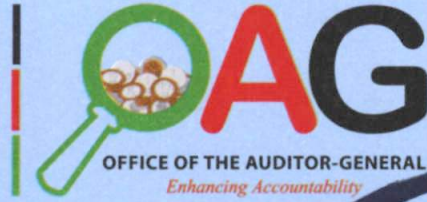


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REPORT
OF
THE AUDITOR-GENERAL
ON
COUNTY EXECUTIVE OF KISII
FOR THE YEAR ENDED
30 JUNE, 2025

PAPERS LAID	
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COUNTY EXECUTIVE OF KISII

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

Transitional Financial Statements Under International Public Sector Accounting Standards (IPSAS)

COUNTY EXECUTIVE OF KISII
Annual Report and Financial Statements For the year ended June 30, 2025

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COUNTY EXECUTIVE OF KISII

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

1. Acronyms, Abbreviations and Definition of Key Terms

A. Acronyms and Abbreviations

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

B. Definition of Key Terms

Fiduciary Management	The key management personnel who had financial responsibility
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COUNTY EXECUTIVE OF KISII
Annual Report and Financial Statements for the year ended June 30, 2025

2. Key County Executive of Kisii Information and Management

a) Background information

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

No.	Department	Major Responsibility
1.	Finance and Economic Planning	Management of County Treasury and Planning
2.	Agriculture and Livestock and Fisheries	Overseeing County Agriculture, animal husbandry and Fish farming
3.	Medical Services and Public Health	Deals with Preventive, curative and overall wellness of human health in the County
4.	Youth, Sports, Culture, Arts and Social Services	Deals with development of sports infrastructure, event programs, talent identification and development, training and overall sports healthy and safety in the County
5.	Trade, Tourism, Industry and Marketing	Formulation, implementation of County trade development policy and promotion of retail and wholesale markets.
6.	Public Service, Administration, Participation and office of the Governor	Responsible for developing County Staffing norms, grading and determining optimal staff levels and other stakeholder engagement
7.	Lands, Physical planning, Housing and urban development	Promote and facilitate development of decent housing in sustainable environment in the County.
8.	Education, technical training, innovation & manpower development	Develops and monitors training programs for TVET and ECDE
9.	Water, Energy, Environment, Natural Resources and Climate change	Promote County enforcement of environmental, natural resources management, water, sanitation and energy supply services, legislation, rules and regulations.

COUNTY EXECUTIVE OF KISII**Annual Report and Financial Statements for the year ended June 30, 2025**

No.	Department	Major Responsibility
10.	Infrastructure, roads and public works	Design, develop and maintain infrastructure through quality public works services to all County Government entities and the general public

b) Key Management team

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

No.	Designation	Name
1.	Office of the Governor	H.E Hon Paul Simba Arati
2.	County Secretary	Mr. Ernest Osoro
3.	County Attorney	Mr. Alfred Nyandieka

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, Economic Planning and ICT Services	Mr. Kennedy Okemwa Abincha
2.	Accounting Officer- Finance, Accounting Services & Revenue Management	Mr. Vincent Nyangwara Okioma
3.	Accounting Officer-Economic Planning and ICT Services	Mr. Conrad Owino
4.	Accounting Officers-Public Service, County Administration and Participatory Development & Office of the Governor	Davins Onuso Ngoge Prof. Justus Nyamweya Nyagwencha CPA Edwin Orina Atege

COUNTY EXECUTIVE OF KISII**Annual Report and Financial Statements for the year ended June 30, 2025**

No.	Designation	Name
5.	Accounting Officer-Lands, Accounting Officer-Physical Planning, Housing and Urban Development	Dr. Kennedy Ben Mwengei Ombaba
6.	Accounting Officer-Water, Environment, Natural Resources and Climate change	Mr. Cleophas Odira Okioi
7.	Accounting Officer-Infrastructure, Energy and Public Works	Mr. Vincent Nyangwara Okioma
8.	Youth, Sports, Culture, Arts and Special Services	CPA Emmanuel Masese Mr. Wilfred Okari Kenya
9.	Accounting Officer-Education, Technical Training, Innovation and Social Sciences	Mr. James Oenga Marochi
10.	Accounting Officers-Agriculture, Fisheries, Livestock Development and Irrigation	Mrs Agnes Kemunto Choti
11.	Accounting Officer-Trade, Tourism, Industry and Marketing	Dr. Isaiah Onsarigo Miencha Mr. James Marochi
12.	Accounting Officer-Medical Services, Public Health and Sanitation	Mrs. Caren Orori
13.	Accounting Officer - Revenue Management	Mr. Conrad Owino
14.	Accounting Officer -Special Programs	Erick Kiage Mobegi

d) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the year ended 30th June 2025 were:

i. County Assembly of Kisii County

The responsibilities of the County Assembly of Kisii were as follows:

- To vet and approve nominees for appointment to county public offices as may be provided for in the relevant laws;
- To perform the roles set out under Article 185 of the Constitution;
- To approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution,

COUNTY EXECUTIVE OF KISII

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

guided by Articles 201 and 203 of the Constitution;

- To approve the borrowing by the county government in accordance with Article 212 of the Constitution;
- To approve county development planning; and
- To perform any other role as may be set out under the Constitution or legislation

ii. Audit Committee

The functions and responsibilities of the audit committee were as follows:

- To obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
- To provide an independent review of the County Executive's reporting functions to ensure the integrity of financial reports.
- To monitor the effectiveness of the County Executive's performance management and performance information.
- To provide strong and effective oversight of County Executive's internal audit function.
- To provide effective liaison and facilitate communication between management and external audit.
- To provide oversight of the implementation of accepted audit recommendations.
- To ensure that the County Executive effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.

iii. Public Accounts and Investment Committee of the Senate

The main function of the Senate Public Accounts and Investment Committee is to invite the Governor to appear before it to adduce evidence on the reports of the Auditor-General.

iv. Budget and Appropriations Committee

Budget and Appropriations Committee approves expenditure budget of the County Executive for the execution of governance.

v. Development Partners

Development partners monitor implementation of development projects funded by them to ensure that they achieve the intended objectives.

e) County Executive Headquarters

P.O. Box 4555-40200

Kisii Building/House/Plaza

Kisii-Keroka Road/Highway

KISII, KENYA

f) County Executive Contacts

Telephone: (254) 58203005

COUNTY EXECUTIVE OF KISII
Annual Report and Financial Statements for the year ended June 30, 2025

E-mail: info@kisii.go.ke

Website: www.kisii.go.ke

g) County Executive Bankers

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

2. Other Commercial Banks

Kenya Commercial Bank

Kisii branch

P.o Box 48400

Kisii-kenya

h) Independent Auditor

Auditor-General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

i) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

NAIROBI, KENYA

j) County Attorney

COUNTY EXECUTIVE OF KISII
Annual Report and Financial Statements for the year ended June 30, 2025

P.O Box 4550-40200

Kisii

k) Independent Auditor

Auditor-General

Office of The Auditor General

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GPO 00100

NAIROBI, KENYA

l) Principal Legal Adviser

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P.O. Box 40112

City Square 00200

NAIROBI, KENYA

COUNTY EXECUTIVE OF KISII

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




3. Governance Statement

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

The County is made up of a County Assembly, County Executive and 12 Government Entities. The County Executive is structured in terms of departments, headed by a County Executive Committee Member (CECMs). The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution. The County Secretary heads county public service and is responsible for arranging the business of county executive committee.

