme: Natural resources conservation and management			
Objective: To attain a clean, secure and sustainable environment			
Outcome: Improved state of the environment			
Environmental Management and Natural Resources Conservation	Tree nurseries established	Number of tree nurseries established	0
	Established woodlots & Hilltops Afforested	Number of Established woodlots & Hilltops Afforested	10
	Ward climate change committees	Number of ward climate change committees	32
	Beautification of urban centres	Number of urban parks rehabilitated	0
	households empowered to be resilient	Number of households empowered to be resilient	400
	Documented records of available natural resources	Number of documented records of available natural resources	5
Programme: General administration and Support services			
Objective:			
Outcome: Efficient and Effective Services Delivery			
General Administration	Staff establishment	To recruit relevant personnel	12
	Staff training and development.	Number of staff capacity build	20

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	Project administration and Coordination meetings	Number of meetings	1
Planning and support services	Development support to SIBO	Number of projects Development support to SIBO	3
	policy documents Performance	Number of policy documents	0
	Signed overall Contracts	Number of staff engaged in overall Performance Contracts	45
	Transport facilities bought and maintained	No. of transport facilities and maintained	5

3. Education, Youth Affairs, Gender and Social Services

Program/sub program	Key Output	Performance Indicator	Achievement 2023/2024
Program 1: General Administration Planning and Support Services			
Outcome: Efficient and Effective Services Delivery			
General Administration	Improved delivery of services	No. of policies and legislations enacted	2
	Improved retention and completion rates through bursary program	Number of needy students benefiting from bursary	16,000
	Improved staffing and quality control	No of ECD instructors recruited and deployed	50
		No of polytechnic instructors recruited and deployed	0
		No of QA officers recruited and deployed	0
Programme 2: County Pre-Primary Education			
Objective: Increase enrollment and access to Early Childhood Education			
Outcome: Improved access to Quality Pre-Primary Education.			
Early childhood development and education	ECDE centres equipped	No. of ECDE centres equipped with furniture, learning materials and recreational facilities.	17
		No. of new ECDE centres constructed	19
Pre-primary school feeding programme	School feeding programme in all the ECDE centres for the pre-primary children rolled out	No of learners enrolled and benefiting from the programme	29,126
Programme 3: Vocational Education and Training Development			
Objective: To provide access to quality and relevant training to the Youth			
Outcome: Appropriate skills developed			
Youth Polytechnic Infrastructure	Vocational training centres improved	No. of newly constructed workshop/classrooms in polytechnics/ VTCs	0
		No. of polytechnics /VTCs renovated	4

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		No of youth polytechnics/VTCS equipped with modern tools and equipment	14
		No of youth polytechnics/VTCS provided with teaching and instructional materials	10
		No. of modern hostels constructed in VTCs	0
		Two model VTC constructed, equipped and operationalized	0
	Trainees supported through SVTCSG	No. of trainees supported by the fund and retained	1,620

Programme 4 : County Social Security and Service

Objective: To expand empowerment skills, welfare and support systems in the county

Outcome: Empowered women, youths and PLWDs and Improved social welfare

Empowerment of special groups	Economically empowered women, Youths and PLWDs	Child protection safe house	0
		No. of vulnerable groups capacity built to meet their basic needs	550
	Positive behaviour change, responsible parenthood and enhanced	No of youths benefiting from the programme	180,000
		No of parents/guardians/caregivers with enhanced parenting skills	0

4. Health and Sanitation

Sub Program	Key Output/ Outcome	Performance indicators	Achievement
Programme P1: General Administration Planning and Support Services			
Objective: To improve service Delivery and provide supportive services to agencies under the Health			
Outcome: Efficient and effective service delivery			
Administration	To Support effective and efficient delivery of health care services	Fuel and Lubricants purchased	5,200,000
		General office supplies purchased	1,922,004
		motor vehicle accessories tyres and batteries purchased	3,999,965
		motor vehicle spare parts purchased	5,015,601
		office equipment purchased	354,560
	To Support effective and efficient delivery of health care services	Communication improved by Purchasing of airtime for internet connectivity	300,000
		motor vehicles purchased	2

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		security guards Contracted	7
		Utilities purchased: Water and electricity	329,000
		Sanitary and cleansing materials purchased	288,600
	To Support effective and efficient delivery of health care services	Motor/boat/ vehicles maintained / serviced	1,800,000
Program 2 : Preventive and promotive Services			
Objective: To increase access to quality Preventive and Promotive health care			
Outcome: To reduce mortality from preventable deaths			
Sub Program	key output	Performance indicators	Achievement
Immunization	Procurement of EPI fridges	EPI fridges procured for dispensaries and Health Centres	0
	Establishment of nurturing care Services in MCH		0
Environmental Health	Procurement of motorbikes	Motorbikes procured for 30 ward PHOs and 6 SCPHOs	0
	Procurement of modern Incinerators	Atleast modern incinerator for each subcounty	1
Infrastructure	Procurement of assorted medical equipment for Health Centres and Dispensaries	Assorted medical equipment procured for Health Centres and Dispensaries	33
	Securing the Facilities form Intruders and Land Encroachment	Fencing, Gate and Sentry House	4
	Improving the working environment for safety of workers and Patients	Renovation of OPDs, CCCs, Staff Houses	4
	Improving immunization coverage through expanded EPI centers	Connection of Electric Power to Various Health Facilities	1
	Increases access to services by offering 24 Hour Services	Construction of Twin Staff Houses	6
	Improving the Sanitation within the facilities through safe waste disposal	Construction Placenta Pits	1
	Improving the Sanitation within the facilities through safe waste disposal	Construction of Pit Latrines	5
	Improving the Sanitation Standards in the Health Facilities	Connection to pipe water system and/ Installation of roof catchment for water	2
	Improving Access to Maternal Health Services	Construction of Maternity Units	6
Community Health Services	Conduct data review meetings on RMCAH indicators with CHV/CHSFPs, 30 SCHMTand 10 CHMT once in a year per sub county	No. of review meetings conducted	1
	Train 184 CHAs on eCHIS	No .of CHAs trained on eCHIS	184

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	Train 2128 CHPs on ECHIS	No. of CHPs trained on ECHIS	2128
	Community dialogue days with local leaders bi-annual on RMNCAH Indicators	No. of dialogue days held	100
	Conduct training for CHAs on Community Maternal and Newborn Health	No. of CHAs trained	90
	Train CHVs on community MNH	No. of CHVs trained on CMNH	120
Programme 3: Medical and Biomedical Services			
Program Objective: To provide accessible and appropriate diagnostic and curative services			
Program Outcome: Reduced disease burden in Siaya County.			
Sub Program	key output	Performance indicators	
Health Products and Technologies (HPTs)	Availability of tracer commodities throughout the year	Quarterly Procurement of HPTs	3
Non Communicable Diseases	Renovation of xray department		1
	Construction and Equipping of a Morgue		1
	Assorted lab commodities procured	Number of labs supported with Commodities	78
	Assorted service contract procured for lab equipment	Number of Labs procured for service contract	10

5. Lands, Physical Planning, Housing and Urban Development

Sub programme:	Key Output:	Key performance indicator	Achievement
CP.1: General Administration, Planning and Support Services			
Programme objective:			
Expected Outcome: Efficient Service Delivery and Improved Working Environment			
SP1.1 General Administration and support services	Efficient service delivery	No. of Staff recruited	0
		Training Needs Assessments prepared annually	1
		No. of Staff trained	4
		No. of staff promoted	0
		No. of staff meetings held	12
		No. of progress reports prepared	12
		No. of Conferences, workshops and seminars conducted	3
SP1.2. Planning and Support services	Efficient service delivery	No of Signed overall Performance Contracts	1
		No. of laptops procured	4
		No. of computers procured	0
		No. of UPS procured	0

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		No. of plans prepared (procurement, work plans and budgets)	3
		No. of vehicles bought and well maintained	1
		Utility costs	12
Policy, Legal and Regulatory framework	Policies developed	No. of policies developed	2
	Bills developed	No. of Bills developed	1
		No of public for a	6
		No of materials developed	2
Contract preparation and management	Contracts prepared and managed	% of contracts prepared and managed	100%
Conflict resolution	Disputes investigated and resolved	% of disputes investigated and resolved	100%
	Institutional capacity building	No of committees and boards capacitated	2
	Delineation of urban boundaries	No. of urban areas	12
	Establishment of urban administration	No of town committees and municipal boards formed	0
CP.2: Land Use Planning			
Programme Objective: To provide a spatial framework that will guide and coordinate land use development for sustainable livelihood			
Outcome: Well Planned Land and Urban Areas for Sustainable Development of The County			
SP2.1 Land Use Planning	County Spatial Plans, Land Use Plans, Part Development Plans and Planning Reports	No. of Spatial Plans prepared	1
		No. of Market centers Planned and plans prepared	3
		No. of urban centres plans prepared	1
		No. of intermediate urban centres Planned and plans prepared	3
		Approval of Building plans	100%
CP.3: County Land Administration and Surveying			
Programme Objective: To secure land for public use and investments, property boundaries of public/plot, government houses and trading centres			
OUTCOME: Reduced Land Conflicts and Improved Investor Confidence			
SP 3.1 Land Survey and mapping	Survey of natural resources, infrastructure, urban areas and market centers	No. of surveyed public plots/land	3
		No. of market centres surveyed	3
		No. of rural centres surveyed	15
SP.3.2 County Public Land Administration	County Land records offices established	No. of County land records offices established	1
	Strategic land banking for investment and public use established	No. of Hectares acquired	40.86 ha
		No. of land disputes resolved	31

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	Sensitization on land matters	No. of fora and legal aid clinics held.	6
	Processing of Title deeds for Public Land	No. of title deeds acquired for public land	3
SP.3.3 Valuation Roll	Legislation framework on Valuation roll finalized	Validation of Siaya County Valuation and Rating Bill	0
		Adoption of the Siaya County Valuation and Rating Bill	1
	Approval of 2015 draft Valuation Roll	Current Valuation Roll	
CP.4: Housing & Urban Development			
Programme Objective: To provide adequate, affordable, decent housing and quality estates management services			
Outcome: Delivery of Adequate, Secure, Decent and Affordable Housing Units to All			
SP4.1: Housing Development	Housing units constructed	Development of Master plans and designs of housing units	0
		No. of housing units constructed	0
	Housing infrastructure developed	Km of storm water drainage constructed	1
SP4.2 Estate Management	County Government houses renovated	No. of housing units renovated	2

6. Enterprise and Industrial Development

Delivery Unit	Key Output	Key Performance Indicator	Achievement
Programme 1: Trade Development and Promotion			
Objective: To provide an enabling environment that facilitates a competitive local, regional and global trade and investment			
Outcome: A conducive environment for trade			
		No. of exhibitions and trade fairs attended	1
		No. of capacity building for a reports	4
SP:2 Market infrastructure Development	Improved market infrastructure	No. of markets with lighting system High mast	10
		No. of Market management Committees established and operationalized	5
		No. of Sanitation facilities (Latrines) Constructed in Markets.	10
		No. of modern Market Shades constructed.	2
		No. of Highmasts and solar lamps repaired	30
		No. of Boda boda sheds Constructed	7
		No. of Market infrastructures improved	4
		No. of Market Shades Constructed.	3

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Enterprise Development Fund	Improved access to credit facility	No of SMEs accessing the Enterprise Development Fund	0
Market Solid Waste Management	Improved sanitation in urban and market centres	No. of Market cleaned	150
		No of dump sites acquired	1
		No. of clean up days conducted	6
		No. of NEMA approved waste Bins Installed	0
		No. of PPEs acquired	0
		No. self -loading trucks acquired	2
		No. of Tractors	1
		Tonnage of refuse collected and dumped	1,800,000
Programme 2: Fair Trade Practices and Consumer Protection Services			
Objective: To enforce compliance with weights and measures Act Cap 513 and other subsidiary legislations			
Outcome: Improved Consumer confidence on value for money			
SP 1. Standards Administration and Conformity	Improved Legal Metrology Services	No. of assorted legal Metrology Standards Acquired	0
		% of Metrology lab constructed and operationalized (Phased approach)	60
		% of traders' complying with legal metrology legislation	92
		No of reports on awareness campaign foras on legal metrology legislations	4
		No. of market surveillance reports on legal metrology legislations (Test purchases, Inspections, investigations and prosecution)	4
Programme Name 3: Co-operative Development & Management			
Objective: To provide an enabling environment that facilitates sustainable growth of cooperative sub sector for socio-economic development.			
Outcome: Expanded cooperative business and a vibrant cooperative subsector			
Cooperative governance, regulation and supervision	Improved cooperative governance	No of cooperative audit reports produced	40
		No. of Inspections and inquiries	12
Co-operative Marketing And Value Addition	Enhanced value addition in Cooperative Societies	No. of Coops adopting value addition	13
		No of sensitization reports	4
		Market survey report	1
	Access to affordable credit	No. of Cooperative Societies accessing affordable credit	0
County Cooperative Extension Services	Enhanced capacity in cooperative societies	No. of new cooperatives promoted	6
		No of new dormant societies revitalized	5
		No. of Cooperative Awareness campaigns reports	12
		No of Training reports	12

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		Annual Report on cooperatives submitted	1
Programme Name 4: Alcoholic Drinks Control			
Objective: To control and manage alcoholic drinks and drugs			
Outcome: Improved control and management of alcoholic drinks and drug abuse			
		Market surveillance report alcoholic drinks control	6
		No. training reports	12
		No. of awareness campaigns reports	4
		No. of Rehabilitation Centre constructed	0
Programme Name 5: Industrial Development and Promotion			
Objective: To provide an enabling environment for sustainable industrial development and Investment			
Outcome: Economic and job creation			
Industrial Development and Investment	Expanded Industrial Development and promotion	No. of Feasibility Study reports on Industrial Park,	1
		Industrial Park, Land purchased and developed	1
		Investment conferences attended	2
		Investment conferences held	0
		No. of Industrial mapping conducted	1
		No. of incubations centres established	0
		Solid Waste recycling plant established	0
		No of industries established (Fish Processing, sugar, rice, Fruit)	2
Programme Name 6: General Administration, Planning and Support Services			
Objective: To provide transformative leadership, capacity and policy direction in service delivery			
Outcome: an enhanced Institutional framework for excellent, efficient and effective service delivery within the sector			
Trade and Industry	General Administration	No. of regulations formulated (trade fund, liquor and cooperative fund regulations, County Board Fund Bill and weights and measures policy)	1
		No of Acts developed (Enterprise Development Fund, and industrial development Acts)	0
		No of progress reports developed	12
		No. of assorted operational tools and equipment acquired & maintained	10
		Staff in post: Trade	45
		Training of staff and capacity building	10
	Planning and Support Services	No of office blocks constructed, refurbished and rehabilitated	1

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7. Tourism, Culture Sports and Arts

Programme/ Sub-programme	Key outputs	Key Performance Indicators	Achievements
Programme 1: General Administration, planning and support services			
Objective: To provide transformative leadership, capacity and policy direction in service delivery			
Outcome: Improved and efficient administrative and financial support services			
Sub-Programme 1: General administration	Efficient and effective administrative system	Policies and standards complied with	100%
Sub-Programme 2: Planning and support services	Effective and efficient service delivery	No of implementation Reports	4
	Enhanced skill	No. of staff trained	0
Programme 2: County Sports			
Objective: To promote sports in Siaya County			
Outcome: Improved sports talents			
Sub-programme 1: Sports infrastructure development and management	Construction of Siaya county Stadium	Compete and operational stadium	90%
	Installation of goal posts in various schools in Central Sakwa Ward - Uyawi Primary, Ulanda Primary, Wambarra Primary and Ndigwa	Complete and functional goal posts.	100%
Sub-programme 2: Sports Talents Development	Participation in national sports tournaments (KYISA, KICOSCA)	No. of tournaments participated in	2
	Participation in EALASCA	No. of international tournaments participated in	1
	Facilitation of local tournaments	No. of tournaments facilitated	1
	Ward sports development	No. of wards supplied with sports items/equipment	12
Programme 3	: Tourism Development and Promotion		
Objective	: To increase tourism sector contribution to county's economic Development		
Outcome	: Siaya promoted and marketed as a destination of choice		
Sub-programme 1: Tourism promotion and marketing	Tourism exhibitions organized/attended	No. of exhibitions attended	2
	Tourism conferences attended	No. of conferences attended	1
	Tourism marketing and promotional materials developed	No. of promotional materials developed	0
	Tourism stakeholder forums held	No. of Tourism stakeholder forums held	3
	Tourism and Luo cultural festival organized and attended	No of Tourism and Luo festival attended	1
	Developed cultural sites	No. of cultural sites established	2

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Sub-programme 2: Tourism Infrastructure Development	Got Ramogi Heritage Resort operationalized	No. of infrastructures rehabilitated and operationalized	2
	Tourism Information Center developed	Development of Tourism Information Center	0
	Siaya County Museum land fenced	Fencing of Siaya County Museum land	0
Sub-programme 3: Tourism Promotion	Talent Promotion (Talent search)	No of Talent Promotion events	0
	Cultural performances and exhibitions conducted	One Cultural exhibitions	2
	Culture policy developed	culture policy in place	1

8. Roads, Public Works, Energy and Transport

Sub program	Key Output	performance indicator	Achievement
Accessibility and Transport management	Improved accessibility and connectivity in the county	Km of new road opened, graded and graveled	69km
		Km of existing county roads maintained	458km
		Km of county roads tarmacked	3km
		No. of bridges constructed	0
		No. of box culverts constructed	1
	Improved transport management system	No. of jetties constructed	2
		No. of Airstrips upgraded and managed	0
		No. of bus parks constructed	1
		No. of parking bays/lanes designated and marked	0
Quality assurance and standards	Designs & BoQs developed and Approved	No. of pre-feasibility reports prepared and submitted	5
		% of designs & BoQs developed and approved for county government buildings	100
		% of designs approved for private buildings	60 (review)
	Government Buildings supervised	No. of supervisory reports prepared and submitted	12
	Government and Private buildings inspected	No. of inspection reports on government building	15
		No. of inspection reports on private building	15
	Material Laboratory established	No. of material lab equipment procured	0
		% Of projects with material test certificate	80
Stormwater management	Improved stormwater system	Km of drainage systems constructed	1

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		Km of drainage systems maintained	0
General Administration		No. of staffs trained	16
Planning and Support Services	Operational enhancement capacity	Public works office bloc renovated	1
		No of vehicles/ motorcycles procured	0
		No of ICT equipment acquired	5