The County Executive

a) The County Executive of Kisii comprise of the following members:

	H.E Hon. Paul S. Arati The Governor Kisii County
	H.E Elijah Obebo Deputy Governor Kisii County
	Mr. Ernest R. Osoro Ag. County Secretary and Head of Public Service
	Mr. Kennedy o. Abincha CECM Finance Economic Planning & ICT(E-Government) Services




COUNTY EXECUTIVE OF KISII

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

	<p>Mr. Ronald G. Nyakweba</p> <p>CECM Medical Services, Public Health and Sanitation</p>
	<p>Mr. Elijah O. Obwori</p> <p>CECM Agriculture, Fisheries, Livestock, Cooperatives Development & Irrigation</p>
	<p>Mr. Eric O. Miyianda</p> <p>CECM Education, Technical Training, Innovation & Manpower Development</p>
	<p>Mr. Cyrus M. Nyabicha</p> <p>CECM Trade, Tourism, Industry & Marketing</p>
	<p>Dr. Timothy Arege</p> <p>CECM Youth, Sports, Culture, Arts & Social Services</p>
	<p>Mrs. Grace K. Nyarango</p> <p>CECM Lands, Physical Planning, Housing & Urban Development</p>

COUNTY EXECUTIVE OF KISII

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

	<p>Mr. Daniel O. Nyakundi</p> <p>CECM Public Service, County Administration, Public Participation & Office Of The Governor</p>
	<p>Mrs. Leah B. Ogega</p> <p>CECM - Water,Energy,Environment,Natural Resources & Climate Change</p>
	<p>Dr. Margaret Kemunto CECM Infrastructure, Roads & Public Works</p>

- b) The County advertises in a news paper of county wide circulation and also informs the Public through radios and TV stations and personal communication through the Sub-county administrators about its intention to gather information from the public on their priority projects that they wish undertaken with a specific timeliness. The county has policy on communication, stakeholder engagement and whistle blowing
- c) The county has impressed the use of open door policy arrangements through use of suggestion box, sharing of offices by use of workstations and from time to time they invite Ethics and anti-corruption department to share insights about corruption levels in the county
- d) The county executives prepare responses on any matter that is not been cleared by the Auditor-General and appears before the Public Accounts and Investment Committee of the County Assembly and Senate for deliberations
- e) Risk management The County has both the internal audit and Audit committee which are operational. Further, the management has risk management policy which specifies :
 - o The necessary arrangements in place for risk management and internal control?
 - o The formal processes to identify and assess risks
 - o Basis to analyse risks and how they should be managed.

COUNTY EXECUTIVE OF KISII

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

- Mechanisms to analyze the period and how they were managed
- f) The Management advertised for the appointment of the audit committee in the dailies and website to reach as many interested applicants as possible. Shortlisted applicants were invited to fill the posts competitively. The committee is operational.

4. Foreword by CECM Finance and Economic Planning/Clerk of the County Assembly

A. Functions of the County Government as per the County Government Act.

The Kisii County Government shall ensure adherence to the functions of the County governments as set out in Section 5 of the County Governments Act which states;

- 1) A county government shall be responsible for any function assigned to it under the Constitution or by an Act of Parliament.
- 2) Without prejudice to the generality of subsection (1), a county government shall be responsible for—
 - a) county legislation in accordance with Article 185 of the Constitution;
 - b) exercising executive functions in accordance with Article 183 of the Constitution;
 - c) functions provided for in Article 186 and assigned in the Fourth Schedule of the Constitution;
 - d) any other function that may be transferred to county governments from the national government under Article 187 of the Constitution;
 - e) any functions agreed upon with other county governments under Article 189(2) of the Constitution; and
 - f) Establishment and staffing of its public service as contemplated under Article 235 of the Constitution.
- 3) A county government may seek assistance from the Kenya Law Reform Commission in the development or reform of county legislation under subsection (2)(a).

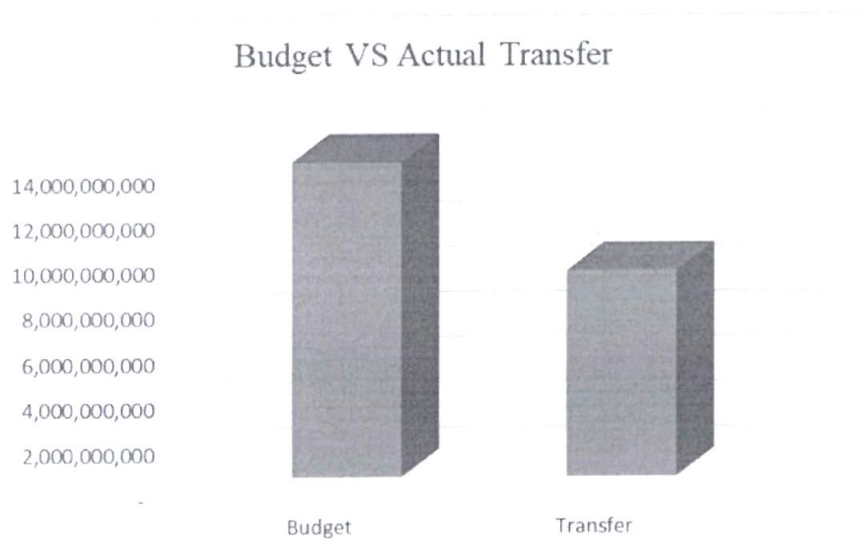
The Kisii County Government shall ensure adherence to the principles of public finance set out in Chapter Twelve of the Constitution and the fiscal responsibility principles provided in Section 107 of the PFM Act.

B. Budget performance against actual amounts for current year and for cumulative to-date based on programmes

a) Revenue

In the year ended 30 June 2024, the County Executive had projected revenues of Kshs.13,953,991,832 from the County Revenue Fund. However, actual transfer was Ksh 9,106,135,362 representing 65% of the budget. A Graphical Representation of the Revenue Transfer is as shown below:

COUNTY EXECUTIVE OF KISII
Annual Report and Financial Statements for the year ended June 30, 2025



The County Government transferred into the County Executive Kshs **9,106,135,362** of revenue comprising of equitable share, own source revenue and grants as analyzed below.