9. Governance , Administration and ICT

Programme/ programme	Sub	Key Output	Performance Indicators	Achieved
Programme 1:Strengthen Human Resource management				
Objective :To improve staff capacity to deliver services				
Outcome :Efficient and Effective Service Delivery				
		Enhanced Human Resource management within the County	Reports on Human Resource Audits	0
			No of staff Promoted	32
			No of Disciplinary cases handled	4
			Staff rightfully placed	100%
			No of offices/posts created and abolished	80
			No of departments with organogram and approved staff establishments.	10
Recruitment, selection, placement and induction		Improved staffing need s for the County	Compliance with requests on recruitments in line with the Authorized staff establishment	100%
Programme 2:Values and Principles				
Objective :Inform and educate public officers and the public about the National values and principles of Governance and Public Service (Art 10&232 of the Constitution				
Outcome :Training manual, end year reports and awareness conducted				
Inform and educate public officers and the public about the National values and principles of Governance and Public Service (Art 10&232 of the Constitution)		Increased awareness on Principles and Values	Compliance to the values and principles.	100%
In line with section 59 l.e,f and 4 of the CG Act			Report on national values and principles and statutory report to the Assembly	1
			No of County departments trained/sensitized on values and Principles	6
Programme 3:Performance management system in the public service				
Objective :Strengthening performance management system				
Outcome :Enhanced public service delivery				
CPSB.4		Improved service	Number of officers signing Performance Contracts.	2000

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	delivery to the public		
		Levels of Performance Contracts cascaded	
		No of Performance Reports Prepared	10
		No of Staff Appraised	4
		No. of reviews conducted.	
		No. of Statutory Reports prepared.	2000
	Compliance with section 59.1 (d), 59.(5) & (6)		1
Programme 4 :Administration planning and support services			
objective :Improve work environment and efficient operations			
Outcome :Efficient and Effective Service Delivery			
	Improved Staff Capacity to deliver services.	No. of Officers Trained on various skills	10
		No. of Staff Recruited	2
	Prudent use of Financial Resources	Annual Work plan prepared	1
		Annual Budget prepared	1
		No. of Financial Expenditure Reports.	4
Construction of CPSB Office block	Improved work environment	County Public Service Board office constructed and furnished	0

10. Finance and Economic Planning

Programme/Sub	Key Outputs	KPI	
-Programme			achieved
Programme 1: General Administration, planning and support services			
Objective: To Ensure Provision of Efficient Service to The Clients			
Outcome: Expected Outcome: Effective Service Delivery			
SPI.1 General Administration	Enhanced operational capacity	No of officers paid	403
		No of staff recruited	0
		% of staff covered under medical insurance	100
		No. of staff promoted	0
		No. of staff trained	9
		No of vehicles procured	1
		No of Computers procured	
		No. of Furniture and other office equipment procured	
		No of printers procured	0
		ERP Installed and operationalized	1
		Office annex constructed	0
		Enhanced Planning and policy formulation	No. of fora held

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	Enhanced disaster response	Emergency Fund	1
Programme 2: Economic Planning and budget supply Services			
Objective: To build capacity in policy formulation and execution			
Outcome: improved policy formulation			
SP 2.1 Economic Planning services	Operational information and documentation	Approved copy of CIDP (2023- 2027)	1
		Approved copy of ADP	1
		Approved SWG reports	1
		No of publications automated	10
		No of publications sourced and classified	10
SP 2.2 Public Participation		No of PP for a held	8
SP 2.3 Strategy, Monitoring and Evaluation		No of M&E reports prepared	4
Programme 3: Financial services			
Objective:To raise fiscal resources efficiently and manage county government assets and liabilities effectively.			
Outcome: A transparent and accountable system for the management of public financial resources			
SP 3.1: Accounting services	Administrative reports prepared	No of administrative reports prepared	12
		No. Pending bills Reports prepared	4
	Statutory reports prepared	No of statutory reports (Quarterly & annual FR) submitted	5
	payment lead time	% decrease in payment lead-time	21
SP 3.2: Resource Mobilization	Revenue streams mapped	Approved map of revenue streams	0
	Improved data collection through inspection/intensified enforcement	No. of monthly inspections visits reports prepared	12
	New sources of revenue identified	No of new revenue streams identified	2
	County Revenue board/PPP arrangement established	Operational Revenue Board/ ppp arrangement	0
SP 3.3:Internal audit	Audit reports	No of planned audit reports	1
		no of special audit reports prepared	2
		No. Audit software (Team mate (procured)	0
		No of audit committee reports prepared	0
		No of spot check audit Reports prepared	2
Procurement	Procurement plan	No of Consolidated procurement plans prepared	1
	supplier register	No. of Prequalified Suppliers Register Updates prepared	2
	implemented procurement plan	% of procurement plan implemented	70

6. Environmental and Sustainability Reporting

a) Sustainability strategy and profile

Spatial Development Framework (SDF) sets out the principles to be used to decide the right development to promote economic growth within the county taking into consideration spatial disparities. The proposed strategies include:

1. Setting industrial incubation centres and initiating agro-processing value addition.
2. Pursuing mining resources to increase revenue generation.
3. Revitalization of the blue economy to improve fishing resources
4. Undertake sustainable tourism and ecotourism.
5. Targeted infrastructural development in trading centres such as markets to connect electricity (street lighting and solar power), establish stall markets, connect water and sanitation.
6. Enhance financial capacity of local traders by availing credit facilities
7. Expand the resource base by pursuing resource mobilization from public finance, private finance and public-private financing.
8. Expanding the role of SME and MSE contribution to the local economy.
9. Tapping into Foreign Direct Investments (FDI) as a driver of investment.

b) Environmental performance

Environment is a broad term representing the totality of the surrounding such as plants, animals, microorganisms, socio economic and cultural factors. The right to a clean and healthy environment is one of the rights safeguarded under the Constitution of Kenya, 2010.

The main activities contributing to environmental degradation in the County include unsustainable land use practices, poor soil and water management practices, unsustainable fishing, and deforestation, overgrazing, over exploitation of wetland resources, encroachment of riparian reserves, pollution and effects of climate change.

To address the challenges, the county outlines a strategy to promote sustainable natural resource management in Siaya County focusing on the following aspects: Reforestation of gazetted forests;

Provision and protection of migratory corridors; Protection of water catchment and environmentally fragile ecosystems and Provision and protection of migratory corridors.

Employee welfare

The County has an approved structure and establishment, however, the establishment is yet to be implemented fully and with a big mismatch with the skills and competencies needed to drive the County's development agenda. To realise this development goal, a change management approach is required and it involves the identification and assignment of champions across all sectors. The approach also requires realignment of roles and responsibilities and drawing a staff framework to support the desired change. Such a framework will lead to the restructuring and reorganisation of departments such as Agriculture, Trade and Enterprise.

In the past, there is was no established policy to guide Human Resource development, limited capacity in Directorate of Human Resource Management and the County Public Service Board; weaknesses in the recruitment and promotion processes; lack of clarity in career progression paths, skill development and relevant training plans. To address these challenges, the county has developed and implement a Human Resource Management and Development Policy, instituted a performance management system, and reviewed staff establishment to align it to the new development approach for the County.

c) Market place practices-

The weaknesses in the value chains for agriculture have an interactive relationship with weak market systems. The aggregation, bulking, wholesale and retail systems are under-developed. As part of the agenda to transform Siaya through investment in agriculture, one of the five priority areas is the development of market systems to support the anchor value chains.

The plan is to promote and facilitate the development of a strong network of direct market players such as producers, buyers, and consumers; suppliers of supporting goods and services such as finance, equipment and business consulting; and entities that influence the business environment such as regulatory agencies and County Government Departments, infrastructure providers and business associations. The envisaged market structures and systems will include storage, ICT support, road networks that facilitate movement and confluence of goods and people and a command area with an anchor value chain each linked to a market centre. In this respect, Yala is envisaged as the market centre for the dairy value chain, the Ugunja for the avocado value chain, Bondo for the fish value chain, Rarieda for the fruit and cotton value chain, Alego Usonga for the poultry and rice value chain.

Arising from lack of commercialization of agriculture in Siaya, the farmer-led producer organisations remain few and the existing ones are weak in their operations. This lack of high-capacity in farmer organisations limits smallholder integrations into value chains, raising transaction cost and reduces competitiveness. As a result of this, farmers end up with high post-harvest losses causing the farmers to engage in distress sales of produce at lower prices. The county will place a strong focus on the development of high capacity producer organisations, savings and credit (saccos) and cooperative unions to enhance commercialization and market participation for farmers while boosting productivity through improved access to quality input and extension services and finance and credit. The county will also focus on establishing thirty ward based cooperative SACCOs and federation of these ward based SACCOs into six cooperative unions at sub-county level. Critical to the success of these saccos will be training on corporate governance, linkage to market systems and input supply chains.

d) Community Engagements-

The County Government is fostering interaction with businesses, NGOs and other key stakeholders to address social problems through Corporate Social Responsibility (CSR) agenda. Various sectors have partnered with NGO's to provide CSR services. In health sector, the county has partnered with

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NGO's to provide polio vaccine to new born in the communities, training of expectant mothers, providing mosquito nets and providing food supplements. In agriculture, through partners, farmers have benefitted from free extension services, provision of certified seeds and fertilizers, provision of fingerlings and fishing gears.

7. Management Discussion and Analysis

a. : RECEIPTS FOR THE LAST FIVE YEARS

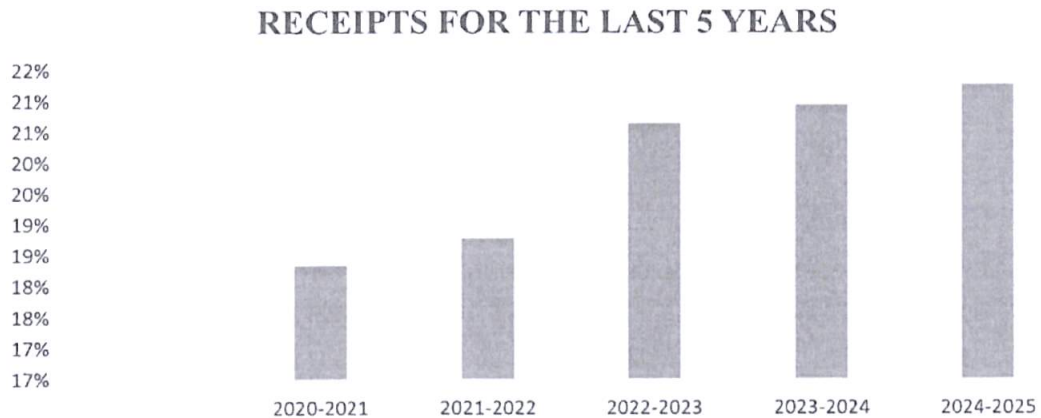


Figure 2: Receipts for the last 5 years

- In the financial year 2019-2020 there were late disbursements that were not reported during that year which were later recognized in the year 2020-2021. This resulted into a decrease in receipts reported in the financial 2019-2020 and an increase in receipts for the financial year 2020-2021.
- In the financial year 2020-2021 there was an increases on own source revenue by 29% from there previous year 2019-2020 resulting into an increase in receipts during that year.
- In the financial year 2021-2022 there was an increases on own source revenue by 14% from there previous year 2020-2021 resulting into an increase in receipts during that year
- Amendment of Division revenue bill resulted into an increase in CARA for counties, Siaya county being one of the counties experienced an increase in CARA allocation thus an increase in receipts for the year.
- In the financial year 2022-2023 the county realized 108% of exchequer releases. This was because of a brought forward receipt for FY 2021-2022 received during the reporting period.
- Amendment of Division revenue bill resulted into an increase in CARA for counties, Siaya county being one of the counties experienced an increase in CARA allocation thus an increase in receipts for the year
- In the FY 2023-2024 was an increase in own generated revenues and non- receipt of June exchequer release
- In the financial year 2024-2025 the County realized its 100% of its CARA revenue

b. Financial Performance

ii. Revenue

In the year ended 30th June 2025 the County had projected revenues of Kshs.10,948,133,478 consisting of Kshs.1,044,061,306.00 from own sources and Kshs.7,545,450,410 from Equitable share Kshs. 698,115,420.00 from conditional Grants and Kshs. 1,660,506,342 as balance brought forward.

A graphical representation of the revenue budget is as shown below:



Figure 1: Siaya County revenue sources in FY 2024/2025

CARA revenues (Equitable shares) continue to form the largest part of our revenue budget, contributing 69 % towards our budget whereas and CGAA (Conditional grants), own generated revenues and Balance brought forward formed 7%, 16% and 8% of our budget respectively.

Out of the projected revenue, the County was able to realize Kshs.8,226,249,822.90 in actual revenues, representing 75% performance. This good performance was as a result of high realization of CARA revenue. In the table below, we present an analysis of revenue performance during the year.

Table 1: Revenue performance in FY 2024/2025

Revenue classification	Revenue budget (Kshs)	Actual (Kshs)	Realization (%)
Balance Brought Forward	1,660,506,342.00	581,041,559.00	5%
CARA	7,545,450,410.00	7,301,472,443.00	67%
CGAA	698,115,420.00	111,448,420.90	1%
Own generated revenues	1,044,061,306.00	232,287,400.00	2%
Total	10,948,133,478.00	8,226,249,822.90	75%

During the year under review Own generated revenue was Kshs.948,124,858 representing 92% performance out of which Kshs.232,287,400 was transferred to the CRF, Kshs.521,168,230 as AIA and Kshs. 194,669,228 as receivables. Kshs. 194,669,228 comprise of Kshs. 63,361,905 being receivable to be transferred to CRF and Kshs.131,307,323 being receivable to be utilised as AIA

c. Payments

Our total expenditure for the year amounted to Kshs. 7,486,087,487.10 Out of which Kshs 2,666,511,909 was spent on development expenditure while Kshs.4,819,575,578.10 was spent on recurrent expenditure representing 35% and 65% respectively. Out of the Recurrent Expenditure of Kshs 4,819,575,578.10 an amount of Kshs.3,008,852,595.20 was spent on Personnel Emoluments and Kshs. 1,744,523,671.92 on Operation and Maintenance representing 62% and 36% respectively. Expenditure on Personnel Emoluments represented 62% of Recurrent Expenditure and 40% of the total expenditure.

d. Cash flows

In the FY 2024/2025, we had many liquidity disruptions. This was as a result of late disbursements by the National Treasury. Cash and cash equivalents decreased from Kshs.89,024,823.40 as at 30th June 2024 to Kshs 4,302,184.30 as at 30th June 2025. The cash and cash equivalent for Saiya county executive as 1st July 2024 was adjusted by Kshs.57,553,437 from Kshs.89,024,823.40 to Kshs. 31,471,386.40. The Kshs. 57,553,437 is a reconciled cash book balance for Siaya County Climate Change fund reported in their separate financial statement.

e. Accounts receivables

Imprest management is a critical area of focus in Siaya County. Our aim is to adhere to the PFM regulations on imprest management. In the financial year under review Outstanding Imprest was Kshs. 4,551,674 against last year's amount of Kshs. 5,026,471. We appreciate that there is still room for improvement in this area. Going into FY 2025/2026, we will place more emphasis on complying with the PFM regulations with regards to imprests. Currently Imprest management has been centralized to control issuance of imprest, ensure that no officer holds more than one imprest, and enhance adherence to recovery deadline of 14 days after advancement of imprests.

f. Fixed assets

Siaya County has made significant investments in fixed assets since coming into office in 2013. Additionally, we inherited some assets from the defunct municipal council. We have the process of developing a comprehensive asset management policy. The policy will among other things incorporate physical verification of all assets, valuation of assets, tagging of assets and maintenance of asset registers.

8. Statement of Management Responsibilities

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

The County Executive Committee (CEC) member for Finance and Economic planning of the County Government is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive for and as at the end of the financial year ended 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; (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.

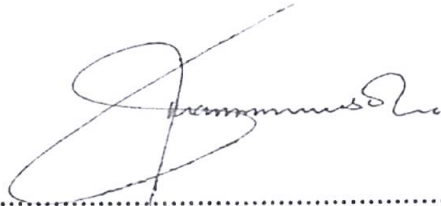
The CEC member for finance confirms that the County Executive has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Executive's funds received during the year under audit were used for the eligible purposes for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

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

Approval of the financial statements

The County *entity's* financial statements were approved and signed by the CEC member for finance on 21st October, 2025.



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CECM – Finance and Economic Planning

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in 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 Siaya set out on pages 1 to 99, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of

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

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

Basis for Qualified Opinion

1. Inaccuracies in Compensation of Employees

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects an amount of Kshs.2,975,810,506 in respect of employees' costs. Further, Note 32 to the financial statements reflects employees' payables of Kshs.323,245,874 in respect to unpaid prior year costs which resulted in an aggregated employees' costs of Kshs.3,299,056,380. However, review of monthly payroll summaries revealed employees' costs amount of Kshs.3,396,136,478, resulting in an unexplained and unreconciled variance of Kshs.420,325,972.

In the circumstances, the accuracy and completeness of employees' costs amounting to Kshs.2,975,810,506 could not be confirmed.

2. Un-Reconciled Salary Arrears Payments

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects an amount of Kshs.2,975,810,506 in respect of employee costs. Included in the payments were salary arrears processed through IPPD system that were paid to County employees across various departments amounting to Kshs.99,694,941 for a period of twelve (12) months. However, no evidence of approval by the authorized officers was provided in support of the payments contrary to Section 3.1 of the Payroll Management Policy for the Public Service, 2024 which requires payment of individual arrears amounting to Kshs.500,000 and above to be approved by the respective Accounting Officers while arrears below Kshs.500,000 shall be approved by the Head of Human Resource directorate/division/section/units. Further, no reconciliation on staff arrears schedule payable in each month, the nature of arrears paid and the period the arrears relate to was provided for audit. In addition, there was no ageing analysis of staff arrears to support the expenditure since all salaries were remitted monthly to employees through the IPPD system.

In the circumstances, the regularity and accuracy of the compensation of employees amounting to Kshs.99,694,941 could not be confirmed.

3. Unsupported Payment for Insurance

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects an amount of Kshs.2,023,283,907 in respect of use of goods and services. Included in this amount is insurance costs amount of Kshs.404,537,414, out of which Kshs.30,000,000 was paid to an insurance brokerage firm for provision of staff medical insurance cover. Management did not provide documents relating to policy and contract agreement indicating the details of premium payable, nature of risk covered, extent of coverage and any other services provided. Instead, Management provided quotations and cover notes for the period covering financial year 2014/2015 (ten (10) years ago), which indicated that the sum insured covered one thousand and seven hundred (1,700) employees. In addition, Management did not provide evidence on how the one thousand and seven hundred (1,700) staff members were identified and selected.

In the circumstances, the accuracy and completeness of insurance costs amounting to Kshs.30,000,000 could not be confirmed.

4. Irregular Payments to Members of County Assembly and Staff

During the year under review, the County Executive paid through cash allowances Kshs.1,713,600 to Members of the County Assembly (MCAs) for consultative meeting in Kisumu regarding the Siaya County Annual Development Plan. However, these payments which should have been paid by the County Assembly, were wrongly charged to the County Executive contrary to Section 162 of the Public Finance Management Act, 2012 which requires a public officer to ensure that resources within the officer's area of responsibility are used in a way that is lawful and authorized, effective, efficient, economical and transparent.

In the circumstances, the regularity of the domestic travel and subsistence amount of Kshs.1,713,600 could not be confirmed.

5. Unconfirmed Pending Bills

The statement of financial position and as disclosed in Note 32 to the financial statements reflects a balance of Kshs.1,889,967,165.44 in respect of trade and other payables as at the year end. However, the amount includes Kshs.14,925,862 in respect of provision of security and cleaning services which was not supported by Local Service Orders (LSOs), inspection and acceptance reports, job cards for cleaning works done and work attendance register.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.14,925,862 could not be confirmed.

6. Non-Compliance with Transitional International Public Sector Accounting Standards Reporting Template

Note 2 to Financial Statements on Statement of Compliance and Basis of Preparation of the financial statements, Management having taken advantage of the transitional provisions under IPSAS 33 have not indicated the elements of the financial statements

that have not been recognized and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

7. Variances in Transfers between County Revenue Fund and County Executive

The statement of financial performance reflect an amount of Kshs.6,958,101.730 in respect of transfers from County Revenue Fund. However, review of the County Revenue Fund statement of financial performance reflect transfers to County Executive of Kshs.6,982,478,853.11 resulting to unreconciled and unexplained variance of Kshs.24,377,123.11.

In the circumstances, the accuracy and completeness of the transfers from County Revenue Fund amounting to Kshs.6,958,101.730 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 Siaya Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Kshs.9,602,122,988 and Kshs.7,458,918,285 respectively, resulting in an underfunding of Kshs.2,143,204,703 or 22% of the budget. Similarly, the County Executive spent an amount of Kshs.7,486,087,487 against actual receipts of Kshs.7,458,918,285, resulting in an over expenditure of Kshs.27,169,202.

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

2. Long Outstanding Trade and Other Payables

The statement of financial position and as disclosed in Note 32 to the financial statements reflects trade and other payables balance of Kshs.1,889,967,165. Review of pending bills schedule revealed that bills totalling Kshs.184,615,904 were brought forward from prior years. However, pending payables with some dating back to ten (10) years have not been settled and no reason has been provided for the failure to pay the bills contrary to

Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015 which states that "debt service payments shall be a first charge on the County Revenue Fund and the Accounting Officer shall ensure this is done to the extent possible that the county government does not default on debt obligations".

Further, failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent years as they form a first charge.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for 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

1. Failure to Disburse Climate Change Funds

Review of the programme-based budget revealed that the Climate Change Fund had a budget estimate of Kshs.137,000,000 under grant from the National Government for Financing Locally Led Climate Action (FLLoCA). However, the Fund did not receive any grants from the National Treasury during the year under review.

In the circumstances, failure to make the disbursements of funds in time affected the implementation of approved programmes and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Matters

In the prior year audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the County Executive of Siaya in 2024/2025 revealed that the following issues remained unresolved as detailed in **Appendix I**.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Operationalize Climate Change Regulations

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects an amount of Kshs.301,184,243 in respect of other grants and subsidies which includes an amount of Kshs.132,573,505 in respect of Climate Change Fund. The Siaya County Climate Fund was enacted through an Act of County Assembly on 28 October, 2021. However, the Management is yet to operationalize the regulations contrary to Section 31 of the Siaya County Climate Change Act, 2021, which states that "the County Executive Committee Member for the time being responsible for climate change affairs shall in consultation with the steering committee and, with the approval of the County Assembly make Regulations for the better carrying into effect the provisions of this Act".

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

2. Failure to Meet Recruitment Thresholds for Persons with Disabilities

Review of payroll records maintained by the Management revealed that the County Executive had two thousand eight hundred and sixty-five (2,865) employees as at 30 May, 2025. However, the County Executive had only sixteen (16) employees or 0.56% of the total employees as persons with disability. This was contrary to the provisions of Section 5(1)(e) of the Persons with Disabilities Act, 2025 which states that "the National Council for Persons with Disabilities shall endeavor to secure the reservation of five per cent (5%) of all casual, emergency and contractual positions in employment in the public and private sectors for persons with disability".

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

3. Non-Compliance with Requirements for the Physical Facilities Requirements for Persons with Disabilities

Physical verification of County Executive's infrastructure in June, 2025 revealed that most of the departmental offices did not have suitable ramps, accessible toilets and lifts. This made accessibility of persons living with disabilities difficult and strenuous. This was contrary to Section 5 (1) (a) of the Persons with Disability Act, 2025 which states that "an employer shall provide such facilities and effect such modifications, whether physical, administrative or otherwise, in the workplace as may reasonably be required to accommodate persons with disability".

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

4. Non-Compliance with National Cohesion and Integration Act, 2008

Review of the County Executive's payroll records indicated that out of two thousand seven hundred and ninety-four (2,794) employees, two thousand five hundred and four (2,504) or approximately 89.62% of the total number were from the dominant ethnic community in the County. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provides that no one community should hold more than thirty percent (30%) of the positions. Although Management indicated that majority of the County employees were inherited from the defunct Local Authority who were mainly from the dominant ethnic community, no effort has been taken to address the issue.

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

5. Compliance With Laws and Effectiveness of Procurement Planning

Review of the procurement and payment records and other relevant supporting documents revealed that the Management did not allocate at least 30% of its annual procurement budget to enterprises owned by youth, women and persons with disability contrary to Regulation 149 of the Public Procurement and Asset Disposal Regulations, 2020 which states that "an accounting officer of a procuring entity shall, when processing procurement under section 157(5) of the Act, allocate at least thirty percent (30%) of its annual procurement budget for the purposes of procuring goods, works and services from enterprises owned by youth, women and persons with disability".

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

6. Failure to Carry Out Value for Money Assessments

Review of procurement records revealed that Management entered into a contract with a firm at a contract sum of Kshs.20,536,439 for the supply and delivery of computers and its accessories for the integrated revenue management system under framework contract arrangements. However, no documentary evidence was provided to show that Management prepared annual value for money assessment to determine whether the terms designed in the Framework Agreement remain competitive as required by Section

114 (2) of the Public Procurement and Asset Disposal Act, 2015 which states that "the maximum term for the framework agreement shall be three years and, for agreements exceeding one year, a value for money assessment undertaken annually to determine whether the terms designated in the framework agreement remain competitive".

Further, no documentary evidence was provided to show that the Accounting Officer reported the contracts awarded to Public Procurement Regulatory Authority as required in Section 138(2) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, value for money for the procurement valued at Kshs.20,536,439 could not be confirmed.

7. Construction of Siaya County Aggregation and Industrial Park

The County Executive through the Department of Trade, Cooperatives, Investment and Industries awarded a tender for the construction of County Aggregation and Industrial Park to a local firm at a cost of Kshs.483,688,922 in September, 2023. This project was to be co-funded by the County Executive and the National Government through the Ministry of Trade and Industrialization equally. However, review of the project's cashbook revealed that the National Government had made a transfer of only Kshs.62,500,000 as at 30 March, 2025 leaving a balance of Kshs.179,344,461 or 74% of the share.

Further, schedule one (1) of the framework required that the industrial park should have a minimum area of ten (10) hectares, accessible to major transport facilities with clear status of ownership and that the industrial park should have basic facilities such as roads, electricity water and sewerage. However, the identified location of the project lacked the required facilities.

In addition, review of the project progress report dated 9 September, 2024, indicated that the overall project completion was at 12%. This was behind schedule since forty-eight (48) weeks had lapsed against the initial approved contract period of eighty (80) weeks translating to 60% of the initial contract period. Management did not provide any documentary evidence to explain the delays in completion. Physical inspection carried out in October, 2025 revealed that the contractor was not on site and the project had stalled.

In the circumstances, value for money on the expenditure amounting to Kshs.21,970,927 could not be confirmed.

8. Incomplete Construction of Early Childhood Development Block at Maranyona Primary School

Review of procurement records revealed that during the 2022/2023 financial year, the County Executive awarded a contract for construction of ECD Block at Maranyona Primary School at a contract sum of Kshs.4,134,669 for a period of twelve (12) weeks commencing May, 2023. However, physical inspection carried out in July, 2025 revealed that the contract was yet to be completed over twenty-five (25) months from the contract date.

Further, works relating to painting, tiling, glass fixing and construction of latrine were incomplete despite the expiry of the project duration and no documentary evidence was provided for audit in respect of the extension of the project period. This was contrary to Section 139 (2) (a) of the Public Procurement and Asset Disposal Act, 2015 which requires an accounting officer of a procuring entity to approve extension of contract period on the recommendation of an evaluation committee and be justified by the tenderer.

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

9. Irregular Tender Variation

Management through the Department of Education entered into a contract for the proposed completion of ECD Class Rooms at Nyandheho Primary School at a total cost of Kshs.2,985,462. Review of supporting documents revealed that Management varied the project by Kshs.265,542. However, there was no evidence to show that the cost variation was evaluated and approved contrary to Section 139(1) of the Public Procurement and Asset Disposal Act, 2015 which provides that an amendment or a variation to a contract resulting from a procurement proceeding is effective only if the variation or amendment has been approved in writing by the respective tender awarding authority within a procuring entity.

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

10. Stalled Completion of Early Childhood Development Block at Nyabera Primary School

The County Executive engaged a Company for the proposed completion of ECD Block at Nyabera Primary School at a contract sum of Kshs.4,307,957. The project commenced on 9 March, 2022 and was scheduled for completion in June, 2022 with a project period of twelve (12) weeks. Review of procurement records revealed that the contractor had requested for an extension which was granted on 21 December, 2023 for a period of three (3) weeks. However, as at July, 2025 the project had stalled with the delay exceeding the original contract period by seventeen (17) months. The contractor was not on site, and the project location was in a state of neglect. No correspondences were provided on measures being taken to complete the project.

In the circumstances, value for money on the amount spent on the project could not be confirmed.

11. Failure to Install Medical Equipment

Review of records revealed that Management through the Department of Health awarded a tender to a Company to supply, deliver and install medical equipment at Siaya Hospital Theatre Complex at a cost of Kshs.22,974,650 in January, 2025. Stores records revealed that the equipment was delivered and received in the stores on 6 February, 2025. Review of payment records showed that the County Executive had paid the Contractor Kshs.20,477,338 or 89% of the contract sum. However, a physical inspection in

October, 2025 revealed that the medical equipment was yet to be installed and commissioned with some equipment stored in open and unsecured spaces exposing them to dust, moisture and physical deterioration. Although Management explained that the medical equipment had been securely stored, the installation was yet to be done eight (8) months after delivery.

In the circumstances, value for money invested in the purchase of the equipment could not be confirmed.

12. Unutilized County Facilities

During the year under review, Management awarded a contract for proposed construction of maternity block at Malunga Dispensary at a cost of Kshs.4,400,000. However, physical verification in July, 2025 revealed that the facility was complete but remained idle.

Further, Management through the Department of Environment, Water, and Natural Resources awarded a contract to drill and equip two (2) boreholes in Ligose Primary and Ligala Dispensary at a contract cost of Kshs.5,819,100. However, a physical inspection carried out in July, 2025 revealed that the borehole at Ligose Primary School was non-operational due to vandalism while the borehole at Ligala Primary School had evidence of piping leakages and corroded steel rails supporting the overhead tank as a result of poor paint works posing structural integrity risks.

In addition, Management awarded a contract for drilling and equipping a borehole at Yenga. However, physical verification of the project in the month of October, 2025 revealed that the borehole was not functional due to water not flowing from the elevated storage tank to the outlet tank. The paint works on the steel rails supporting the elevated tank were poorly done, thus exposing them to corrosion.

In the circumstances, the benefits expected from the projects have not been realized and value for money on the expenditure of Kshs.10,219,100 could not be confirmed.

13. Irregular Payment of Allowances

Review of the Integrated Payroll and Personnel Database (IPPD) and Government Human Resource Information System (GHRIS) revealed that several officers were overpaid house allowances amounting to Kshs.22,331,251 in excess of their approved job grade entitlement as prescribed by the Salaries and Remuneration Commission. Further, payroll records revealed that medical personnel were paid emergency call allowances at rates exceeding those approved by SRC circular Ref: SRC/TS/CGOVT/3/61 Vol.III/(136) dated 14 September, 2016 which states that "emergency call allowance is payable at the rate Kshs.30,000". No evidence was provided to confirm that the staff were either medical doctors, dentists or pharmacists deployed in the County hospitals as stipulated by the SRC Circular on health workers allowances.

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

14. Non-Adherence to Approved Staff Establishment

Review of the County staff establishment revealed that Management approved three (3) and one (1) staff in respect of Job Groups A and B respectively. However, review of the May, 2025 GHRIS payroll data revealed that the County had two hundred and seventy-six (276) employees in Job Group A and fifteen (15) employees in Job Group B, resulting in excess staff by two hundred and seventy-three (273) and fourteen (14) staff respectively.

Further, review of the Integrated Payroll and Personnel Database (IPPD) records for the month of June, 2025, revealed that job designations for sixteen (16) officers were not defined in the database. This was contrary to Section B.3 of the PSC Human Resource Policies and Procedures Manual, 2016 which provides that all public service appointments and designations must be based on an approved staff establishment and any creation or re-designation of positions must be authorized by the Board in accordance with the existing organizational structure and mandates.

In the circumstances, Management was in breach of the public service policies and procedures.

15. Lack of Human Resource Plans and Policies

Review of human resources records revealed that the County Executive lacked an Annual Recruitment Plan, Career Progression Guidelines and Human Resource Plans. It was thus impossible to confirm the appropriateness of the current staffing level for achieving the County Executive's strategic objectives. This was contrary to Section B.2 (2) of the Human Resource Policies and Procedures Manual for the Public Service, 2016, which requires departments to prepare human resource plans. Further, Management had not documented policy or strategy to guide the identification, development and retention of potential successors for key positions within the County Public Service.

In the circumstances, the existence of an effective control mechanisms on human resource management could not be confirmed.

16. Employees Without Personal Numbers

Review of payroll records and departmental returns revealed that a total of four hundred and forty-nine (449) employees did not have personal numbers assigned to them. No explanation was provided as to why personal numbers were not issued. This was contrary to Part 3.1 (vi) of the Payroll Management Policy for the Public Service, 2024, which states that "all public service employees whose salaries are paid from the consolidated fund shall be issued with a Unified Payroll Number (UPN)". UPN is a unique identifier for public service employees that track employment history across public service organizations from entry to exit.

In the circumstances, the control system on issuance of personal numbers was not effective.

17. Unsupported Recruitment of Employees

Review of the human resource records and correspondences maintained by the Siaya County Public Service Board revealed that six hundred and eight (608) employees were appointed between 7 January and 10 February, 2025. However, the audit was not able to confirm the authenticity of the recruitment process since supporting documentation such as advertisements, shortlisting records, interview minutes, and appointment letters were not availed for audit review. Management explained that the records of the County Public Service Board were submitted to the Ethics and Anti-Corruption Commission (EACC), as per the copy of inventory dated 24 September, 2025.

In the absence of these records, the legitimacy of the recruitment process and the authenticity of the employees could not be confirmed.

18. Failure to Provide Staff Appointment and Posting Documents

Review of sampled personnel records revealed that Management appointed nineteen (19) health officers. However, appointment and deployment letters of twelve (12) officers were not provided for audit review. Further, another sample of personnel files of six (6) health officers requested for audit verification were not provided. This was contrary to Section 9(1)(e) of the Public Audit Act, 2015 which states that “without prejudice to the powers given under the Constitution and this Act and for the purposes of carrying out his or her duties effectively, the Auditor-General, or an officer authorized for the purpose of this Act, shall have powers of unrestricted access to all books, records, returns, reports, electronic or otherwise and other documents of entities listed under Article 229(4) of the Constitution”.

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

19. Irregularities in Payment and Construction of Modern Early Childhood Development Education in Bondo Sub-County

During the year under review, the County Executive entered into a contract for the construction of a modern Early Childhood Development Education (ECDE) Centre in Bondo Sub-County. Review of payment records and documents revealed that Management made an advance payment of Kshs.10,931,825 or 20% of the contract sum in accordance with the special conditions of the contract. However, the justification on the payment, project implementation status report and details of the mobilization of plant, equipment and materials to the site were not provided for audit review.

Physical inspections conducted in July and October, 2025 revealed unauthorized alterations in the construction including use of steel nails instead of U-bolt cups for fixing galvanized corrugated iron sheets, alterations in window installations and rafters in roof trusses were spaced 4.4 meters apart instead of the two (2) meters specified in the Bill of Quantities. No documentary evidence for approval of the changes by the Accounting Officer was provided to justify these changes. This is contrary to Section 151 2(a) & (b) of the Public Procurement and Asset Disposal Act 2015 states that the Accounting Officer

shall be responsible for monitoring the performance of the contractor, to ensure that all delivery or performance obligations are met or appropriate action taken by the procuring entity in the event of obligations not being met; ensure that there is right quality and within the time frame, where required.

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

20. Delayed Supply, Delivery, Installation and Commissioning of Mortuary Cold-Room Plant

Review of procurement records revealed that Management contracted a Company for the supply, delivery, installation and commissioning of mortuary cold-room plant at Bondo Sub-County Hospital at a contract sum of Kshs.54,685,880. The contract was awarded on 4 April, 2024 for a period of twelve (12) weeks with an expected completion date of 27 June, 2024. However, as at the time of the audit in October, 2025, the project milestones had not been accomplished with the cold room plant yet to be installed contrary to Section 151 2(a) & (b) of the Public Procurement and Asset Disposal Act 2015, which requires the implementing team to monitor contract performance and ensure that all required milestones are properly maintained. Further, although the Contractor was on site, the contract period had lapsed, no extension had been requested and granted contrary to Section 139(2) of the Public Procurement and Asset Disposal Act, 2015 which requires approval of contract extensions by the Accounting Officer.

In the circumstances, the County Executive was ineffective in management of public resources causing delay in service delivery to the public.