Revenue stream	Amount (Kshs)
Equitable Share	8,634,743,391
NAVCDP	5,000,000
Climate Change	305,985,320
KDSP	7,000,000.
Aggregation and Industrial Park	153,406,651
Total	9,106,135,362

COUNTY EXECUTIVE OF KISII
Annual Report and Financial Statements for the year ended June 30, 2025

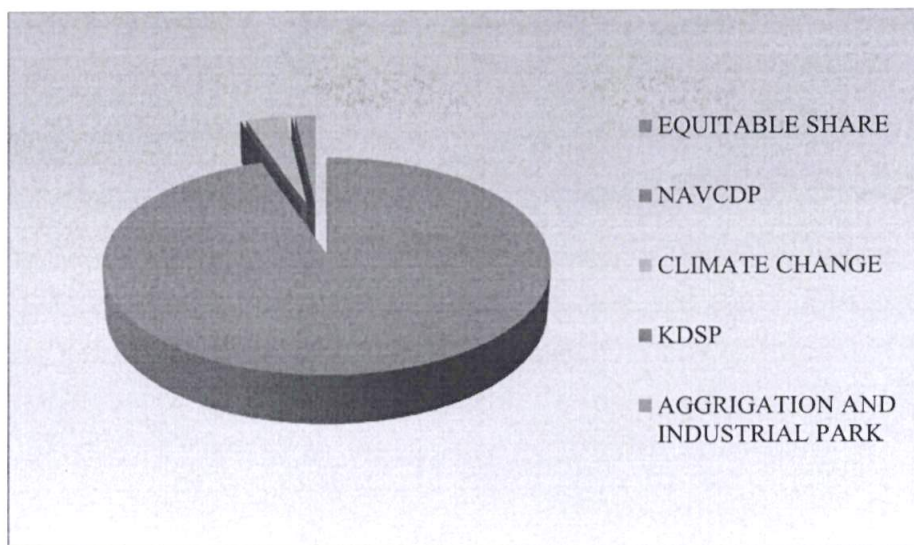


Figure 1: Kisii County revenue sources in FY 2024/2025.

b) Payments

The total County executive expenditure budget for the financial year was Kshs **13,953,991,832** with an expenditure of **Ksh 10,057,848,845**. A total actual expenditure, Kshs **2,601,918,576** was development expenditure and Kshs. **7,455,930,269** recurrent expenditure which represent 72% absorption. See the table and chart below:

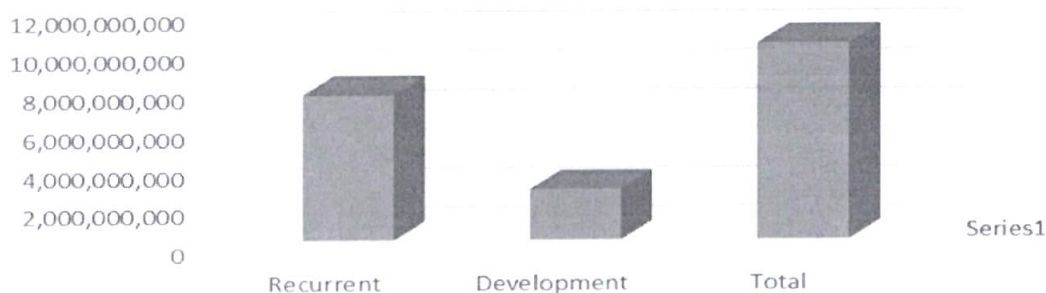
Table 2: Expenditure Performance Based on Votes in FY 2024/2025

Expenditure Classification	Actual (Kshs)
Recurrent	7,455,930,269
Development	2,601,918,576
Total	10,057,848,845

COUNTY EXECUTIVE OF KISII

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

Classified Expenditure for 2024/2025



C. Physical progress based on outputs, outcomes and impacts since establishment of County Government

- i. Constructed a bitumen standard link road between Nyanchwa and Kisii town which has eased the traffic and opened the area for development
- ii. Maintenance of over 450km of road across the county which has eased transportation of people and commodities
- iii. Constructed a Banana factory in Kisii town and a banana collection market at Nyamache in order for farmers to receive maximum returns from farm produce
- iv. Constructed canopy sheds at Daraja Mbili Market and market sheds at various market across the county to serve fish mongers, fruit vendors and general household good traders commonly known as Mali-Mali
- v. Purchased a drug distribution truck which has improved delivery of drugs and reduced stock outs.
- vi. Constructed and equipped various health facilities across the county which has helped ease congestion of KTRH
- vii. Constructed and equipped the fire station which has helped in easing fire incidences and rescue services
- viii. Construction of mother to child hospital which is nearing completion
- ix. Construction of Doctor's Plaza
- x. Establishment of MRI unit in Kisii Teaching & Referral Hospital
- xi. Completed a 250-bed capacity male ward at KTRH.
- xii. Establishment of a microwave medical waste burning chamber.
- xiii. Completed 50-bed doctors' hostel block.
- xiv. Constructed and Equipped Marani and Nduru Level four hospital
- xv. Equipped level four hospital facilities thus, has reduced referrals to KTRH hence decongesting it.

D. Comment on each of the County flagship projects and how they have been achieved

The development Agenda for Kisii County has revolved around Infrastructure Development. One of key objectives under the Big Four Agenda is to guarantee Kenyans access to high quality and affordable healthcare. And this rhymes perfectly with the County’s transformational dream, on delivery of an affordable and reliable healthcare for the people of Kisii County and beyond

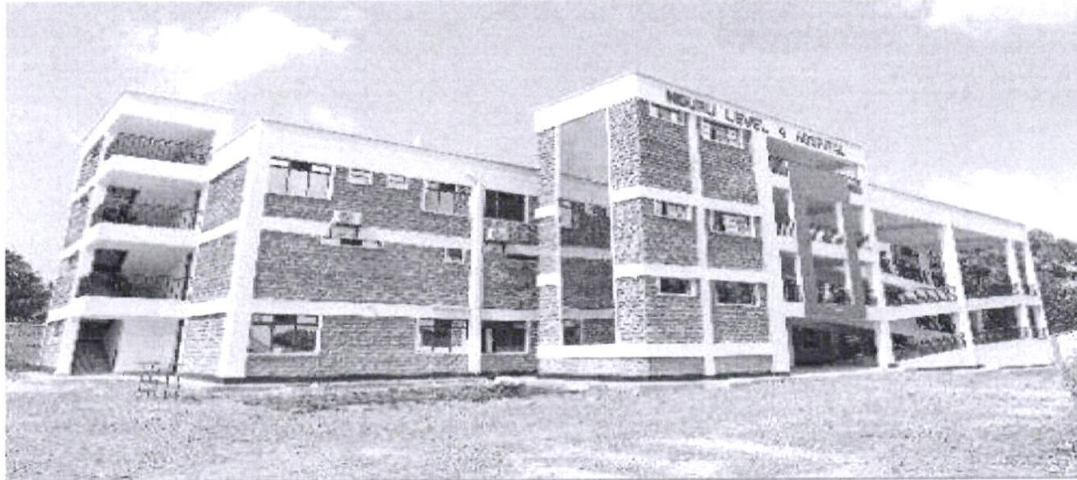


Figure 5: Nduru level four Hospital in South Mugirango Sub-County



Figure 6: Marani Level 4 hospital in Kitutu Chache North Sub-County

Further, Food security is also key to a healthy population and thus the county has since put sufficient resources into the improvement of the same.