21. Imprest Management

The statement of financial position reflects receivables from exchange transactions balance of Kshs.4,551,674 which, as disclosed in Note 22 to the financial statements, relates to temporary imprest due for surrender on or before 30 June, 2024 and had not been surrendered by the time of audit. Further, the imprest register revealed that an outstanding imprest amount of Kshs.4,005,674 remained un-surrendered in the prior year. This was contrary to Regulation 93 (6) of the Public Finance Management (County Governments) Regulations, 2015 which states that in the event of the imprest holder failing to account for or surrender the imprest on the due date, the Accounting Officer shall take immediate action to recover the full amount from the salary of the defaulting officer with an interest at the prevailing Central Bank Rate.

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

22. Non-Compliance with Fiscal Responsibility on Wage Bill

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects employees' costs of Kshs.2,975,810,506.58 representing 43% of the total receipts amount of Kshs.6,958,101,730. This was contrary to Regulation 25(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires that the County Government's expenditure on wages and benefits for its public officers shall not exceed 35% of the County Government's total revenue.

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

23. Non-Compliance with Fiscal Responsibility on Debt to Revenue Ratio

The statement of financial position reflects total liabilities totaling to Kshs.1,891,436,239.44 representing 27% of the total revenue of Kshs.6,958,101,730. This was contrary to Regulation 25(1)(d) of Public Finance Management (County Governments) Regulations, 2015 which states that the County public debt shall never exceed twenty (20%) percent of the County Governments total revenue at any one time.

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

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. Voided Transactions

Review of the financial records revealed that two thousand three hundred and twenty-three (2,323) transactions in Integrated Financial Management Information System (IFMIS) amounting to Kshs.4,081,328,220 were voided. However, no evidence was provided to confirm that the Controller of Budget was informed of the voiding of the payments so as to make necessary adjustments and approvals.

In the circumstances, controls in place to authorize and void transactions and later approve for payment could not be confirmed.

2. Weaknesses in the Legal Department

An amount of Kshs.25,505,473 was paid as legal fees to various firms for representing the County Executive in various legal disputes or court cases during the year. Review of the provided legal documents and expenditures records revealed that the County

Executive did not have a substantive County Attorney during the year under review. Further, Office of the County Attorney had an approved staff establishment of twenty-two (22) legal officers out of which only five (5) legal officers were in place which represents 22% of the approved capacity. This was contrary to Section 4 (1 & 2) of the County Attorney Act, 2020 that requires County Governments to establish an Office of the County Attorney which will consist of County Attorney, County Solicitor and such other number of legal counsels.

In addition, review of a payment amounting to Kshs.2,100,000 on court case No.354 of 2014 revealed that a judgment had been made in favor of a dismissal of a County Executive Member on 19 January, 2017 as compensation for twelve (12) months salary together with 31% gratuity for period served. The County Attorney vide a letter dated 22 February, 2022 advised Management to pay Kshs.9,083,062 which included accumulated interest. However, a report from the legal department indicated that the County still owed Kshs.4,829,862 as at 30 June, 2025. The delay to clear the claim may expose the County to further avoidable and nugatory expenditures.

In the circumstances, the effectiveness of the legal department could not be confirmed.

3. Weaknesses in Internal Audit Function

Review of the internal audit function and governance revealed that the County Executive had an internal audit function in place with a total staff of twelve (12) officers including five (5) support staff instead of the approved staff establishment of nineteen (19) technical officers resulting to understaffing of seven (7) officers. Further, the staff were not members of professional bodies such as Institute of Certified Public Accountants of Kenya and Institute of Internal Auditors but were accountants seconded from the Finance Department. Information obtained from the Management indicated that the officers carrying out duties of the internal audit were employed as ward administrators and deployed to the unit casting doubt on the effectiveness of the unit.

In addition, review of the programme-based budget indicated that the Department's budget was reduced from Kshs.11,539,329 to Kshs.8,139,329 during the year under review. This allocation included Kshs.3,006,620 to the audit committee.

Further, the internal audit function submitted to Management four (4) audit reports on various Departments and Sections outlining the recommendations to be implemented by the Management. However, Management did not provide evidence if implementation of the audit recommendations.

In the circumstances, the effectiveness of the internal audit function could not be confirmed.

4. Information Technology Internal Control Weaknesses

Management did not have an approved IT strategic plan for governance and management of ICT resources. In addition, there was no evidence of an IT steering committee in place to assist in the development of ICT Policy framework to enable the Management realize

long-term ICT strategic goals. There was also no formal, documentation to confirm that emergency procedures had been tested.

Further, there was no evidence of disaster recovery plans inform of backups stored in a secure off-site location to allow for business continuity in the event of an unforeseen disaster(s).

In the circumstances, effectiveness on the ICT controls and governance could not be confirmed.

5. Irregular Salary Payments

Review of the Integrated Payroll and Personnel Data (IPPD) and Manual payrolls at the Siaya County Referral Hospital revealed that a staff member was paid both as a casual and a permanent & pensionable employee. This resulted in double payment. Further, it was an indication that there were no proper controls and reconciliation of payroll.

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

In preparing the financial statements, Management is responsible for assessing the County Executive 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

Appendix 1 – Unresolved Prior Year Matters

No.	Financial Year	Audit Issue
		Basis for Qualified Opinion - Report on Financial Statements
1	2023/2024	Excess and Unsupported Payment of Domestic Travel and Subsistence Allowance
2		Hiring of Transport Companies
3		Amounts Paid to the County Government
4		Irregular Payment of Sitting Allowances to Members of County Assembly
5		Unsupported Training Expenses
6		Unsupported Legal Fees
7		Unreconciled Variances Between IFMIS Records and Financial Statements
8		Inaccuracies in Bank Balances
9		Unsupported Acquisition of Assets
10		Non-Adherence to End of Period Cut-Off Procedures
11		Unexplained Voided Transactions
		Emphasis of Matter
11		Budgetary Control and Performance
12		Pending Bills
		Report on Lawfulness and Effectiveness in the Use Of Public Resources
13	2023/2024	Failure to Construct Governor's Residence and Irregular Rental Allowance.
14	2023/2024	Failure to Pay Full Premium on Staff Medical Insurance
15	2023/2024	Failure to Adhere to One Third of Basic Salary Rule
16	2023/2024	Ethnic Composition of Employees
17	2023/2024	Irregularities in Imprest Management
18	2023/2024	Failure to Implement Recommendations of the County Legislative Oversight Committee
19	2023/2024	Failure to Insure the County Government Buildings.
20	2023/2024	Irregular Payments to Council of Governors and Lake Region Economic Block
21	2023/2024	Delay in Installation of the Three-Phase Electricity Power at the Siaya Stadium
22	2023/2024	Installation of Stadium VIP Seats
23	2023/2024	Delay in Construction of Perimeter Wall at Migwena Sports Cultural Center
24	2023/2024	Delay in Completion of Proposed Washroom, Gravelling Works, Waterworks, Powerhouse and Electrification at Migwena

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

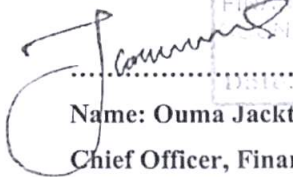
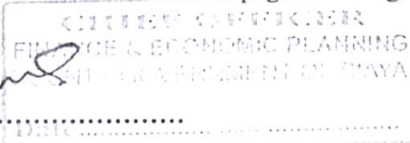
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No.	Financial Year	Audit Issue
25	2023/2024	Irregular Escalation Project Cost and Delay in Construction of Stadium
26	2023/2024	Proposed Construction of County Aggregation and Industrial Parks
27	2023/2024	Proposed Construction of Yala Cattle Ring in Yala Township Ward
28	2023/2024	Construction of Four (4) Door Flushable Toilets and Four (4) Bathrooms at Akala Health Centre.
29	2023/2024	Idle Equipment-X-Ray Machine at Got Agulu Hospital
		Report on Effectiveness of Internal Controls, Risk Management and Governance
30	2023/2024	Failure to Prepare a Risk Assessment Report

**Siaya 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**

Description	Notes	FY 2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	6,958,101,730.00
Miscellaneous Revenue	7	
Revenue from exchange transactions		
Other income	8	
Total revenue		6,958,101,730.00
Expenses		
Employee costs	9	2,975,810,506.58
Use of goods and services	10	2,023,283,907.24
Transfers to other Government Entities	11	135,229.25
Depreciation and amortization expense	12	110,339,137.54
Other Grants and Subsidies	13	301,184,243.00
Finance costs	14	15,371,149.70
Social Benefits	15	
Total expenses		5,426,124,173.31
Gain/(loss) on sale of assets	16	
Gain/Loss on Foreign Exchange	17	
Gain/Loss on fair value of investments	18	
Impairment loss	19	
Surplus/Deficit for the year		
Taxation	20	
Net Surplus/Deficit		1,531,977,556.69

The Financial Statements set out on page 1 was signed by:



 Name: Ouma Jacktone Odinga
 Chief Officer, Finance & Economic Planning


 Christine Phyllis Okoth
 Director Finance/Accounting Services
 ICPAK Member No;13246

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

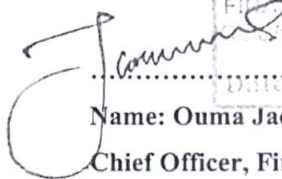
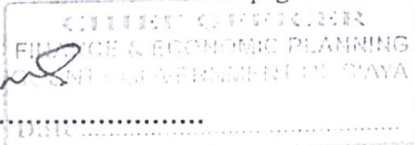
11. Statement of Financial Position as at 30 June 2025

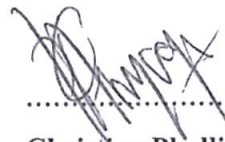
Description	Notes	FY 2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	21	4,302,184.30	31,471,386.40
Receivables from Exchange Transactions	22		
Receivables from Non-Exchange Transactions	23		500,816,555.00
Inventories	24		
Current portion of investments	25		
Total Current Assets		4,302,184.30	532,287,941.40
Non-Current Assets			
Receivables from Exchange Transactions	22(b)	4,551,674.00	5,026,471.00
Non- Current portion of investments	25		
Property, Plant and Equipment	26	2,499,953,417.28	
Right of Use Assets	27		
Intangible Assets	28		
Investment Property	29		
Biological Assets	30		
Tangible Natural Resources	31		
Total Non- Current Assets		2,504,505,091.28	5,026,471.00
Total Assets (A)		2,508,807,275.58	537,314,412.40
Liabilities			
Current Liabilities			
Trade and Other Payables	32	1,889,967,165.44	1,446,894,563.37
Refundable deposits and prepayments	33	1,469,074.00	5,026,369.58
Current Provision	34		
Lease Liabilities	35		
Deferred Income	36		
Employee Benefit Obligation	37		
Current Portion of Borrowings	38		
Total Current Liabilities		1,891,436,239.44	1,451,920,932.95
+			
Non-Current Liabilities			
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		
Total Non- Current Liabilities			
Total Liabilities (B)		1,891,436,239.44	1,451,920,932.95

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

Net Assets (A-B)		617,371,036.14	(914,606,520.55)
Represented by:			
Reserves			
Accumulated Surplus		1,607,159,965.61	75,182,408.92
Capital Fund		(989,788,929.47)	(989,788,929.47)
Net Assets		617,371,036.14	(914,606,520.55)

The financial statements set out on pages 2 to 3 were signed by:



 Name: Ouma Jacktone Odinga
 Chief Officer, Finance & Economic Planning



 Christine Phyllis Okoth
 Director Finance/Accounting Services
 ICPAK Member No;13246

Siaya 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

	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30th June 2024 (cash basis)	75,182,408.92		(989,788,929.47)	(914,606,520.55)
Adjustments:				
Recognition of assets				
Recognition of liabilities				
As at July 1, 2025	75,182,408.92		(989,788,929.47)	(914,606,520.55)
Return to CRF				
Surplus/ deficit for the year	1,531,977,556.69		-	1,531,977,556.69
Other changes (specify)				
As at June 30, 2025	1,607,159,965.61		(989,788,929.47)	617,371,036.14

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

		FY 2024-2025
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		7,458,918,285.00
Miscellaneous Revenue		
Other income		
Total receipts		7,458,918,285.00
Payments		
Employee costs		3,008,852,595.23
Use of goods and services		1,744,523,671.92
Transfers to other Government Entities		135,229.25
Other Grants and Subsidies		301,184,243.00
Finance costs		15,371,149.70
Social Benefits		
Total payments		5,070,066,889.10
Net cash flows from/(used in) operating activities	40	2,388,851,395.90
Cash flows from investing activities		
Purchase of PPE		2,416,020,598.00
Purchase Intangible assets		
Proceeds from sale of PPE		
Proceeds from sale of Biological Assets		
Purchase of investments		
Sale of investments		
Net cash flows from/(used in) investing activities		2,416,020,598.00
Cash flows from financing activities		
Returns to CRF		
Proceeds from borrowings		
Repayment of borrowings		
Net cash flows from financing Activities		
Net increase/(decrease) in cash & Cash equivalents		(27,169,202.10)
Cash and cash equivalents at 1 July	21	31,471,386.40
Cash and cash equivalents at 30 June	21	4,302,184.30

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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 %
Budget carry overs (Special Purpose A/c)						
Receipts						
Transfers from the CRF	9,602,122,988.00		9,602,122,988.00	7,458,918,285.00	2,143,204,703.00	77.68
Other receipts			-		-	
Total Receipts	9,602,122,988.00		9,602,122,988.00	7,458,918,285.00	2,143,204,703.00	77.68
Payments						
Compensation of employees	3,157,744,187.00		3,157,744,187.00	3,008,852,595.23	148,891,591.77	95.28
Use of goods and services	2,004,083,788.00		2,004,083,788.00	1,744,523,671.92	259,560,116.08	87.05
Subsidies			-		-	
Transfers to other government units			-	135,229.25	135,229.25	
Other grants and transfers	698,115,420.00		698,115,420.00	301,184,243.00	396,931,177.00	43.14
Social security benefits			-		-	
Acquisition of assets	3,742,179,593.00		3,742,179,593.00	2,416,020,598.00	1,326,158,995.00	64.56
Finance costs, including loan interest			-	15,371,149.70	15,371,149.70	
Repayment of principal on borrowings			-		-	
Other payments			-		-	
Total	9,602,122,988.00		9,602,122,988.00	7,486,087,487.10	2,116,035,500.90	77.96
Surplus			-	- 27,169,202.10		

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Reconciliation table

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(27,169,202.10)
1	Reason for differences(Opening cash and cash equivalent)	31,471,386.40
	Closing Cash and Cash Equivalent as per the statement of Cash flows	4,302,184.30

15. Notes to the Financial Statements

1. General Information

Siaya Entity is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are serve residents of siaya.

2. Statement of Compliance and Basis of Preparation

Statement of compliance

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

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ 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. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

These financial statements were authorised for issue by the accounting officer on 28th August 2025

Basis of Preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis 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 30th June 2025.

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

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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. Judgement 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 MtCO₂eq. 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.

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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 1st 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 1st 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 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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

Standard	Effect
IPSAS 47- Revenue	Applicable from January 1, 2026 This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	Applicable from January 1, 2026 The objective of the standard is to establish the principles that a transfer provider shall apply to report its financial information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. It sets a new standard for public sector entities geared to provide guidance on how to provide transfers on accounting for such transfers
IPSAS 49- Retirement Benefit Plans	Applicable from January 1, 2026 The objective of this standard is 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 each retirement benefit plan
IPSAS 50: Exploration For & Evaluation of Mineral Resources	Applicable from January 1, 2027 The objective of this standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities to 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. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the 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 26th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of on the 2024/25 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.

Budget information (continued)

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

Notes to the Financial Statements (Continued)

e) **Right of use asset**

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

f) **Tangible Natural Resources**

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

Leases

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

Notes to the Financial Statements (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

Notes to the Financial Statements (Continued)

i. **Financial assets**

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

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 creates and maintains 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.

Notes to the Financial Statements (Continued)

r) Borrowing costs

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

s) Related parties

The *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, 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.

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10. Use of Goods and Services

Description	FY 2024-2025
	Kshs
Utilities, supplies and services	50,208,162.75
Communication, supplies and services	6,397,748.65
Domestic travel and subsistence	323,767,893.98
Foreign travel and subsistence	-
Printing, advertising, and information supplies & services	39,164,824.79
Rentals of produced assets	2,296,000.00
Training expenses	29,257,963.15
Hospitality supplies and services	154,666,455.16
Insurance costs	404,537,414.00
Specialized materials and services	349,693,422.00
Other operating expenses <i>including bank Charges</i>	322,464,776.56
Office and general supplies and services	88,208,021.90
Fuel Oil and Lubricants	65,428,888.00
Routine maintenance – vehicles and other transport equipment	57,325,558.00
Routine maintenance – other assets	21,217,207.30
Agricultural consumables	108,649,571.00
Total	2,023,283,907.24

11. Transfers to Other Government Entities

Description	FY 2024-2025
	Kshs
Transfers to other County Government entities	
Transfers to self-reporting projects	
Transfers to car loan and mortgage schemes	
Others (Returned to Donor THS)	135,229.25
Total	135,229.25

12. Depreciation and Amortization Expense

Description	FY 2024-2025
	Kshs
Property, plant and equipment	110,339,137.54
Intangible assets	
Investment property carried at cost	
Total	110,339,137.54

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13. Other Grants and Subsidies

Description	FY 2024-2025
	Kshs
Scholarships and other educational benefits	
Emergency relief and refugee assistance	
Village Polytechnic	20,600,000.00
Agriculture Sector Development Support Program-ASDSP	3,037,537.00
DANIDA	18,383,632.00
Climate Change Fund	132,573,505.00
National Agricultural Value Chain Development Program-NAVCDP	60,856,761.00
Kenya Livestock Commercialization Project-KELCOP	33,423,508.00
Kenya Urban Support Programme-UIG	32,309,300.00
Total Grants and Subsidies	301,184,243.00

14. Finance Costs

Description	FY 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	15,371,149.70
Interest on loans from commercial banks	
Total finance costs	15,371,149.70

15. Social Benefits

Description	FY 2024-2025
	Kshs
Transfers to the elderly	
Transfers to orphans	
Transfers to the physically challenged	
Total social benefit expenses	

16. Gain/Loss on Sale of Assets

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

17. Gain/Loss on Foreign Exchange

Description	FY 2024-2025
	Kshs
Gain or loss on foreign exchange transactions	
Gain or loss on balances in foreign exchanges	
Total	

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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 FY 2024-2025
		Kshs	Kshs
Recurrent	4,248,191,925.00		4,248,191,925.00
Development	2,432,363,099.00		2,432,363,099.00
Special purpose transfers	277,546,706.00		277,546,706.00
Total	6,958,101,730.00		6,958,101,730.00

7. Miscellaneous Revenue

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

8. Other Incomes

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

9. Employee Costs

Description	FY 2024-2025
	Kshs
Basic salaries of permanent employees	1,160,820,436.37
Basic wages of temporary employees	257,492,336.00
Personal allowances – part of salary	1,059,933,978.00
Pension and other social security contributions	331,893,753.00
Employer contributions to compulsory national social security schemes	86,194,909.52
Employer contributions to compulsory national Social Health Authority (SHA)	77,631,393.69
Personal allowances provided in kind (NITA)	1,843,700.00
Other social benefit schemes	
Other personnel costs	
Total Employee costs	2,975,810,506.58

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.