COUNTY EXECUTIVE OF KISII

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

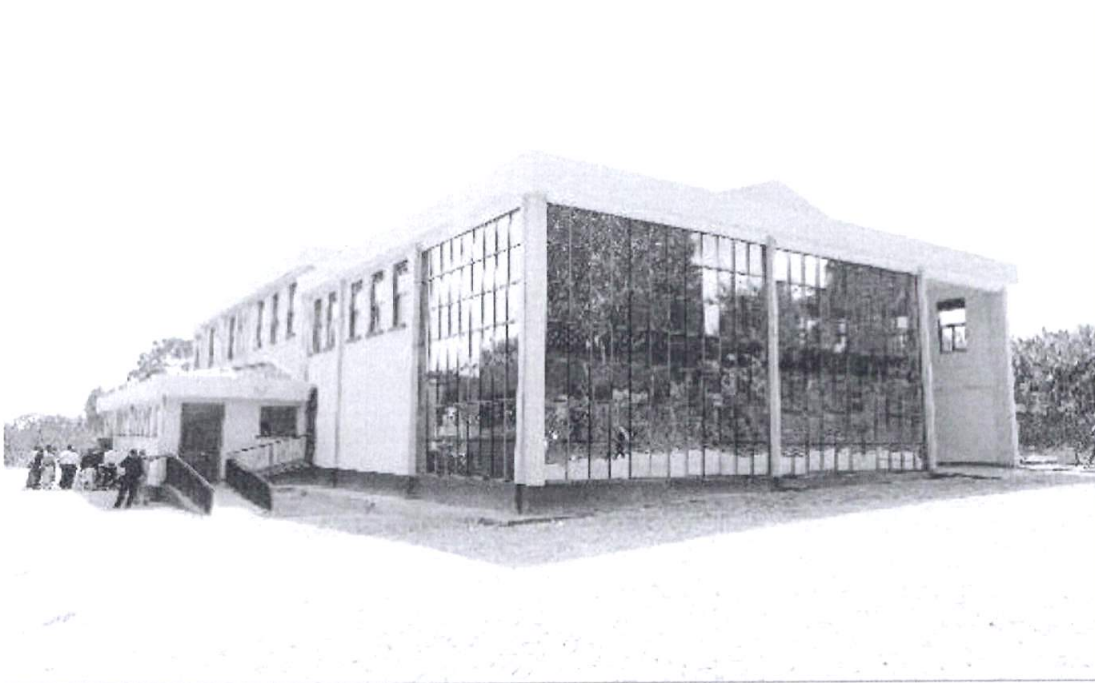


Figure 7: Farmer resource Centre in Nyaribari Chache Sub-County



Figure 8:

Banana Factory in Nyaribari Chache Sub-County

E. Comment on value-for-money achievements

The County Government has largely allocated its resources in the construction of health facilities to the sub-Counties hence bringing services to the citizen in line with the spirit of devolution. Additionally, the County has also done and operationalized banana and avocado factories to assist the citizen of Kisii County in value addition of its farm produce hence realize more from their agricultural activities.

F. Implementation challenges of strategic objectives for the County and the County's future outlook

The county government of Kisii is dealing with a number of challenges that may slow down the achievement and realization of its vision. They include:

- Limited financial resources -The county government of is grappling with low revenue generation and budget constraints making it difficult to fund ambitious project.
- Infrastructure Deficiencies-The county Government is dealing with poor infrastructure such as inadequate roads, communication and utilities can impede service delivery and project execution. Additionally, maintenance issues of existing infrastructure if not well maintained.
- Monitoring and Evaluation-Lack of effective m&E systems to monitors progress and evaluate outcome led to ineffective interventions. Further poor data collection practices can hinder informed decision making.
- Public Participation and Trust. Limited community engagement in decision making can result to projects that do not meet community needs.
- Regulatory and Bureaucratic Hurdles-Navigating through legal and bureaucratic processes can delay project implementation.
- Planning- inadequate planning or lack of coherent long-term plans can lead to Misallocation of resources and ineffective programs
- Political interference- political agendas can overshadow developmental goals affecting decision making and resource allocation. Additionally frequent change in leadership can disrupt continuity in projects and policies.
- Capacity Gaps-Lack of trained personnel in key areas such as finance, planning and administration affects implementation. Insufficient technological infrastructure can hinder service delivery

COUNTY EXECUTIVE OF KISII

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

G. Key risk management strategies applied by the County

Kisii County key risk management strategies include:

- Establishment of an internal audit committee and enhanced its capacity through trainings and internal control frameworks,
- Establishment of procurement and asset disposal committee to address issues of oversight, governance, accountability and transparency in the public procurement.
- Automation of revenue collection to reduce direct handling of cash and issuance of manual receipts which raises both the risk of security of cash and integrity of data leaving significant leakages.
- Construction and equipping of modern fire station to mitigate incidents of fire outbreaks



.....

CECM Finance and Economic Planning

County Government of Kisii

5. Statement of Performance against Predetermined Objectives

(County Executive)

The Kisii County Integrated Development Plan (CIDP) 2023–2027 serves as the guiding framework for annual budgeting and the Annual Development Plan (ADP) in Kisii County. It synthesizes development aspirations drawn from the Governor’s Manifesto, Kenya Vision 2030, the Sustainable Development Goals (SDGs), the Medium-Term Plan (MTP IV), and other sectoral policies, ensuring that county priorities are aligned to both national and global development agendas.

Strategic development objectives for Kisii County

The strategic objectives are a synthesized product of the aforementioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks. The Kisii County CIDP 2023–2027 integrates the Governor’s manifesto into five strategic priority areas that cut across the county’s development agenda. These priorities are designed to address socio-economic gaps, promote inclusive growth, and align with the Constitution of Kenya 2010, Vision 2030, the SDGs, and MTP IV. These have been mainstreamed into five pillars in the CIDP, including:

- **Devolution and Governance-**This mainly involves strengthening decentralized governance structures, empowering communities to hold leaders accountable, and enhancing public participation in decision-making. Investments include completing and equipping sub-county and ward offices, establishing village councils, and facilitating civic education. This priority directly supports the CIDP objective of good governance, public participation, and institutional capacity building, ensuring transparency, accountability, and efficient service delivery.
- **Wealth Creation-** This priority addresses tackling poverty and unemployment through agricultural transformation, value addition, agro-processing, and support for MSMEs. The government also promotes domestic tourism, trade infrastructure, and cultural activities. This is embedded in the CIDP objective of inclusive economic growth and job creation, which focuses on agriculture, trade, industry, and tourism as the backbone of the county’s economy.
- **Social Development-** This priority looks at expanding access to education (ECDE, VTCs, bursary schemes), Universal Health Coverage (equipped hospitals, adequate staff, pharmaceuticals), clean and safe water (rehabilitated schemes, boreholes, municipal connectivity), housing, and social protection programs. Youth empowerment is promoted through sports, arts, and cultural initiatives. This priority aligns with CIDP objectives on healthcare access, education and training, social protection, equity, and community empowerment, enhancing human capital development and social cohesion.
- **Sustainable Environmental Conservation-** Addressing climate change impacts, river degradation, and deforestation through protection and restoration of wetlands, reforestation,

COUNTY EXECUTIVE OF KISII

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

waste management, and beautification of towns. It is integrated into the CIDP objective of environmental conservation, climate change adaptation, and sustainable natural resource management, which promotes climate resilience and sustainable development.

- **. Enablers and ICT-** This is about expanding road infrastructure to connect markets, schools, and hospitals; automating and digitizing government operations; and rolling out ICT infrastructure across wards. This corresponds to the CIDP objective of infrastructure development (roads, ICT, energy, water, and sanitation), which underpins all other development priorities as an enabler of economic transformation.

From the Kisii County CIDP 2023–2027, the key development objectives identified to drive development over the five-year period have summarized in Table 5.1.

Table 5. 1: Key development objectives per Focus Area

Priority Area	Key development objectives	Key Interventions
1. Health Services	Enhance access to quality health care services	• Strengthening health systems and infrastructure.
		• Expanding access to Universal Health Coverage (UHC).
		• Equipping and upgrading health facilities, including specialized services at KTRH.
2. Education, Technical Training & Skills Development	Improve access to quality and equitable education, technical training, and skills development	• Construction and equipping of ECDE classrooms.
		• Upgrading vocational training centers (VTCs).
		• Expanding access to higher education and technical skills for youth.
3. Agriculture, Water, and Food Security	Enhance food security and household incomes through increased agricultural productivity, value addition, and improved water resource management.	• Enhancing agricultural productivity and commercialization.
		• Expanding irrigation and water harvesting infrastructure.
		• Supporting value addition and agro-processing industries.

COUNTY EXECUTIVE OF KISII

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

Priority Area	Key development objectives	Key Interventions
4. Infrastructure Development	Provide quality physical infrastructure in the County	• Upgrading and maintaining county roads.
		• Expanding access to water and sanitation services.
		• Promoting ICT infrastructure and e-governance systems.
5. Trade, Industry, and Tourism	Promote inclusive economic growth and job creation	• Establishing the County Industrial Park.
		• Supporting SMEs, cooperatives, and market infrastructure.
		• Promoting tourism and cultural heritage sites.
6. Governance and Institutional Development	Strengthen governance, public participation, and institutional capacity	• Enhancing public participation and accountability.
		• Strengthening revenue collection systems and automation.
		• Building institutional capacity for effective service delivery.
7. Environment, Climate Change, and Natural Resource Management	Promote sustainable environmental conservation and climate change adaptation	• Implementing climate-smart agriculture.
		• Expanding forest cover and soil conservation measures.
		• Enhancing disaster preparedness and resilience.
8. Social Protection, Equity, and Community Empowerment	Promote social protection, equity, and community empowerment	• Promoting programs for youth, women, PWDs, and vulnerable groups.
		• Supporting sports, arts, and cultural initiatives.
		• Expanding social welfare and protection interventions.

COUNTY EXECUTIVE OF KISII
Annual Report and Financial Statements for the year ended June 30, 2025

Below we present the progress made in attaining the objectives of the 2023-2027 CIDP Year three (3) for Kisii County.

COUNTY EXECUTIVE OF KISII
Annual Report and Financial Statements for the year ended June 30, 2025

S/No	Strategic Objective (High-Level)	Targeted Outcome	Performance/Progress Made (as of June 2025)	Remarks (Reasons for under/overperformance)
1	Provide quality physical infrastructure in the County.	To enhance urban infrastructure, including motorable roads, footbridges, and storm water drains.	80 km of roads constructed out of a 120 km target; 36 streetlights installed out of a 42 streetlights target. 7 footbridges constructed out of 11 targeted.	Underperformance on some projects is due to limited funds released, or the project being rolled over to the next financial year.
2	Achieve efficient and effective public financial management and ICT systems.	Increased revenue collection and automation of government services.	KShs 565M raised out of an KShs 865M target. 3 departmental workflows were automated out of a target of 5, reaching 75% completion.	Underperformance in revenue collection is noted in the documents, and implementation of new systems is ongoing.
3	Improve administrative services and support the functions of the County Assembly and government.	A developed service delivery charter, enhanced legislative processes, and coordination of government services.	One service delivery charter developed and in place. 8 bills passed out of a target of 15. The County Headquarter office is 25% complete.	Funds were re-allocated from some projects. Delays in project commencement and lengthy procurement processes were also noted as a reason for underperformance.
4	Increase agricultural production and improve food security.	Training and supplying farm inputs to farmers and setting up value addition sites and Implementing climate-smart agriculture.	•7,000 farmers were trained and supplied with farm inputs, which exceeded the target of 2,000. 55,000 farmers were trained on land management techniques out of a 70,000 target.	Over-performance in farmer training was due to donor support to train and build the capacity of farmers.
5	Formalize land ownership and improve land use services.	Development of physical and spatial development plans, and surveying of land parcels and market centers.	Physical development plans are drafted and under stakeholder review. The county spatial plan is 50% complete. 20 parcels of land were surveyed out of a target of 35.	Underperformance in some land-related projects is due to underfunding and funds not being released.