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18. Gain/Loss on Fair Value Investments

Description	FY 2024-2025
	Kshs
Investments at Fair Value	
Total Gain	

19. Impairment Loss

Description	FY 2024-2025
	Kshs
Property, Plant and Equipment	
Intangible Assets	
Total Impairment Loss	

20. Taxation

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

21. Cash and Cash Equivalents

Name of Bank, Account No. & Currency	AccountNo.	FY 2024-2025	OPENING 1ST JULY 2024
Siaya County Revenue Fund (CBK)	1000171464		
Siaya County Recurrent Account (CBK)	1000170883	3,815.25	6.35
Siaya County Development Account (CBK)	1000170816	14,031.80	256.20
Siaya Rentention and Deposit Account (CBK)	1000238259	1,469,074.10	3,929,097.00
Siaya County UHC account (CBK)			135,229.25
Siaya County Primary Health Care	1000566981	20	19.00
Siaya County Devolution Support Programme KDSP CBK	1000444754		
Kenya Climate smartt Agriculture CBK	1000369507		
Siaya County Nat Agri Val Chain Dev	1000718277		
Siaya County Agric Sec Dev S.Programme	1000444754		3,037,537.00
Kenya Urban Support Program	1000375496		
Siaya County Aggreg And Industrial PARK	1000723106	2,752,862.15	24,306,860.80
County Government Project Climate Cahnge	1000567406		
Siaya Rentention and Deposit Account Faulu			
Siaya County Covid-19 Fund A/C CBK	1000465166	26,138.20	26,138.00
SIAYA COUNTY FUEL LEVY FUND CBK	1000333863	36,242.80	36,242.80
Total		4,302,184.30	31,471,386.40

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

Financial Institution	Account number	FY 2024-2025 Kshs	Opening Statement Kshs
Recurrent Accounts			
Siaya County Recurrent Account (CBK)	1000170883	3,815.25	6.35
Siaya County Covid-19 Fund A/C CBK	1000465166	26,138.20	26,138.00
Siaya County UHC account (CBK)			135,229.25
Siaya County Primary Health Care	1000566981	20.00	19.00
Siaya County Agric Sec Dev Programme	1000444754		3,037,537.00
Development Accounts			
Siaya County Development Account (CBK)	1000170816	14,031.80	256.20
Siaya County Aggreg And Industrial PARK	1000723106	2,752,862.15	24,306,860.80
SIAYA COUNTY FUEL LEVY FUND CBK	1000333863	36,242.80	36,242.80
Deposits Accounts			
Siaya Retention and Deposit Account Faulu			
Siaya Retention and Deposit Account (CBK)	1000238259	1,469,074.10	3,929,097.00
Total		4,302,184.30	31,471,386.40

22. Receivables from Exchange Transactions

Description	FY 2024-2025 Kshs	Opening Statement 1 st July 2024 Kshs
Total receivables		
Other exchange debtors (<i>Specify</i>)	4,551,674.00	
Less: impairment allowance		
Total receivables	4,551,674.00	
a) Current receivables	4,551,674.00	
b) Non-current receivables		
Total Receivables (a+b)	4,551,674.00	

i) Ageing analysis for Receivables

Description	FY 2024-2025		Opening Statement 1 st July 2024	
	FY 2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year				
Between 1- 2 years				
Between 2-3 years				
Over 3 years				
Total (a+b)				

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ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance	<i>FY 2024-2025</i>
	Kshs
At the beginning of the year	
Additional allowance during the year	
Recovered during the year	
Written off during the year	
At the end of the year	

23. Receivables from Non-Exchange Transactions

Description	FY 2024-2025		Opening Statement 1st July 2024	
	Kshs		Kshs	
Other debtors (non-exchange transactions)			500,816,555.00	
Less: impairment allowance				
Total receivables from non- exchange transactions			500,816,555.00	
Ageing Analysis- Receivables from non- exchange transactions	FY 2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year		%	500,816,555.00	100
Between 1-2 years		%		
Over 3 years		%		
Total		%	500,816,555.00	100%

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

Description	<i>FY 2024-2025</i>
	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	

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Notes to the Financial Statements (Continued)

24. Inventories

Description	FY 2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Spare parts		
Goods held for distribution		
Less: allowance for impairment		
Total		

Detailed disclosure on inventories

	FY 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	FY 2024-2025	Opening Statement 1 st 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		
Sub- total		
Grand total		
Analysed as:		
Current portion of Investment		
Non-current portion of investment		

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d) Movement of Equity Investments

	<i>FY 2024-2025</i>
	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	

Notes to the Financial Statements (Continued)

e) Shareholding in other entities

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

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

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Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Construction of Roads	Civil Works	Furniture and fittings	Computers & ICT Equipment	Specialized Plant and Equipment	Acquisition of Strategic stock and Consumable Commodities	Total
Depreciation Rate		2%	16.67%	20%	12.50%	12.50%	33.30%	12.50%		
Cost	Kshs	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024										
Additions	17,533,698.35	421,318,941.88	61,484,271.00	1,188,314,837.68	715,586,201.51	33,145,728.00	60,899,929.85	112,008,946.55		2,610,292,554.82
Disposals										
Transfer/Adjustments										
As At 30th June 2025	17,533,698.35	421,318,941.88	61,484,271.00	1,188,314,837.68	715,586,201.51	33,145,728.00	60,899,929.85	112,008,946.55		2,610,292,554.82
Depreciation And Impairment										
Depreciation for the year	-	1,948,971.00	3,603,863.17	70,349,205.26	25,997,111.78	612,207.88	6,721,658.36	1,106,120.10		110,339,137.54
Disposals	-									
Impairment	-									
Transfer/Adjustment	-									
As At 30th June 2025	-	1,948,971.00	3,603,863.17	70,349,205.26	25,997,111.78	612,207.88	6,721,658.36	1,106,120.10	-	110,339,137.54
Net Book Values	17,533,698.35	419,369,970.88	57,880,407.83	1,117,965,632.42	689,589,089.73	32,533,520.13	54,178,271.49	110,902,826.45	-	2,499,953,417.28
Opening Bal as at 1 st July 2025										
As At 30th June 2025	17,533,698.35	419,369,970.88	57,880,407.83	1,117,965,632.42	689,589,089.73	32,533,520.13	54,178,271.49	110,902,826.45		2,499,953,417.28

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Notes to the Financial Statements (Continued)

27. Intangible Assets

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

28. Investment Property

Description	<i>FY 2024-202</i>
	Kshs
Cost/Opening balance at the beginning of the year	
Additions	
Disposal during the year	
Depreciation	
Impairment	
At end of the year	

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Notes to the Financial Statements (Continued)

29. Right-of-use assets

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

30. Biological Assets

<i>Description</i>	<i>Insert Current FY</i>	<i>Opening Statement 1st July 20XX</i>
	Kshs	Kshs
Specify		
Specify		
Total		

31. Tangible Natural Resources

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

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Notes to the Financial Statements (Continued)

32. Trade and Other Payables

Description	FY 2024-2025		Opening Statement 1st July 2024	
	Kshs		Kshs	
Trade payables	1,595,793,213.21		1,123,648,688.49	
Payments received in advance				
Employee payables	294,173,952.23		323,245,874.88	
Third-party payments				
Other payables				
Total trade and other payables	1,889,967,165.44		1,446,894,563.37	
Ageing analysis: (Trade and other payables)	FY 2024-2025		Opening balance	% of the Total
Under one year	1,705,351,261.30	90%		%
1-2 years	110,447,853.89	6%		%
2-3 years	41,452,809.74	2%		%
Over 3 years	32,715,240.51	2%		%
Total (tie to above total)	1,889,967,165.44	100%		

33. Refundable Deposits and Prepayments

Description	FY 2024-2025		Opening Statement 1st July 2024	
	Kshs		Kshs	
Customer deposits	1,469,074.00		5,026,369.58	
Prepayments				
Other deposits				
Total deposits	1,469,074.00		5,026,369.58	
Ageing analysis: (Refundable deposits)	FY 2024-2025	% of the Total	Opening Balance	% of the Total
Under one year	1,469,074.00	100	5,026,369.58	100
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total	1,469,074.00	100	5,026,369.58	100

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Notes to the Financial Statements (Continued)

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				
Total provisions year end				
Current Provisions				
Non-Current Provisions				

35. Lease Liabilities

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

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	
Total	

Notes to the Financial Statements (Continued)

36. Deferred Income

Description	FY 2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
National Government		
International Funders		
Public Contributions and Donations		
Total Deferred Income		

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	
Total	

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Notes to the Financial Statements (Continued)

37. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	FY 2024-2025	Opening Statement 1 st July 202
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation					
Non-Current Benefit Obligation					
Total Employee Benefits Obligation					

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

The Entity operates a defined benefit scheme for all full-time employees from July 1, 2024. The scheme is administered by while are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at June by actuarial valuers 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:

	FY 2024-2025	Opening Statement 1 st July 202
Discount Rates	x%	x%
Future Salary Increases		
Future Pension Increases		
Mortality (Pre- Retirement)		
Mortality (post-retirement)		
Withdrawals		
Ill Health		
Retirement		

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Notes to the Financial Statements (Continued)

Recognition of Retirement Benefit Asset/ Liability

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

	<i>FY 2024-2025</i>	<i>Opening Statement 1st July 2024</i>
Description	Kshs	Kshs
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		
Remeasurement of the net defined benefit liability (asset)		

b) Amounts recognized in the Statement of Financial Position

	<i>FY 2024-2025</i>	<i>Opening Statement 1st July 2024</i>
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 defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. XXX per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

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Notes to the Financial Statements (Continued)

38. Borrowings

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

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

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

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Notes to the Financial Statements (Continued)

Description	FY 2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)		
Long Term Borrowings		
Total		

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

39. Service Concession Arrangements Liability

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

40. Cash Generated from Operations

	FY 2024-2025
	Kshs
Surplus for the year before tax	1,531,977,556.69
Adjusted for:	
Depreciation	110,339,137.54
Non-cash grants received	
Contributed assets	
Impairment	
Gains and losses on disposal of assets	
Contribution to provisions	
Contribution to impairment allowance	
Working capital adjustments	
Increase in inventory	-
Increase in receivables	501,291,352.00
Increase in deferred income	
Increase in payables-	245,243,349.67
Increase in payments received in advance	
Net cash flow from operating activities	2,388,851,395.90

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

Notes to the Financial Statements (Continued)

41. Financial Risk Management

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

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

i) Credit risk

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

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

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

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

Notes to the Financial Statements (Continued)

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

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

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

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) **Market risk**

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

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

a) **Foreign currency risk**

The *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 commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**County Executive of Siaya
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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:

Current FY 2024-2025

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

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
20xx			
Euro	10%		
USD	10%		
20xx-1			
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. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs. A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs

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.

Notes to the Financial Statements (Continued)

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Financial Risk Management

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

	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Financial Assets				
Quoted Equity Investments				
Non- Financial Assets				
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:

	FY 2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings		
Capital Reserve		
Total Funds		
Total Borrowings		
Less: Cash And Bank Balances		
Net Debt/(Excess Cash And Cash Equivalents)		
Gearing		

County Executive of Siaya
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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.

	<i>FY 2024-2025</i>
	Kshs
Transactions with related parties	
a) Sales to related parties	
Others (specify) e.g. interest and bank charges	
Total	
B) purchases from related parties	
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)	
Total	
b) Grants /transfers from the government	
Grants from national govt	
Grants from county government	
Donations in kind	
Total	
c) Expenses incurred on behalf of related party	
Payments of salaries and wages for employees	
Payments for goods and services	
Total	
d) Key management compensation	
Compensation to key management	
Total	

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

43. Segment Information

44. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

Contingent Liabilities

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

(Give details)

45. Capital Commitments

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

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

Notes to the Financial Statements (Continued)

46. Program for Results (PforR) Disclosure

Name of PforR:		Name of Financing Partners:				
Expenditure Details*	Opening Cumulative for Previous FYs		FY 2024-2025		Total Cumulative	
	Budget	Actual	Budget	Actual	Budget	Actual
Program code						
Sub-program						
Sub-program						
Sub-total						
Program code						
Sub-program						
Sub-program						
Sub-total						
Total						

47. Events after the Reporting Period

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

48. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

49. Currency

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

County Executive of Siaya
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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	Status: (Resolved / Not Resolved)	Timeframe:
1	<p>1. Compensation of Employees</p> <p>The statement of receipts and payments reflects an amount of Kshs.2,872,515,819 in respect of compensation of employees as disclosed in Note 3 to the financial statements. Review of the payroll records revealed the following unsatisfactory matters:</p> <p>i. The County Executive made salary payments amounting to Kshs.14,509,755 to two hundred and forty (240) members of staff in the month of June, 2024 outside the Integrated Payroll and Personnel Database (IPPD) through vouchers. Management attributed the payments to funeral expenses, baggage allowances and unremitted gratuity.</p>	<p><i>Management Response</i></p> <p>i. <i>Included in the figure of Kshs.14,509,755 is Kshs.649,431.8 comprising of funeral expenses of Kshs.50,000, baggage allowances of Kshs.3,618 and unremitted gratuity of Kshs.595,813.8. Kshs.13, 860,323.20 represents salary payments for staff who are yet to be issued with Unified Personal Numbers and are therefore paid outside the IPPD. We further state that of 1,396 officers that were recruited, a total of 1,302 UPN numbers have been generated, representing 93% personal numbers issued to the newly recruited officers. Attached see the current status of</i></p>	The Report is before County Assembly	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>ii. The County Executive engaged the services of two thousand one hundred and twenty-eight (2,128) community health workers and had spent Kshs.76,608,000 on their wages in the year. Each of the Health Worker is paid an amount of Kshs.3,000 per month. However, records on how the workers were recruited were not provided for audit. It is therefore not possible to confirm their existence.</p> <p>iii. Review of the IPPD records revealed that one hundred and ninety-two (192) members of staff were paid an amount of Kshs.3,141,120 as special allowances. Although Management explained that some of the staff members were employed as revenue collectors, at a monthly salary of Kshs.14,675 for a contract period of three (3) years, no documentary evidence was presented to show the recruitment process and the agreement on pay.</p>	<p><i>unified payroll number tracking schedule</i></p> <p><i>Annex 1: Computation of Payment for the Month of June 2024 and Letter dated 14th March, status of unified payroll Number tracking facility 2025, Contract termination letters for Elizabeth Onyango Oduor and Reche Joseph Okoth.</i></p> <p><i>ii) The Community Health Policy 3.2.2 further guide that a Community Health Promoter will be selected at a community meeting or Baraza called by the Area leader or Community Health Committee. Once selected the CHW would undergo training to prepare them to serve households that would be organized as a Community Health Unit. The</i></p>		

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>iv. In addition, review of payroll for months of July and December, 2023 and January and June, 2024 revealed that twenty (20) members of staff were sharing a bank account number. Management explained that the Account was held at Shirika Fosa account and it is a member's holding account at the bank which the respective bank receives and dispatches net earnings to their members, upon recovery of loans advances. It was however not clear how the Executive would be paying net salaries to a joint account instead of remitting amounts owing to the FOSA.</p> <p>In the circumstances, the completeness and accuracy of the compensation of employees cost of Kshs.2,872,515,819 could not be confirmed.</p>	<p><i>Minutes would be prepared by the Community Health Assistants (CHA) and forwarded by the SCMOH.</i></p> <p><i>The CHW recruitment and Certification guidelines gives guidance on the process, criteria, training and Certification.</i></p> <p><i>Annex 2: Community Health Policy 2020/2030 chapter 3.2.2, sample of recruitment of community health workers and Baraza minutes by Asst. Chief.</i></p> <p><i>iii) The Revenue collectors were duly recruited by the County Public Service Board. Details of the same are herewith annexed.</i></p> <p><i>Annex 3 (a): Recruitment of 200 revenue collectors, Letter for suitability</i></p>		

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p><i>test and Report on recruitment, selection of revenue collectors of April 2022 and Appointment letters (see Volume 6 &7)</i></p> <p>iv) <i>The Fosa account in reference is a holding account at the Cooperative Bank of Kenya for all staff who earn from the Shirika FOSA Account, hence sharing the same account Number. The employer remits their earnings to the clearing Bank (Equity Bank) then it's wired to Cooperative Bank who is the Banker to all Saccos, which is then credited to respective Saccos including Shirika Fosa Sacco.</i></p>		

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<i>Annex 3 (b) Letter to Shirika Sacco on 12th March 2025 and Confirmation from Shirika Sacco on 17th March 2025</i>		
2.1.1	<p>2.1.1 Excess and Unsupported Payment of Domestic Travel and Subsistence Allowance</p> <p>Included in the domestic travel and subsistence expenditure is an amount of Kshs.51,744,232 paid to nineteen (19) members of staff. Review of the payments shows each member of staff was paid an amount exceeding Kshs.2,000,000, which is indicative of having worked out of their work station for a period exceeding one hundred and twenty (120) days in the year. This appears excessive as most of the County Executive work is undertaken within the County.</p> <p>In the circumstances, the occurrence and accuracy of the domestic travel and subsistence expenditure is an amount of Kshs.51,744,232 could not be confirmed.</p>	<p><i>Management Response</i></p> <p><i>The payments to the 19 members of staff amounting to Kshs. 51,744,232 relates to</i></p> <p><i>a. Payments in respect of joint activities that were undertaken during the financial year 2023/2024 as show in the supporting schedule attached;</i></p> <ul style="list-style-type: none"> - <i>Preparation of County Budget Review and Outlook Paper</i> - <i>Preparation of Public participation report on CFSP</i> - <i>Preparation of County Annual Development Plan</i> - <i>Preparation of County Statistical Abstract report</i> 	The Report is before County Assembly	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<ul style="list-style-type: none"> - Participation in County Budget and Economic Forum - Analysis of Supplementary Budget Estimates - Standing imprests for office operations - Trainings for staff - Official foreign travels - Sensitization meetings - Preparation of quarter 2 Work plan implementation report <p>b. Pending staff payables from prior years paid during the year under review due to delayed exchequers as shown in the voided schedule attached (as per instruction from National Treasury circular)</p> <p>c. Current year allowances paid</p> <p>Arising from above, it is evident that there were no excess payments to the 19 members of staff and they were not out</p>		

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p><i>of station for a period exceeding 120 days during the year under review.</i></p> <p><i>Annex: 4 DSA Schedule, List of beneficiaries, Voided transactions and National Treasury Circular (section 3.13 and 3.14)</i></p>		
2.1.2	<p>2.1.2 Hiring of Transport Companies</p> <p>Included also in the domestic travel and subsistence allowance expenditure is an amount of Kshs.70,751,623 paid to three travel companies for transporting staff. However, it was not clear how the companies were identified. The basis and justification for the amounts paid was unclear as the County has its own transport department and the staff travelling had been paid their travel and per diem allowances.</p> <p>In the circumstances, the occurrence, completeness and accuracy of the disclosed expenditure on travel, amounting to Kshs.70,751,623 could not be confirmed.</p>	<p>Management Response</p> <p><i>During the year under review, the county did not hire services of transport companies which is hosted under expenditure (Code 2210604). Kshs 70,751,623 included in the domestic travel allowances relates to payments of air ticket service providers. Payment of air ticket services are classified under Domestic and Subsistence allowance and charged under expenditure (Code 2210304)</i></p> <p><i>The County has a directorate of transport that only deals with management of vehicles (road transport) but these payments relate to air travel</i></p>	The Report is before County Assembly	

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<i>services and hence, hire the services of air travel service providers.</i>		
2.1.3	<p>2.1.3 Amounts Paid to the County Government</p> <p>Review of the domestic travel and subsistence allowance revealed that an amount of Kshs.3,360,000 was paid as domestic travel and subsistence allowance described as payment to the Siaya County Government. It is not clear and Management did not explain the purpose for and the beneficiary of the payment.</p> <p>In the circumstances, the validity and occurrence of the expenditure totaling Kshs.3,360,000 could not be confirmed.</p>	<p><i>Management Response</i></p> <p><i>The payments of Kshs.3, 360,000 were allowances paid to officers of the County Government of Siaya attending the same activity. The supporting documents indicated the reasons for payments and the beneficiaries to be paid. A single payment voucher was raised to pay activities attended by several officers. The three (3) payments totaling to Kshs.3, 360,000.00 were for three activities as per the attached payment vouchers.</i></p> <p><i>Annex 5: Payment vouchers</i></p>	The Report is before County Assembly	
2.1.4	<p>2.1.4 Irregular Payment of Sitting Allowances to Members of County Assembly</p> <p>Further, included in the domestic travel and subsistence expenditure is an amount of</p>	<p><i>Management Response</i></p> <p><i>The payments to Members of County Assembly were reimbursements for activities / meetings that had taken place. The County Executive conformed to the</i></p>	The Report is before County Assembly	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>Kshs.2,903,600 paid to Members of the County Assembly of Siaya in respect of interrogation of the audit reports. However, the County Assembly has its own approved budget for appropriations of these meetings and oversight roles. Further, the allowances were directly expensed before surrender hence not accounted for which was irregular.</p> <p>In the circumstances, the propriety, regularity and value for money from the expenditure of Kshs.2,903,600 could not be confirmed.</p>	<i>applicable accounting procedures and standards.</i>		
2.2	<p>2.2 Unsupported Training Expenses</p> <p>Included in the use of goods and services amount is Kshs.14,596,631 incurred on training expenses. However, review of the supporting documents including payment vouchers, revealed that the expenditure was not supported by training need assessments from individual staff trained as required by Section H.3(1) of the Public Service Commission Human Resource manual of May, 2016 which states that training in the Public</p>	<p><i>Management Response</i></p> <p><i>A consolidated Training Needs Assessment Report is not yet in place, However, the departments identify and propose trainings for staff through the departmental training committee and this is processed through the County Human Resource Advisory Committee where the requests are vetted and approved.</i></p>	The Report is before County Assembly	

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>Service shall be based on training needs assessment. Further, Section H.3(3) states that selection of trainees for all training programme will be based on identified needs and will emphasize on training for performance improvement that address individual, organizational and national goals.</p> <p>In the circumstances, the occurrence, completeness and accuracy of the training expenditure could not be confirmed. In addition, Management was in breach of the Public Service Commission Human Resources manual.</p>	<p><i>Under the Kenya Devolution Support Programme II, the department of Governance, Administration & ICT has initiated the process of preparing a comprehensive Training Needs Assessment for all the departments. This will provide baseline for future training needs.</i></p> <p><i>Annex 6: KDSP II work plan (Sub programme-Training and Development).</i></p>		
2.3	<p>2.3 Unsupported Legal Fees</p> <p>Also included in the use of goods and services amount is Kshs.310,398,410 relating to other operating expenses which further includes legal fees of Kshs.34,662,766. Review of the legal fees revealed the following unsatisfactory matters:</p> <p>i. An amount of Kshs.26,000,000 paid to a firm of advocates for an out of court settlement. However, the details of the</p>	<p><i>Management Response</i></p> <p>i. <i>We would like to state that the Plaintiff valued the property at Kshs. 26,500,000 while the County Government had valued the said property without improvement at Kshs. 20,000,000. Following a joint valuation exercise by valuers from both parties, the suite property was valued at Kshs.</i></p>	The Report is before County Assembly	

County Executive of Siaya

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>case and how the amounts were arrived at was not provided for audit review</p> <p>ii. An amount of Kshs.4,060,000 was paid to an advocate in a civil case between the County Public Service Board and former employees. The amount paid was not supported by any evidence of court attendance and individual itemized billing to inform charges shown in the fee notes as per schedule 6 of the Advocates Remuneration Order 2014 and</p> <p>iii. The County Executive had pending bills relating to decretal fees totaling Kshs.33,117,621.</p> <p>In the circumstances, the completeness, occurrence and accuracy of the reported legal fees could not be confirmed.</p>	<p>23,000,000. See valuation reports and certificate of joint valuation as attached in annex 7. Further, the cabinet approved settlement of the claim for a total of Kshs. 26,000,000.</p> <p>ii. The firm of Otieno Ogola and Co. Advocates offered legal services to the County Government of Siaya and was paid a fee of Kshs. 4,060,000 in strict compliance with the Advocates Remuneration Order. The fee note provided by the law firm is descriptive of the nature of service rendered as well as the fees charged for the service. At the time of audit, we provided the auditor with the fee note as well as the Judgment of</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p><i>Court which equally indicates that the advocate was on record for the County Government. See attached a copy of court judgment.</i></p> <p><i>iii. The pending bills arising from court awards and fee notes has largely been occasioned by insufficient budgetary allocation. In the current Financial Year, we have a budgetary allocation of Kshs. 22,682,880.00 the amount will be topped up in the Supplementary Budget FY 2024/2025.</i></p> <p><i>Annex 7: Valuation Reports from ACE Appraisal Ltd (26,500,000), Valuation Reports from County Government (20,000,000), Joint report and valuation, Certificate of Joint Valuation (23,000,000), Copy of Court Decree,</i></p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:												
		<i>Copy of Court Judgment, Fee Note and extract of budget for legal fees.</i>														
3.1	<p>3.1 Unreconciled Variances Between IFMIS Records and Financial Statements</p> <p>Note 7 to the financial statements reflects balances that differed from IFMIS records as detailed below:</p> <table border="1"> <thead> <tr> <th>Beneficiaries</th> <th>Amount as per the financial Statements (Kshs)</th> <th>Transfers as per the IFMIS Report (Kshs)</th> <th>Difference (Kshs)</th> </tr> </thead> <tbody> <tr> <td>1. Sibbo Water</td> <td>12,500,000</td> <td>12,500,000</td> <td>(2,500,000)</td> </tr> <tr> <td>2. National Value Chain</td> <td>200,112,952</td> <td></td> <td>5,000,000</td> </tr> </tbody> </table>	Beneficiaries	Amount as per the financial Statements (Kshs)	Transfers as per the IFMIS Report (Kshs)	Difference (Kshs)	1. Sibbo Water	12,500,000	12,500,000	(2,500,000)	2. National Value Chain	200,112,952		5,000,000	<p><i>Management Response</i></p> <p><i>The amended financial statement forwarded on 20th December, 2024 had the adjustments as follows;</i></p> <p><i>Sibbo Water: The payment of Kshs 2,500,000 previously classified as acquisition of assets was amended at the draft stage and re-classified under other grants and transfers in disclosure Note 7 page 25. (See Extract of the Amended Financial Statement –Note 7)</i></p> <p><i>ii. National Value Chain Development Project: Kshs 5,000,000 transferred to National Value Chain Development Project was County contribution transferred from Recurrent Account and was amended at the</i></p>	The Report is before County Assembly	
Beneficiaries	Amount as per the financial Statements (Kshs)	Transfers as per the IFMIS Report (Kshs)	Difference (Kshs)													
1. Sibbo Water	12,500,000	12,500,000	(2,500,000)													
2. National Value Chain	200,112,952		5,000,000													

County Executive of Siaya

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

Reference No. on the external audit Report	Issue / Observations from Auditor				Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	Develop ment Project		195,12,952				
	3. Kenya Climate Smart Project	32,136,824	47,841,210	(15,704,386)			
	4. Siaya County Aggregation and Industrial Park / Brench Co.	112,500,000	4,482,915	108,017,085			
	<p>In addition, the transfers included amounts to DANIDA and a Youth Polytechnic of Kshs.21,659,049 and Kshs.16,054,330 respectively but were unrecorded in IFMIS report. Management has not explained, how the balances were transferred without being recorded in IFMIS.</p>				<p><i>draft stage and correctly classified under other grants and transfers in disclosure Note 7 page 25. (See Extract of the Amended Financial Statement –Note 7)</i></p> <p>iii. <i>Kenya Climate Smart Project: Projects worth Kshs. 15,704,386 expensed under KCSAP was recorded in our schedules under acquisition of assets and was amended at the draft stage and re-classified under other grants and transfers in disclosure Note 7 page 25 . (See Extract of the Amended Financial Statement – Note 7)</i></p> <p>iv. <i>Siaya County Aggregation and Industrial Park / Brench Co: The county executive requisitioned and transferred Kshs.112,500,000 Siaya County</i></p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p><i>Aggregation and Industrial Park special purpose after an approval from the Controller of Budget as per the attached Payment Instruction to the Central Bank of Kenya (Form B) under the department of Trade and Industrial Development. The Payment made to Brechu Co of Kshs. 4,482,915 was not a transfer to Siaya County Aggregation and Industrial Park but payment made under Climate change fund in the Department of Water, Irrigation and Natural Resources as per the attached cashbook extract and bank statement.</i></p> <p>v. <i>DANIDA: The county executive requisitioned and transferred Kshs.21,659,049 DANIDA special purpose account after an approval from the Controller of Budget as</i></p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p><i>per the attached Payment Instruction to the Central Bank of Kenya (Form B). The Kshs. 21,659,049 transferred to the special purpose account (Primary Health Care) is then disbursed to the individual health facilities which can be seen from IFMIS payment details.</i></p> <p><i>vi. Youth Polytechnic: Transfers to Youth Polytechnic were all recorded in IFMIS as per the attached IFMIS payment detail for department of Education, Youth, Gender and Social Services of Kshs. 9,400,000.00 on the 3rd May, 2024 and Kshs. 6,654,330.00 on the 28th Sept, 2023. (attached payment details)</i></p> <p><i>Annex 8: Extract of the Amended Financial Statement –Note 7, Forms (B) and (C), Cashbook extract, Bank</i></p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<i>statement analysis, IFMIS payment details DANIDA & Youth Polytechnic,</i>		
3.2	<p>3.2 Payments to Companies Reflected as Transfers</p> <p>Included in the other grants and transfers amount in the IFMIS is an amount of Kshs.178,246,942 paid to third party entities but indicated as transfers to related party entities. It is not clear and Management has not provided a reconciliation or explanation for the inconsistencies.</p> <p>In the circumstances, the completeness and accuracy of other grants and transfers of Kshs.713,747,089 could not be confirmed.</p>	<p><i>Management Response</i></p> <p><i>The expenditure of Kshs.178, 246,942 does not relate to Other Capital Grants and Transfers but expenditures to third parties in the various departments which were erroneously captured at the time of uploading the budget on the IFMIS platform as capital grants and transfers in development votes and other current transfers- other in the Recurrent Vote. Attached please find a copy of the payment details from the department of agriculture, being part of the Kshs 178,246,942 highlighted above. Please note the Programme based budget for the F/Y captured the correct item description of purchase of fertilizer and maize subsidy of item (Code 3111301-purchase of certified seeds), In the IFMIS system the same was captured under item (Code 2640599-) generating an item description of Other Capital Grants and Transfers. During the preparation of Financial</i></p>	The Report is before County Assembly	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p>statements, the purchase of seeds was correctly classified as purchase of certified seeds and breeding stock. We wish to confirm that Other grants and transfers was Kshs. 731,951,475.20 as reported in our amended financial statement and not 713,747,089.00. refer to the amended financial statement attached in the audit certificate for financial year 2023/2024.</p> <p>Annex 9; Budget extract and schedule of Agriculture payment details for code item (Code 2640599-) and extract of the budget and schedule for conditional grants of Kshs. 731,951,475.20</p>		
4.0	<p>4.0 Inaccuracies in Bank Balances</p> <p>The statement of assets and liabilities reflects bank balances of Kshs.89,024,823 as disclosed in Note 13A to the financial statements. Included in the bank balances are County recurrent and development accounts bank balances of Kshs.6 and Kshs.256 respectively. However, the bank reconciliation statements for the recurrent account</p>	<p>Management Response</p> <p>During the year under review, County received exchequers as late as July 2024. At the closure of financial year and considering that these funds were meant to fund operations for the year ending June 2024, these late receipts were</p>	The Report is before County Assembly	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>includes receipts in bank not recorded in cash book amounting to Kshs.392,025,630 that took place in the month of July, 2024 outside the current accounting period.</p> <p>Further, the bank reconciliation statements for the development account includes receipts in cash book not recorded in bank statement amounting to Kshs.230,096,435 that took place in the Month of July, 2024 outside the accounting period. In addition, receipts amounting Kshs.279,096,435 had no date details indicated against it in the bank reconciliation statements. This is indicative of non-adherence to the cut-off period.</p> <p>In the circumstances, the accuracy and fair statement of the reported bank balances of Kshs.89,024,823 could not be confirmed.</p>	<p><i>treated as revenue receipts in our Amended Financial statements for both Recurrent and Development bank accounts. It is upon these adjustments that the correct bank balances were arrived and reported in our Financial Statements. We can therefore confirm that the recurrent account balance was Kshs.6.35 while Development Bank Account balance was Kshs.256.20 as reported in our Amended Financial Statements.</i></p> <p><i>In regards to receipts amounting Kshs.279,096,435 which had no date details indicated in the reconciliation statements, we wish to confirm that we have revised our bank reconciliation statement to clearly indicate the date, details and amount as per the attached bank reconciliation statement in Annex 10</i></p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<i>Annex 10: Bank Reconciliation statement</i>		
5.0	<p>5.0 Unsupported Acquisition of Assets</p> <p>The statement of receipts and payments reflects an amount of Kshs.1,949,578,355, which includes Kshs.32,970,000 for the acquisition of parcels of land. Review of documents provided for audit revealed that County Departments acquired nine (9) parcels of land through the Department of Lands, Housing and Physical Planning as shown in Annex 6 to the financial statements under summary of non-current asset register. However, physical inspection of the parcels of land revealed that the land was neither surveyed, fenced nor beacons making it difficult to determine the boundaries. This pose risk of encroachment. Further, no documentary evidence was provided for audit verification to show that registration of the said land in favour of the County Government as well as the basis for the value paid as consideration.</p>	<p><i>Management Response</i></p> <p><i>i. The parcels of land are surveyed. The acreage of the plot was verified/surveyed during purchase process. However, during the financial year under review, there was no budgetary allocation for beaconing and fencing of the parcels. The department will ensure such provisions are made in the subsequent budget. Transfer of ownership to the County Government is in process.</i></p> <p><i>Annex 11 Survey reports and transfer of interest of land.</i></p>	The Report is before County Assembly	