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S/No	Strategic Objective (High-Level)	Targeted Outcome	Performance/Progress Made (as of June 2025)	Remarks (Reasons for under/overperformance)
6	Promote inclusive economic growth and job creation	<ul style="list-style-type: none"> Establishing the County Industrial Park Supporting SMEs, cooperatives, and market infrastructure Promoting tourism and cultural heritage sites. 	<ul style="list-style-type: none"> The construction of the Industrial Park is ongoing, with an estimated cost of KShs 497.9 million; Suneka Market (Phase III and IV), Keumbu Market, and Itibo Market projects are underway, with some phases completed. 	The industrial park project is progressing as an ongoing multi-year initiative. A note of slow absorption of funds was mentioned for the trade, industry, and tourism sector.
7	Strengthen governance, public participation, and institutional capacity.	<ul style="list-style-type: none"> Enhancing public participation and accountability; Strengthening revenue collection systems and automation; Building institutional capacity for effective service delivery. 	<ul style="list-style-type: none"> 15 stakeholder forums were held out of a 45-forum target; The county has generated KShs 565M in own-source revenue; The staff clocking system is not yet developed; Sector-based performance contracts are yet to be signed. 	Lengthy procurement processes and compliance requirements have slowed down the commencement and completion of development projects. Underfunding and lack of capacity by some contractors were also noted.
8	Promote sustainable environmental conservation and climate change adaptation.	<ul style="list-style-type: none"> Expanding forest cover and soil conservation measures; Enhancing disaster preparedness and resilience. 	<ul style="list-style-type: none"> Tree planting and beautification projects are ongoing; The level of preparedness for disasters is at 30%, with a response time of 40 minutes, which is double the target of 20 minutes. 	Underperformance is noted in disaster management, where the response time is slower than the target.
9	Promote social protection, equity, and community empowerment.	<ul style="list-style-type: none"> Promoting programs for youth, women, PWDs, and vulnerable groups; Supporting sports, arts, and cultural initiatives; Expanding social welfare and protection interventions. 	<ul style="list-style-type: none"> A total of 500 people living with disabilities (PWDs) have been supported with assistive devices; The construction of two sub-county stadia and one sports centre is ongoing; A Gender-Based Violence (GBV) centre is 60% complete. 	There is progress on supporting vulnerable groups and developing sports and cultural infrastructure.

Progress on Attainment of Development Objectives from Annual Development Plan for FY 2024-25 for Kisii County

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The progress on the attainment of development objectives provides a clear picture of the county's performance against its set targets. Table 5.2 provides broad progress highlights made towards achieving the county's key development objectives.

Table 5. 2: Programme Performance per Sector as at 30Th June 2025

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Table 1: Programme performance

Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
DEPARTMENT 1: EXECUTIVE, (OFFICE OF THE GOVERNOR, DEPUTY GOVERNOR, COUNTY SECRETARY AND PUBLIC SERVICE BOARD)								
Programmes and Sub-Programmes Performance Report for the Period Ending 30th June, 2025 (Non-Financial Information)								
Programme 1: Management and coordination of County Government Services	To manage and coordinate County Government Services	Coordinated Government Services & well-informed government decisions.	Performance Management system in place	Operational and compliant Performance Contracting system	100%	-	100%	PMS still being instituted and will be operationalized soon. PCs done for top management.
				Compliance level to Performance Appraisals	100%	-	100%	PMS still being instituted and will be operationalized soon.
			Motivated staff	Compliance to Human Resource Practices- Recruitment, retention, payment	100%	100%	-	HR complies to all HRM practices
			Coordinated Government Services	Number of County Policies approved and submitted to the County Assembly	20	7	13	Depend on need or gaps arising.
				Number of Executive Committee meetings held	12	10	2	Called upon as and when necessary to approve county policies.
			Effective service delivery/ ideal County Staffing	Number of staff recruited competitively	-	-	-	
			Staff capacity built	Number of staff recommended for training	2,000	200	-	With support of KDSP & KSG
				Number of disciplinary cases resolved successfully	-	-	-	

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
Programme 2: Advisory Services	To provide expert advisory and legal services that support effective and informed decision-making, and to enhance the county's legislative and legal framework.	Informed decisions by the executive based on the advice of advisors to the Governor	Informed Decisions	Percentage of decisions made by the executive based on the advice of Advisors to the Governor	100%	100%	-	Always informed by advisors before decisions are reached.
			Efficient management of litigation processes and enhanced county legislation	Percentage of bills generated and accented to by the Governor	100%	100%	-	No dissent has been noted since Executive & CA are able to consult and reach consensus based on principles of mutual respect and separation of power.
				Percentage of bills done to harmonize service delivery	100%	100%	-	
				Percentage of prioritized bills drafted	100%	100%	-	
				Cases handled and resolved with a positive outcome	100%	100%	-	
Programme 3: General Administration, Planning & Support Services	To provide effective and efficient administrative, planning, and support services to the County Executive, ensuring a well-motivated workforce and the development	An efficient and effectively managed county.	Efficient and effective communication system	Number of publications made through the media	4	3	1	Within funds available and need
				Publication of Governor's speeches & state of the County Address	4	2	2	On track.
			Increased number of staff	Number of staff in payroll	157	152	5	No recruitment.No attrition.
				Staff capacity built	50	15	35	
			Operational and complete infrastructure	Level of completion of Governor's Residence	100%	0	100%	
				Level of completion of County Headquarter	100%	50%	75%	On track. Multi-year project.

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
	of key infrastructure							
DEPARTMENT 2: PUBLIC SERVICE, COUNTY ADMINISTRATION AND PARTICIPATORY DEVELOPMENT								
Programmes and Sub-Programmes Performance Report for the Period Ending 30th June, 2025 (Non-Financial Information)								
Programme 1: County Public Administration, Coordination & support Services	To provide efficient and effective administrative services to all sectors and devolved units, ensure compliance with county policies, and promote citizen participation in governance.	Provision of administration services to sectors and devolved units.	Provision of administration Services to Sectors and devolved units in the County.	Level of service delivery across sectors and devolved units	1	1	-	
			Devolved offices established, refurbished and operational	Number of sub-county offices established	4	2	2	2 completed, 1 at finishing stage, 1 Re-budgeted
				Number of Ward offices completed/equipped	6	3	3	3 completed, 3 pending minor works
				Pit latrines completed per sub-county	5	0	5	Re-budgeted
			Enforcement and compliance services offered	Level of compliance to county by-laws and policies	1	1	0	Fully achieved
			Effective service delivery and special programmes framework	Level of programme implementation	1	0.85	0.15	Most projects finalized; few under procurement
			Stakeholders' participation in the County enhanced and promoted.	Number of program forums held	5	4	1	One ward event postponed due to rains
				Number of Stakeholder forums held per sub-county (5 per sub-county).	45	38	7	Outstanding forums scheduled for Q1 FY2025/26