County Executive of Siaya

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	In the circumstances, the rightful ownership and the valuation of land valued at Kshs.32,970,000 could not be confirmed.			
6.0	<p>6.0 Non-Adherence to End of Period Cut-Off Procedures</p> <p>The statement of receipts and payments reflects an amount of Kshs.7,095,447,929 in respect of transfers from County Revenue Fund (CRF) and as disclosed in Note 1 to the financial statements. However, review of Central Bank of Kenya (CBK) bank statements revealed transfers from exchequer included transfers of funds totaling Kshs.710,018,028 received between 2 July to 5 July, 2024 which was outside the cut off period of 30 June, 2024.</p> <p>In the circumstances, transfers from County Revenue Fund (CRF) is overstated by Kshs.710,018,028.</p>	<p>Management Response</p> <p><i>The disbursement of funds to the County Revenue Fund delayed, which subsequently delayed requisitions by the County hence the requisitions past the cut-off date. Kshs 710,018,028 was approved by the Controller of Budget on 2nd July 2024 evidenced by payment Instructions to the Central Bank of Kenya (Form B) attached for your perusal.</i></p> <p><i>Annex 12: Payment Instructions (Form B's) and Copy of Bank Statement of Siaya County Climate Change</i></p>	The Report is before County Assembly	
7.0	7.0 Unexplained Voided Transactions	<p>Management Response</p> <p><i>i. As at the closure of the financial year the County had</i></p>	The Report is before County Assembly	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>Review of the IFMIS transactions revealed that one thousand five hundred (1,500) transactions valued at Kshs.560,626,783 were voided. Management did not explain satisfactorily why the payments were voided yet they had been approved. Further, no evidence was provided for audit review to confirm that the Controller of Budget approved the voiding of the payments and how the proceeds of the voided transactions have been applied.</p> <p>In the circumstances, the regularity of voided payments amounting to Kshs.560,626,783 could not be confirmed.</p>	<p><i>not received exchequer of Kshs.581,041,559 and therefore could not have paid all processed payments hence the clearing of transactions and,</i></p> <p><i>ii. The transactions were cleared pursuant to closure of financial year circular Ref:AG.3/88/Vol.II(31)dated 15th May 2024 issued by The National Treasury</i></p> <p><i>Annex 13: National Treasury Circular (section 3.13 and 3.14)</i></p>		
1	<p>1. Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amounts (recurrent and development combined) reflects final receipts budget and actual on comparable basis of Kshs.8,622,296,906 and Kshs.7,095,447,929 respectively, resulting in an underfunding of Kshs.1,526,848,377 or 18% of</p>	<p>Management Response</p> <p><i>In order to reduce under-funding of its budget, the County has put effort to ensure 100% collection of its Own Source Revenue (OSR). Currently the following revenue streams have fully</i></p>	The Report is before County Assembly	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>the budget. Further, the County Executive incurred an expenditure of Kshs.713,951,475 on other grants and transfers without having a budget for it. No explanation has been provided why the Management failed to budget for it.</p> <p>The budget underfunding affected the planned activities and may have impacted negatively on service delivery to the residents of Siaya County.</p>	<p><i>automated` SBP, Market fee, Market rent, Bus park fee, Cess fee and parking fee while the following revenue streams are on piloting Hospital fee, Liquor license, Plot rates, Advertisement, Plan approval and Public health revenue. Note that we anticipate that by end the Financial Year, all revenue streams will have been automated. The valuation roll is currently at 40% and is envisaged to cover Siaya, Bondo and Ugunja Municipality, Sega Town, Yala Town, Usenge Town and Ukwala Town for ratable properties at market rates for rents and rates.</i></p> <p><i>The expenditure on other grants and transfers are budgeted either under use of goods or Acquisition of assets as reported in the statement of comparison of Recurrent and Development combined.</i></p> <p><i>Annex 14: Valuation Roll status, and Budget extract for FY 2023/2024</i></p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
2	<p>2. Pending Bills</p> <p>Information available indicate that the Executive had pending bills amounting to over Kshs.1,186,014,495, which remained unsettled as at time of audit. This is contrary to Regulation 150(1) of the PPAD Act Regulations, 2020 which requires that subject to availability of funds and after proper certification of goods, works or service prompt payments are made within 60 days from date of receipt of invoice.</p> <p>Further, review of Annex 2 to the financial statements revealed that some of the pending bills relates to constructions of roads and civil works and supply of goods and services which were incurred between 2015-2023 financial years but had not been settled. The County Executive therefore is at risk of incurring significant unquantified interest's costs and penalties with the continued delay in settling invoiced bills.</p> <p>My opinion is not modified in respect of these matters.</p>	<p><i>Management Response</i></p> <p><i>It is true that the County accumulated pending bills due to delays and non receipt of exchequers. However, the County government is committed to ensure that all long outstanding pending bills are cleared by end of the Financial Year 2024/2025 as per the attached payment plan. Please note that despite cashflow challenges, the county is implementing the plan and reduced the pending bills as per the attached status report.</i></p> <p><i>Annex 15: Pending Bill Payment Plan and Status report</i></p>	<p>The Report is before County Assembly</p>	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>Unresolved Prior Year Matters</p> <p>In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal controls, Risk management and governance. However, the Management had not resolved the issues as at 30 June, 2024.</p>	<p><i>Management Response</i> We note your findings and wish to state that as at the time of Audit, the County Assembly had not adopted PAIC report for financial year 2022/2023. The County Government received the findings between 7th and 11th February, 2025. The County Executive shall implement the report accordingly. We affirm that by implementing the recommendations of the county assembly, we shall have addressed effectiveness of internal controls, risk management and governance issues contained in the audit report.</p>		
1	<p>1. Failure to Construct Governor's Residence and Irregular Rental Allowance</p> <p>Review of rental house allowance records show that the Executive incurred Kshs.3,600,000 on the Governor's and Deputy Governor's rent expenses. However, the expenditure would have been avoided had the Executive constructed and implemented Salaries and Remuneration</p>	<p><i>Management Response</i> The County Government of Siaya has not constructed the Governor and Deputy Governors' residence due to budgetary constraints. However, the Kenya Gazette dated 9th August, 2023 No.10348 on remuneration and benefits for state officers in the executive of the County Government provides for the</p>	The Report is before County Assembly	

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>Commission (SRC) Circular Ref. No. SRC/TS/CoG/6/61/48 Vol.II (64) dated 20 May, 2017 which gave guidelines on housing benefits for Governors, Deputy Governors and County Assembly Speakers. The Commission gave a deadline of 30 June, 2022 for the commissioning of the Governor's and Deputy Governor's residence.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p><i>cycle that covers for financial year 2021/2022 to 2024/2025.</i></p> <p><i>The said officers are currently being paid house allowance as per the attached SRC guidelines on payment of house allowance to the Governor and Deputy Governor.</i></p> <p><i>Annex 16: SRC guidelines on payment of house allowance to the Governor and Deputy Governor</i></p>		
2	<p>2. Failure to Pay Full Premium on Staff Medical Insurance</p> <p>Review of medical insurance records show that Management signed a contract for provision of employees' medical insurance services on 4 October, 2023 at a premium amount of Kshs.201,970,162 for the period commencing 22 October, 2023 to 21 October, 2024. However, payment records show that Management paid an advance premium amounting to Kshs.105,040,484 or (52%) instead of the contractual premium of Kshs.201,970,162 payable in advance. This is contrary to provision</p>	<p>Management Response</p> <p><i>The audit observations are noted and wish to state that the policy documents and letter seeking renewal of medical cover were provided at the time of audit. The documents are hereby submitted for your verification. County Government made a payment of Kshs.105, 040,484.00 leaving a balance of Kshs. 96,929,679.00 which remained unpaid by end of the Financial Year 2023-2024 because of the late disbursement of funds. The balance will be paid off during the current financial year 2024/2025.</i></p>	The Report is before County Assembly	

County Executive of Siaya

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>of clause 4.2 of the signed contract. In addition, Section 156(1) of the Insurance Act, 2020 requires that no insurer shall assume a risk unless and until the premium payable thereon is received by the insurer.</p> <p>Further, although records indicate that renewal of the medical cover for the Executive was agreed on 4 October, 2023 by National Hospital Insurance Fund, there was no prior notice in writing seeking for renewal of insurance cover before contract agreement was entered into and signed. In addition, insurance policy document was not provided for audit review.</p> <p>In the circumstances, value for money incurred on insurance premium could not be confirmed</p>	<p><i>Annex 17: Renewal of comprehensive medical cover, Extension of payment period, NHIF medical Insurance cover contract /policy for the period</i></p>		
3	<p>3. Failure to Adhere to One Third of Basic Salary Rule</p> <p>Review of the payroll revealed that the Executive had two hundred and forty-five (245) employees whose net pay was below a third (1/3) of their basic pay contrary to Section 19(3) of the</p>	<p>Management Response</p> <p><i>We state that the breach of law was due to the following reasons:</i></p> <p><i>i. Due to COVID19 scourge in the year 2021, the Government offered tax relief for all public servants. This increased the disposable income of workers</i></p>	<p>The Report is before County Assembly</p>	

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>Employment Act, 2007 and Section C.1(3) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 on Salary and Allowances which states that public officers shall not over-commit their salaries beyond two-thirds (2/3) of their basic pay.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p><i>and a number of them committed their earnings to loans with the hope that the tax relief would last a long period. However, the relief was withdrawn after one year.</i></p> <p><i>ii. During the financial year 2023/2024, the employees' contribution to NSSF were changed vide notice to employers as attached below</i></p> <p><i>iii. During the same period the government introduced and implemented contribution to House Levy at the rate of 1.5% of the Gross Earnings</i></p> <p><i>iv. The Higher Education Loans Board (HELB) subjected some officers to loans recovery when the same officers had committed their earnings to other loans</i></p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p><i>The above measures were implemented when the affected officers had already committed their earnings to loans, hence their net salaries went below 1/3 of their basic salary.</i></p> <p><i>Annex 18: NSSF Notice to Employers, Housing Levy notification, List of HELB Deduction</i></p>		
4	<p>4. Ethnic Composition of Employees</p> <p>Review of the June, 2024 IPPD and compliment controls revealed that eight-nine percent (89%) of the permanent employees are from the local dominant community contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which stipulates that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>Management response</p> <p><i>The positions usually filled in the County Public Service are at the lowest level consisting mainly of revenue collectors, ECD teachers, Support Staff and Office Assistants which are low paying jobs and hence do not attract applicants from the non-dominant ethnic communities. a Despite the existing affirmative action mechanism in place to attract applicants from the non-dominant communities, only about 5% of the applicants are received from the non-dominant ethnic communities</i></p>	The Report is before County Assembly	

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<i>and majority do not turn up for the interviews. The Board will however endeavor to progressively comply with law on ethnic inclusivity in the new appointments</i>		
5	<p>5. Irregularities in Imprest Management</p> <p>The statement of assets and liabilities reflect outstanding imprest of Kshs.5,026,471. Review of the imprest records revealed that out of this amount, Kshs.520,050 relate to 2022/2023 while outstanding imprests amounting to Kshs.5,307,721 were issued during the year. However, as at the time of audit in September, 2024, the imprests had not been surrendered. In addition, records revealed that nine (9) members of staff were issued with multiple imprests amounting to Kshs.1,297,900 before surrender of the previous imprests. This was contrary to Regulation 93(8) of the Public Finance Management (County Governments) Regulations, 2015 which states that in order to effectively and efficiently manage and control the issue of temporary imprests, an Accounting Officer or AIE holder shall ensure that no second imprest is issued to any officer before the first imprest is</p>	<p><i>Management Response</i></p> <p><i>The audit observation is noted, and wish to state that the supporting schedule submitted during the audit exercise reflected outstanding imprests amount of Kshs. 5,026,471.00 as reported in our financial statement, all these imprests were issued in the financial year 2023/2024.Attached please find the imprest report for your verification.</i></p> <p><i>To ensure sound management of the imprest system, management has put the following measures in place;</i></p>	The Report is before County Assembly	

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>surrendered or recovered in full from his or her salary.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>i) <i>No officer is issued with more than one imprest.</i></p> <p>ii) <i>The County Treasury has centralized management of imprest i.e. authorization, issuance, and surrender of imprest. As a result, outstanding imprest has reduced from Kshs.47,838,660 in Financial Year 2022/2023 to Kshs.5,026,471 in Financial Year 2023/2024.</i></p> <p><i>In addition, to further streamline imprest management, the County Treasury issued Imprest management circular Ref.SYACUNTY/FIN/C.CIR/4/10(6</i></p>		

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p>6) dated 24/2/2024. It is our submission that with these interventions, the County shall have nil imprest at the closure of subsequent financial year.</p> <p>Annex 19: Imprest Guidelines, Imprest Report as at 30th May, 2025</p>		
6	<p>6. Failure to Implement Recommendations of the County Legislative Oversight Committee</p> <p>It was noted that the County Public Accounts and Investment Committee (PAIC) had deliberated on the audit report for the financial year ended 30 June, 2022 and made twenty-three (23) recommendations for the Management. However, a status of implementation report for the same year revealed that only one (1) recommendation</p>	<p><i>Management Response</i></p> <p><i>In the financial year ended June 2022 the County Executive had a total of 45 audit issues as contained in OAG report. Upon discussion with the County Assembly, a total of 23 issues were resolved. This implies that 22 audit issues were recommended for County Executive action. Out of the 22 audit issues, the County Executive has implemented 18 of the County Assembly recommendations while 4 audit issues were referred to EACC for investigation. We can confirm that the investigations</i></p>	The Report is before County Assembly	

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>had been implemented while twenty-two (22) others remained not implemented.</p> <p>This was contrary to Section 31(1)(a) of the Public Audit Act, 2015 which states that within three (3) months after Parliament or the County Assembly has debated and considered the final report of the Auditor-General and made recommendations, a State Organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p><i>are ongoing. The recommendations on construction of Siaya County stadium has now been fully implemented.</i></p> <p><i>We affirm that by implementing the recommendations of the county assembly, we have addressed effectiveness of internal controls, risk management and governance issues contained in the audit report. We have attached status of implementation of audit recommendations for your review.</i></p> <p><i>Annex 20: Letter to County Assembly and Status of implementation of County Assembly recommendations</i></p>		
7	<p>7. Failure to Insure the County Government Buildings</p> <p>During the year under review, the County Executive incurred an amount of Kshs.112,440,484 on insurance covers for motor vehicles and employees' medical scheme. Review of the expenditure revealed that the County Government buildings did not have an insurance cover to mitigate against losses in case of disaster.</p>	<p><i>Management Response</i></p> <p><i>We are in concurrence with the Audit report and the recommendations provided. However, the County Government is yet to get the Intergovernmental Relations Technical Team (IGRT) report on Assets to be handed over to County Governments. We have however received a letter from IGRT dated 17th January, 2025</i></p>	The Report is before County Assembly	

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>This is contrary to Section 79(2)(c) of the Public Finance Management Act, 2012 which requires a public officer within his area of responsibility to ensure that adequate arrangements are made for the proper use, custody, safeguarding and maintenance of public property including application of best practice to prevent any damage from being done to the financial interest of the County Government.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p><i>requesting the County Government to make necessary arrangements towards supporting the next major asset valuation and transfer exercise, and Letter of appointment to County Asset and Liability Committee dated 21st March, 2025 by the CECM Finance to implement the IGRT letter of 17th January 2025</i></p> <p><i>Annex 21: IGRT letter dated 30th August, 2024, letter from IGRT dated 17th January, 2025 requesting the County Government to make necessary arrangements towards supporting transfer exercise and Letter of appointment to County Asset and Liability Committee dated 21st Marc</i></p>		
8	<p>8. Irregular Payments to Council of Governors and Lake Region Economic Bloc</p> <p>The statement of receipts and payments reflects use of goods and services amounting to Kshs.1,466,219,870 which includes other</p>	<p>Management Response</p> <p><i>i. The County Government in its budget estimates for the year 2023/2024, budgeted for the payments to LREB as per the Budget extract in Annex 19. It is</i></p>	The Report is before County Assembly	

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>operating expenses amounting to Kshs.310,398,410 as disclosed in Note 4 to the financial statements. The other operating expenses includes Kshs.3,000,000 and Kshs.1,500,000 paid to the Council of Governors and the Lake Region Economic Bloc respectively. This was contrary to Section 37 of the Intergovernmental Relations Act, 2012 which requires operational expenses of the institution established under the Act to be provided for in the annual estimates of revenue and expenditure of the National Government.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p><i>our considered view therefore that the approved budget is sufficient authorization to incur expenditure hence payment to LREB.</i></p> <p><i>ii. The Expenditure of Kshs. 3,000,000 was as result of a resolution of the Council of Governors letter dated 31st July 2023. Siaya County being a member of the Council of Governors was obliged to support the initiative. The payments were towards inter-governmental contributions for the year 2023-2024 of Kshs. 2,000,000 and legal fees of Kshs.1,000,000. We have attached council of governors meeting minutes for your review</i></p> <p><i>Annex 22: Council of Governors meeting minutes and Budget extract</i></p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
9.1	<p>9.1 Delay in Installation of the Three-Phase Electricity Power at the Siaya Stadium</p> <p>The County Government engaged the Kenya Power and Lightning Company to install a three-phase electricity power at a cost of Kshs.1,336,721. The requisitioning memo was done on the 23 September, 2023 while the payment was made on 16 November, 2023. However, physical inspection of the stadium revealed that the transformer is yet to be installed and thus the stadium has no power connected to it.</p> <p>It was, therefore, not clear why the Company had delayed to install a three-phase electricity power.</p>	<p><i>Management Response</i></p> <p><i>We note your findings and wish to respond as below:</i> <i>The KPLC payment was made on 15th March 2024. The Transformer has been installed complete with cabling from transformer to stadium power room and new meter commissioned and Connected.</i></p> <p><i>Annex 23: Caption photos, copy of payment voucher and Completion Certificate for all the works.</i></p>	The Report is before County Assembly	
9.2	<p>9.2 Installation of Stadium VIP Seats</p> <p>The County Government signed a contract with M/s Fast Choice Limited on the 8 April, 2024 at a contract sum of Kshs.25,101,114 for the installation of stadium VIP seats. The seats were of two categories one being simple mounted middle backrest stadium seats 1494 (quantity) and</p>	<p><i>Management Response</i></p> <p><i>We note your findings and wish to respond as below;</i> <i>Section 48(1) of PPADA of 2015 states that a procurement entity MAY establish an inspection team- "An accounting officer of a procuring entity MAY</i></p>	The Report is before County Assembly	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>foldable mounted middle backrest stadium seats 516(quantity).</p> <p>During the year under review, the contractor was paid Kshs.5,020,222, being advance payment as per clause 14,2 which has been further defined on the special conditions of the contract being 20% of the accepted contract amount. The advance was meant to be an interest free loan for mobilization and cash flow support. However, an approved requisition from the user department was not provided for audit. Further, the payment was not supported with an inspection report from the project implementation committee to certify work done before payment.</p> <p>In addition, physical inspection of the seats showed that the contractor installed 1,494 simple mounted middle backrest seats as in the Bills of Quantities (BQs) and 471 foldable mounted middle backrest seats being 45 less of what was stated in the BQs. Although the Management has explained that the contractor has not been fully paid, it was not clear why fewer seats were installed.</p>	<p><i>establish an ad hoc committee known as the inspection and acceptance committee." This particular project had appointed consultants who did the inspection and forwarded certificates for payment</i></p> <p><i>The installation of VIP seats was done and completed on 31st July 2024.</i></p> <p><i>Further the project was certified complete, payment certificate prepared and signed by the supervision team (Consultants).</i></p> <p><i>The number of foldable mounted seats in the BoQ is 516 and the physical number installed on site and can be physically verified is 516.</i></p> <p><i>Annex 24: Caption photo and Practical Completion Certificate for seat installation.</i></p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
9.3	<p>9.3 Delay in Construction of Perimeter Wall at Migwena Sports Cultural Center</p> <p>The County Executive entered into a contract with a firm for the proposed construction of a perimeter wall at Migwena Sports Cultural Center at a contract sum of Kshs.33,841,097. Review of the status report provided for audit indicates commencement date was 31 January, 2024 for a contract period of 24 weeks. The intended completion date was indicated as 31 July, 2024. However, payment records revealed that cumulative payments amounting to Kshs.28,718,584 or 85% of the contract sum had been paid during the year under review for certificate number Nos 1 and 2.</p> <p>Further, Section M of the Bill of Quantities (BOQ) required the fence to have horizontal and vertical key pointing to wall surfaces both sides c/w black paint to keyed surface. However, physical verification in September, 2024 revealed that the inner wall was plastered and the keying was only done on the outside of the wall and was only</p>	<p><i>Management</i> <i>We note your findings and wish to respond as below:</i></p> <p>i) <i>It's true that keying was done on one side and the other side plastered. This was done because it's NOT practical to have construction stones which are fair faced on both sides and also of equal dimensions to the millimeter hence while constructing the side to be keyed is normally aligned and the other side plastered. The contractor was therefore instructed to do horizontal keying externally and plaster internally after site management meeting.</i></p> <p>ii) <i>The contract did NOT require an extension of time and renewal of Performance Bond since the works were</i></p>	The Report is before County Assembly	