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
Programme 2: General Administration, Planning & Support Services	To provide a well-motivated workforce, enhance mobility, and ensure effective strategic management of government functions and projects.	Enhanced strategic management of government functions and projects.	Fire engines acquired and maintained	Number of fire engines operational	4	1	3	1 functional, 3 under repair
			Disasters and emergencies responded to	Response time to emergencies	20 mins	25 mins	+5 mins	Still improving; more training ongoing
				Level of Preparedness	1	0.7	0.3	Investments in training ongoing
			Enhanced mobility within county	Operational level of automobiles within county	1	0.75	0.25	Most vehicles procured & deployed
			Enhanced strategic management of government functions and projects	Level of completion of projects per FY	1	0.7	0.3	Procurement delays affected timelines
				Sector-based performance contracts signed	10	6	4	Remaining contracts in final approval stages
			A well-motivated workforce in the County	Level of efficiency of staff	1	0.85	0.15	Improved through training & monitoring
Staff clocking system developed and utilized	1	0.2		0.8	Pilot stage completed; rollout in new FY			
DEPARTMENT 3: FINANCE, ECONOMIC PLANNING AND ICT SERVICES								
Programmes and Sub-Programmes Performance Report for the Period Ending 30th June, 2025 (Non-Financial Information)								
Programme 1: Public financial Management	To enhance the county's financial management systems, increase its	Enhanced fiscal management and accountability, leading to improved resource allocation	Enhanced risk management and control processes	Number of risk-based audit conducted	4	4	0	Achieved fully by end of Q4
			Efficient accounting system	Number of reports prepared and submitted to CoB, National Treasury and County Assembly	4	3	1	One pending report submitted in July

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
	own source of revenue, and ensure efficient, effective, and fair procurement practices.	and service delivery across the county.	An efficient and effective procurement system that guarantees value for money and fairness in accessing procurement opportunity	Percentage of implementation of procurement	0.3	0.28	0.02	Most procurement done, pending final deliveries
			Increased revenue collection	Amount of revenue raised	865M	556	309	Improved collection mechanisms helped bridge gap
Programme 2:County planning services	To ensure effective budget formulation, coordination, and management for a balanced and approved county budget.	An effective and balanced budget that ensures sound financial planning and resource allocation.	Balanced budget	Number of budgets prepared and approved	1	3	-2	Main + Supplementary approved
			Implementation reports prepared	Number of quarterly reports prepared and disseminated	4	4	0	Fully achieved
			County Debt Management Strategy Paper (DMSP)	Number of DMSPs prepared	1	1	0	Achieved
			County Budget Review and outlook paper prepared	Number of CBROP prepared	1	1	0	Achieved
			Approved ADPs	Number of ADPs formulated	1	1	0	Achieved
			Approved CFSP	Number of CFSP developed and approved	1	1	0	Achieved
			Approved assorted policies	Number of policies developed or reviewed	2	1	1	One policy finalized, second in approval pipeline

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
			Proper management of projects	Number of M&E report	4	3	1	Q4 report prepared July 5th. Under review and for publication and publicizing
			APR prepared	Number of APR prepared and disseminated	1	1	0	Completed end of June
			M&E Policy developed	Number of M&E Policy developed and approved	1	0	1	Draft done. Awaiting CEC approval
Programme 3: Information and Communication Services	To enhance the county's technological infrastructure and automate government services to improve efficiency and service delivery	An efficient and modern ICT infrastructure that supports streamlined government services and improved performance.	Installed solar based Power backup at the Headquarter and Sub counties to support implementation of systems	Number of solar based power backup systems	1	1	0	Achieved
			Established county ICT Repair workshop for in-house equipment repair and maintenance	Level of completion of county ICT repair workshop	6	3	3	3 operational; balance in procurement
			Structured and wireless LAN for 10 health facilities in readiness for implementation of HMIS - Phase2	Number of health facilities equipped	10	6	4	60% rollout done
			Upgraded Data center, recovery Site and virtualized	Level of upgrade of data center ,recovery site and virtualized servers	1	0	1	Rescheduled to Q1 FY 2025/26

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
			Servers for hosting of county applications and data					
			Operational Revenue management system	Number of streams automated	10	8	2	2 streams pending integration
			Operational Hardware for HMIS	Number of health facilities equipped	5	2	3	Procurement process in final stages
			Functional Outdoor Digital Screen	Number of outdoor digital screens	1	0	1	Deferred to new FY
			Automated of departmental workflows	Number of automated departmental workflows	5	5	0	Fully achieved
			Supplied Installed and deployed enterprise office collaboration and integration with Ms Active directory	Number of supplied ,installed and deployed enterprise office	1	1	0	Completed in June
Programme 4:General Administration, planning and Support Services	To ensure a skilled and competent workforce within the County Treasury through effective	A skilled and competent workforce that supports the efficient operation of the County Treasury.	Skilled competent workforce	Number of staff in payroll	378	378	0	Fully retained.

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
	administration and support services.							
DEPARTMENT 4: AGRICULTURE, LIVESTOCK, FISHERIES, COOPERATIVE DEVELOPMENT AND IRRIGATION								
Programmes and Sub-Programmes Performance Report for the Period Ending 30th June, 2025 (Non-Financial Information)								
Programme 1:Crop Development and Value Addition	To increase food production, improve agro-processing and value addition, and promote sustainable environmental conservation.	Improved food security and increased income for farmers through enhanced productivity and value addition of agricultural products.	Increased food production	Number of farmers trained and supplied with farm inputs	2,000	7,000	(5,000)	Achieved due to donor support
			Value addition sites set up and tons processed	Number of tons processed	10,000	2,500	7,500	Partial data now captured
			Improved land management	Number of farmers trained on land management techniques and technologies/ intervention implemented	70,000	65,000	5,000	Improved training reach
			Increased food production	Number of farmers supported with green houses	6	3	3	Implementation ongoing
Programme 2:Livestock Resource Development and Veterinary services	To increase livestock and milk production and improve food security by providing training and support to farmers in various	Improved food security and enhanced farmer livelihoods through increased livestock production and productivity.	Increased egg production	Number of farmers trained in chicken farming and supported with farm input	4,500	4,000	500	Near target, donor aided
			Increased production	Number of farmers trained on goat farming	4,500	3,500	1,000	Improved in Q4
			Increased milk production	Number of farmers trained on dairy cow farming	4,500	3,800	700	Near full coverage
			Increased daily production	Number of farmers trained on feeds production and supplied with feed processing equipment	2,000	4,800	(2,800)	Donor-supported success