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>horizontal key. This was contrary to the signed BOQ.</p> <p>It Is anticipated that the changes might lead to price variations on the project. It was not clear how the changes came about as there was no approved documentation provided for audit supporting the changes. In addition, the following anomalies were observed;</p> <p>i. The project is yet to be completed and yet the performance bond of Kshs.676,821 had expired on 22 August, 2024. No renewal of the performance was provided for audit review.</p> <p>ii. No approval had been given by the accounting officer for extension of time.</p> <p>iii. A Cultural Center would ordinarily be expected to have integration of architectural features, forms, materials, and artwork, etc. as an active part of the future. Physical verification revealed that only a perimeter wall existed in Migwena hence, does not meet the parameters of a cultural center.</p>	<p><i>practically complete by 26th July 2024 as per the attached practical completion certificate (Annex 25) save for the listed snag list attached to the certificate.</i></p> <p><i>iii) The cultural centre has other facilities under construction and for future development as per the attached master plan (Annex 25)</i></p> <p><i>Annex 25: Practical Completion certificate, Master Plan, Site Minutes of the meeting dated 11th July, 2024</i></p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
9.4	<p>9.4 Delay in Completion of Proposed Washroom, Gravelling Works, Waterworks, Powerhouse and Electrification at Migwena</p> <p>The Executive signed a contract with M/s Paco Investment Limited for Kshs.18,630,456 for provision of the proposed washroom, gravelling works, waterworks, powerhouse and electrification at Migwena under contract No. CGS/SCM/TCSA/OT/2023-2024/017. Review of expenditure records revealed that the contractor was paid Kshs.4,350,440 for works done.</p> <p>The contract period was twenty-four (24) weeks with a commencement date of 8 February, 2024 and an intended completion date of 8 August, 2024. No approval had been given by the accounting officer for extension of time.</p>	<p><i>Management Response</i></p> <p>i. <i>It is true that the intended contract completion date was 8/8/2024. The Contractor had been issued with a default notice dated 22/4/2024 due to the slow pace of the works (See attached Annex 26(a). Attached please find in Annex 26(a) request for extension of time by the contractor and recommendation of the project Manager.</i></p> <p><i>Annex 26 (a) Default notice, Request for extension and recommendations</i></p>	The Report is before County Assembly	
9.5	<p>9.5 Irregular Escalation Project Cost and Delay in Construction of Stadium</p>	<p><i>Management Response</i></p> <p><i>We note your findings and wish to respond as below:</i></p>	The Report is before County Assembly	

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>The County Executive signed a contract on 30 August, 2018 with construction company for the construction of the stadium at a contract sum of Kshs.394,661,767 starting on 1 January, 2019 to 6 December, 2019. The contract sum was revised to Kshs.488,716,823 resulting to a contract variation price of Kshs.94,055,056 or 24%.</p> <p>However, there was no evidence of recommendations by an evaluation committee for these variations contrary to Section 139(1) and (2) of the Public Procurement and Asset Disposal Act, 2015.</p> <p>Further, the project status report provided for audit showed that the project has had a total of nine (9) extensions as of 30 August, 2024. The same could not be verified as the said extension were not provided for audit review. In addition, no documentation was provided to confirm approval of the extension by the accounting officer.</p>	<p><i>Stadium project being a complex project had a CIT(Contract implementation team) appointed pursuant to Section 151(2) of the Public procurement and Asset disposal act 2015 revised edition 2022 read together with Public Procurement Regulations 2020 in section 132 (1) and (2).as annexed below;</i></p> <p><i>Extension of time; All extensions of time were done procedurally (Request from contractor, followed by analysis of the same by consultants, Recommendation by CIT, recommendation by the project manager and approval by the accounting officer). This procedure is provided for under the public Procurement and Asset disposal act 2015 (and later 2022- amendments) under section 139(2A). Attached under Annex 26B please find copy of the final request for extension of time, analysis by the consultant, recommendations by the project manager and approval by the chief officer.</i></p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p><i>Further, the project has since been completed and the contractors are attending to the identified snag list/item. Attached under Annex 26B please find completion certificate for the project issued by the supervision team (Consultants)</i></p> <p><i>Annex 26: (b) Appointment of the CIT, Extension of time, analysis by the consultant, recommendations by the project manager, approval by the chief officer and practical completion certificate.</i></p>		
	<p>Proposed Construction of County Aggregation and Industrial Parks</p> <p>The County Executive contracted a firm vide Contract No. CGS/SCM/EID/OT/2022-2023/055 to construct County Aggregation and Industrial Park, a multi-year project at a sum of Kshs.483,688,922.23. The firm took possession of site on 30 August, 2023 and was expected to take</p>	<p><i>Management Response</i></p> <p><i>We note your findings and wish to respond as follows:</i></p> <p><i>i. Project Brief: Works to be done under this contract involves construction of 4No.</i></p>	<p>The Report is before County Assembly</p>	

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>twenty-eight (28) weeks to completion from the date of possession. The Contract agreement was signed on the 18 August, 2023. The firm requested for a 15% advance of Kshs.72,553,338 vide their request letter dated 23 August, 2023. However, the Executive paid Kshs.48,368,892.20 being advance payment.</p> <p>During the evaluation stage the firm gave a list of Property, Plant and Equipment (PPE) that would be at their disposal for the execution of the Contract and those to be hired had ownership documents confirmed as true copies of the originals by a law firm. However, no lease agreement of availability of assets for use by the firm from third party was provided for audit review.</p> <p>A physical inspection of the project on 16 September, 2024, revealed the following:</p> <ul style="list-style-type: none"> i. The contractor had done foundation and skeleton bars, high yield steel structures for two warehouses ii. Levelling of foundation for two (2) value addition warehouses and one (1) 	<p><i>Aggregation warehouses & cold storages to specifications, 4No. Value addition warehouses to specifications, Boundary wall to specifications, Office block to specifications, Power house to specifications, Sentry house to specifications, Pump house to specifications, Ablution block to specifications, Civil works to specifications, Electrical Installations and power connection works, Mechanical/Plumbing works to specifications.</i></p> <ul style="list-style-type: none"> ii. <i>The firm took possession of the site on 31/8/2024 and was expected to take 18 months (72 weeks) to completion from the date of possession</i> 		

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>warehouse had been done but not completed</p> <p>iii. One warehouse and two value addition warehouses had not been started. The location where they would be built was still uncleared and bushy.</p> <p>iv. There was no property, plant and equipment on site</p> <p>v. There was no sign of any work on-going</p> <p>vi. There were no materials on site except for some few steel bars</p> <p>vii. The contract has taken slightly over 40% of the completion period of 28 weeks with no certificate being issued.</p> <p>Management has not explained the reason why the contractor was not on site and that there were no major works that had been done. In view of these, the capacity of the contractor to handle the above works is in doubt. Further, the Management has valued the works done so far in comparison with the advance payment of Kshs.48,368,892.20.</p>	<p><i>and NOT 28 weeks. The contract period is therefore expected to lapse on 31/3/2025. (Find in Annex 27 a copy of- contract agreement)</i></p> <p>iii. <i>The list of property, plant and equipment that the contractor stated in the tender document were being hired from Ministry of Transport, Infrastructure, Housing and urban development as indicated in their letter reference No. ME/KSM/CLIENT/VOL.1/136. The Practice in Mechanical Transport Fund (The Ministry of road and Public Works) is for the regional Managers across the country to give undertaking</i></p>		

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p><i>to potential Bidders/Contractors on availability of the plants in their respective regions as indicated in the cited letter. Contractors to hire as and when in need (Find in Annex 27 a copy of- state department of public works letter)</i></p> <p><i>iv. The heavy plants and equipment were used earlier to level part of the site currently under construction. The current on-going work of is mainly steel fixing and masonry work which does not require heavy equipment.</i></p> <p><i>v. The contractor is also undertaking off-site fabrication of construction components. The contract has taken 67% of the completion period of 72 weeks and so far</i></p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p><i>three payment certificates have been raised to that effect totaling to Kenya Shillings fifty-four million (Kshs. 55,594,701). (Find in Annex 27 copy of payment certificate)</i></p> <p>vi. <i>On the general performance of the contractor, Contract Implementation Team had raised concern during its meeting of 9th January 2024 and suggested to the contractor to submit a revised work programme to cover the four months lost as a result of formalizing agreement between national government and county government (Find attached in Annex 27 a copy of -CIT minutes)</i></p>		

County Executive of Siaya

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p>vii. Progres after audit : <i>Please note that the following progress had been attained as the attached photos.</i></p> <p><u>1st Aggregation warehouses & cold storages substructure level</u></p> <p>a. Formwork on going for <i>Suspended slab of the Washroom. 55%</i></p> <p>b. <i>Fabrication of the Superstructures on going 98% complete done outside the site for the Value Addition Warehouse 39NO. Columns, Trusses 44No.done</i></p> <p>c. <i>Boundary wall on going 35% done</i></p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p><i>Ablution Block: At ring beam level formwork on going 55% complete.</i></p> <p><i>Office Block : Ring beam casted, ongoing 55% complete</i></p> <p><i>Annex 27: Copy of contract Agreement, Letter from state department of Public Works, payment certificates, CIT minutes, warning letter from County government department of public works, and caption photo.</i></p>		
9.6	<p>9.0 Proposed Construction of Yala Cattle Ring in Yala Township Ward</p> <p>The County Government signed a contract on 12 February, 2024 at a contract price of Kshs.4,500,962.55 inclusive of 16% VAT with a firm for completion of Yala market cattle ring in Yala township ward for a period of 12 weeks under Contract No. CGS/SCM/EID/OT/2023-2024/039. The firm took possession of site on 20 March, 2024 with an expected completion date</p>	<p>Management Response</p> <p><i>The Construction works has since been completed, find attached Completion Certificate.</i></p> <p><i>Annex 28: Completion Certificate, Caption photo</i></p>	The Report is before County Assembly	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	on 20 July, 2024. A Physical inspection of the project revealed that the project completion date had elapsed. No reason was provided for the same and contractor not on site.			
9.7	<p>9.7 Construction of Four (4) Door Flushable Toilets and Four (4) Bathrooms at Akala Health Centre</p> <p>The Executive awarded a firm Tender No: CGS/HEALTH/Q/2023-2024/034 for construction of four (4) doors flushable toilet and four (4) doors bathroom at Akala Health Centre in South Gem Ward. The contract was signed on 16 February, 2024 at a contract sum of Kshs.3,215,578.80. The works commenced on 7 March, 2024 with a contract duration of three (3) months, hence intended completion date was 10 June, 2024. The engineer of works certified the works at 36% complete on 8 April, 2024 and recommended payment of Kshs.1,157,394. The contractor presented an invoice no.651 date 8 April, 2024 and was paid Kshs.1,000,000. However, project inspection conducted on 17 September, 2024 revealed that no works have been ongoing since the date of the certification. Only substructure works and walls frame were</p>	<p><i>Management Response.</i></p> <p><i>We note your findings and wish to state as follows.</i></p> <p><i>The current status of the Four (4) Door Flushable Toilets and Four (4) Bathrooms as at 10th February, indicate that the roof has also been done (see attached photo). The departments intend to provide additional funds during the financial year 2024-25 in the supplementary budget. The extension letter for the contract is hereby attached for your verification.</i></p> <p><i>Annex 29 Letter from the contractor requesting extension of time, Approval letter from the Chief Officer and Caption photos before and After</i></p>	The Report is before County Assembly	

County Executive of Siaya
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>done. Further, the contract period elapsed on 10 June, 2024 and the contractor had not sought approval for extension of the contract period.</p> <p>In the circumstances, the amount of money incurred on the projects that have delayed, stalled and incomplete are a waste of public funds and the Public may not have got value for money.</p>			
9.8	<p>9.8 Idle Equipment-X-Ray Machine at Got Agulu Hospital</p> <p>The County Executive through the Department of Health awarded a firm tender number CGS/HEALTH/OT/2023-2024/019 for supply, delivery and installation of an X-Ray machine (Quantas model) at Got Agulu Hospital. However, a physical inspection in the Month of September, 2024 revealed that the X-Ray machine was not in use due to lack of a radiographer to operate it.</p> <p>In the circumstances, value for money for the amount of Kshs.14,760,000 spent on medical equipment could not be confirmed.</p>	<p><i>The management response</i></p> <p><i>The audit observations are noted however we wish to state that the radiology department of Got Agulu sub-county hospital is fully functional with the two-probe ultrasound machine and a fully digital x-ray unit.</i></p> <p><i>The department has also posted a radiographer to the facility to perform ultrasounds and exposures of X-rays with digital prints of images.</i></p> <p><i>Annex 30: posting order and arrival letter for radiographer, Copy of the x-ray done dated 19th November 2024 and Extract of MOH209-radiology register</i></p>	The Report is before County Assembly	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>Failure to Prepare a Risk Assessment Report</p> <p>During the year under review, there was no documentary evidence to confirm that the Executive conducted a risk assessment to identify potential risk exposure, possibility of their occurrence and their mitigating strategies. This was contrary to Regulation 158(1) (a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 states that an accounting officer of a County Government entity shall develop risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.</p>	<p>Management Response <i>We note your observation and wish to state that the County Government of Siaya has initiated the process of developing Risk Management Policy which is in Draft stage.</i></p> <p><i>Annex 31: Draft Risk Management Policy</i></p>		



COUNTY GOVERNMENT
FINANCE & ECONOMIC PLANNING
COUNTY GOVERNMENT OF SIAYA

Date:

Ouma Jacktone Odinga

Accounting Officer

Date

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

Appendix II: Projects implemented by *(The Entity)*

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting	Consolidated in these financial statements

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	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	

County Executive of Siaya
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Appendix VI: Reporting of Climate Relevant Expenditures

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

County Executive of Siaya
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Appendix VII: Disaster Expenditure Reporting Template

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

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Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land	332,706,915.95	17,533,698.35			350,240,614.30
Buildings and structures	5,677,197,377.49	421,318,941.88			6,098,516,319.37
Transport equipment	464,656,887.00	61,484,271.00			526,141,158.00
Office equipment, furniture and fittings	140,102,659.95	33,145,728.00			173,248,387.95
ICT Equipment	245,812,277.10	60,899,929.85			306,712,206.95
Refurbishment of Building	107,064,553.65				107,064,553.65
Specialized Plant Machinery and Equipment	701,529,608.10	112,008,946.55			813,538,554.65
Biological assets	245,520,792.80				245,520,792.80
Construction of Civil Works	2,140,515,367.05	1,903,901,039.19			4,044,416,406.24
Research, Studies, Project Preparation, Design & Supervision	3,518,165,724.73				3,518,165,724.73
Infrastructure Assets- Roads, Rails					-
Heritage and cultural assets					-
Intangible assets	57,618,924.00				57,618,924.00
Work in Progress					-
Total	13,630,891,087.82	2,610,292,554.82			16,241,183,642.64

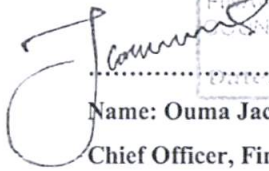
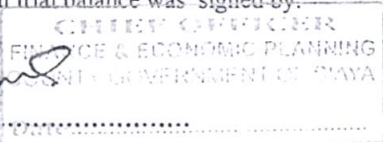
The current year Fixed assets acquisitions are disclosed at historical costs. Construction of civil works are the totals for construction of Roads and Civil Works


County Executive of Siaya
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COUNTY GOVERNMENT OF SIAYA			
REPORTS AND FINANCIAL STATEMENTS			
YEAR ENDED 30TH JUNE , 2025			
TRIAL BALANCE			
	Note	DR	CR
Capital Fund			(989,788,929.47)
Surplus			75,182,408.92
Transfers from the CRF	5		6,958,101,730.00
Miscellaneous receipts	6		
Compensation of Employees	8	2,975,810,506.58	
Use of goods and services	9	2,023,283,907.24	
Subsidies			
Transfers to Other Government Entities	10	135,229.25	
Depreciation and Mortization expenses	11	110,339,137.54	
Other grants and transfers	12	301,184,243.00	
Social Security benefit	14		
Finance Costs	13	15,371,149.70	
Repayment of principls on Domestic and Foreign borrowing			
Taxation	19		
Cash and Cash equivalent	20	4,302,184.30	
Receivable from exchange transactions	21	4,551,674.00	
Receivable from Non- exchange transactions	22	-	
Property Plant and Equipments	25	2,499,953,417.28	
Inventories	23		
Intangible Assets	27	-	
Biological Assets	29		
Trade Payables	31		1,889,967,165.44
Refundable Deposits and Prepayments	32		1,469,074
		7,934,931,448.89	7,934,931,448.89

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The financial trial balance was signed by:



Name: Ouma Jacktone Odinga
Chief Officer, Finance & Economic Planning


Christine Phyllis Okoth
Director Finance/Accounting Services
ICPAK Member No;13246

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Creditors Control A/C (EXPENDITURE ANALYSIS)			
		Bal b/f	1,446,894,563.37
		Retention and Deposit b/f	5,026,369.58
Payments-Rec	5,070,066,889.10	Total Expenditure	5,315,785,035.77
Development Payments	2,416,020,598.00	Acquisition of PPE	2,610,292,554.82
Imprest retired	5,026,471.00	Imprests advanced	4,551,674.00
Retention and Deposit c/d	1,469,074.00		
Bal c/d	1,889,967,165.44		
	9,382,550,197.54		9,382,550,197.54

To determine the expenditures for the period

Receivables Control A/C (REVENUE ANALYSIS)			
Bal b/f	500,816,555.00		
		Receipts	7,458,918,285.00
Transfer from CRF	6,958,101,730.00	Bal c/d	=
	7,458,918,285.00		7,458,918,285.00

To determine transfer from CRF for the period

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CREDITORS CONTROL ACCOUNT

		Bal b/f Payable	1,446,894,563.37
		Refundable Deposit	5,026,369.58
PAYMENTS		EXPENDITURE.	
Recurrent	1,744,523,671.92	Use of goods/Services	2,023,283,907.24
PE	3,008,852,595.23	Personnel Emoluments	2,975,810,506.58
Grants	301,184,243.00	Grants	301,184,243.00
Fiance Cost	15,371,149.70	Finance Cost	15,371,149.70
PPE	2,416,020,598.00	PPE	2,610,292,554.82
Imprest Retired	5,026,471.00	Imprest advanced	4,551,674.00
Bal c/d Payable	1,889,967,165.44		
Refundable Deposit	1,469,074.00		
	9,382,414,968.29		9,382,414,968.29

To determine expenditure for the period breakdown