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
Programme 3: Fisheries Development	livestock farming techniques.	Improved food security and enhanced livelihoods for the community through increased fish harvests and aquaculture development.	Increased honey production	Number of farmers trained and supported to start bee keeping	1,120	850	270	Improved targeting
			Reduced milk wastages	Number of milk coolants installed and operational	5	4	1	4 in use, 1 pending commissioning
			Increased production and Productivity	Number of animals served and conceived through Artificial Insemination	31,500	25,000	6,500	Ongoing Q4 campaigns
			Disease incidences reduced	Number of animals vaccinated against diseases	77,398	65,000	12,398	More vaccines procured in Q4
			Improve public health by ensuring sanitary standards are adhered to.	Number of disease surveillance missions conducted	3	5	(2)	Increased in Q4
			Disease mitigation and management done promptly.	Reduction in the incidences of zoonotic diseases	-	-	-	No outbreak
			Improved hygiene	Number of carcasses inspected	20,000	17,000	3,000	Catch-up completed in June
			Increased tons of hides and skins processed	Number of samples analysed and reported.	40	70	(30)	Surged in Q4
			Increase Fish productivity and improved livelihood	Number of slaughterhouses constructed/ Renovated	1	1	-	Complete
				Hides and skins processing factory	1	-	1	Still under planning phase
				Number of fish farmers reached	500	1,200	(700)	Expanded due to donor support
				Number of fishponds constructed	30	45	(15)	Surpassed
				Number of fish multiplication centres equipped	1	1	-	Achieved
	Number of farmers distributed with certified fingerlings	2,000	2,000	-	Fully achieved			

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
				Number of farmers distributed with Subsidized Aqua feed	2,000	2,000	-	Fully achieved
Programme 4: Cooperative Development & Management	To support farmer producer groups to enhance cooperatives and access credit.	Strengthened cooperatives and improved access to credit for farmers.	Vibrant cooperatives in the county	Percentage of cooperatives management committees trained and supported (%)	1	1	-	Complete
			Operational coffee factories rehabilitated	Number of coffee factories rehabilitated	5	3	2	Two remaining under works
			Operational pyrethrum cooperative societies	Number of pyrethrum cooperatives revived	2	2	-	Complete
			Strengthened d cooperative accounting and financial management	Percentage of registered and active cooperatives audited (%)	1	1	-	Fully audited
Programme 5: Agriculture Training Centre	To enhance the skills and knowledge of farmers through training, leading to improved agricultural productivity and adoption of modern farming techniques.	An informed and skilled farming community that contributes to increased food production and improved livelihoods.	Increased accommodation capacity	Number of rooms constructed and Equipped with modern facilities.	10	6	4	Rebudgeted. To commence Q1 FY 2025/26
			Completed kitchen with modern equipment	Percentage of completion	1	1	-	As planned
			Improved Road Condition	Number of KM of road tarmacked/ under cabro	70m	50M	(20)	Rebudgeted. To commence Q1 FY 2025/26
			Improved security and risk managed	Number of KM wall constructed	700m	1,000m	(300)	Prioritized
			Increased production	Number of poultry units completed and stocked	-	2	(2)	For next ADP

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
			Increased production and productivity	Number of dairy units constructed	1	-	1	Re-budgeted. To commence Q1 FY 2025/26
Programme 6: General Administration, Planning and Support Services	To provide effective administrative, planning, and support services to the Department of Agriculture, Livestock, Fisheries, and Cooperatives, enabling it to fulfill its mandate and achieve its goals.	An efficiently run and well-supported agriculture department that can effectively implement its programs and projects.	Skilled and competent workforce	Number of staff in pay roll	317	295	22	Some attrition filled
			Operational Vehicles	Number of vehicles procured	2	1	1	One delivered, one delayed
			Operational motor bikes	Number of motorcycles procured/repaired	20	12	8	Phase I complete
			Refurbished and equipped offices	Number of offices refurbished and equipped	3	2	1	One more planned for Q1
			Functional Laptops	Number of laptops procured	10	5	5	Batch II to be delivered in Q1
DEPARTMENT 5: WATER AND SANITATION, ENVIRONMENT, ENERGY, NATURAL RESOURCES AND CLIMATE CHANGE								
Programmes and Sub-Programmes Performance Report for the Period Ending 30th June, 2025 (Non-Financial Information)								
Programme 1: Water and Sanitation Services	To provide access to safe, clean, and sufficient water for both domestic and agricultural use, as well as to improve the	Increased access to safe and clean water, improved sanitation and solid waste management systems, and a reduction in waterborne diseases	Reduced distance to the nearest water point	Number of water schemes constructed	0.55	0.75	-0.2	Prioritized and fast-tracked through county investment
				Number of water schemes rehabilitated	18	15	3	Ongoing, nearly complete
			Drilled, fully equipped & Operational boreholes	Number of boreholes drilled and equipped with solar pumps	39	35	4	Final works in June

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
	sanitation and solid waste management systems.		Springs fully protected and clean water	Number of springs protected	29	28	1	Target almost met
			Increased access to adequate, clean and reliable water supplies	No. of tanks Supplied	90	90	0	Fully supported through FLLoCA
			Improved hygiene	Percentage of households with VIP latrines	0.23	0.18	0.05	Estimate from sample survey; data still being compiled
			Maintained sewer line	Number of KM of sewer line repaired	3 KM	2 KM	1 KM	Progress depends on budget absorption
Programme 2:Climate Change Services	To mitigate the negative effects of climate change and promote sustainable environmental conservation.	Reduced negative effects of climate change and increased forest cover.	Tree nurseries established and planted	No. of tree nurseries established and planted	61	70	-9	Exceeded due to donor & community support
			Finance for Locally-Led Climate Action Program (FLLoCA)	FLLoCA Programmes implemented	1	0.98	0.02	Near full implementation by June
Programme 3:Environment and Natural Resources Management	To achieve sustainable management of environmental and natural resources for the long-term well-being of communities and ecosystems.	Reduce the rate of habitat loss by 20% in targeted areas within five years and improve water quality by 70%.	Increased resilience of natural systems and communities to environmental challenges.	County Noise and Vibration Pollution standards established and implemented	1	1	0	Maintained
				Number of noise pollutants prosecutions actualized	-	2 cases	-	Compliance cases escalated in June
				Number Inventory Reports, licenses issued and of prosecutions made	-	Licenses issued: 30	-	Compliance reporting streamlined
				Number of KM of rivers cleaned and secured	12 KM	6 KM	6 KM	Started in June; balance in Q1 FY2025/26

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
Programme 4:Energy services	To enhance the efficiency, reliability, and sustainability of energy systems to meet the growing demands of consumers while minimizing environmental impact.	Increased access to reliable, affordable, and clean energy services.	Increase in number of households adopting green energy solutions	Percentage of Households using biogas for cooking	2%	3%	-1%	Partner-funded trainings increased uptake
				Percentage of Households using Solar for cooking	1%	2%	-1%	Awareness and donor input improved adoption
				Percentage of Households using biogas for lighting	2%	4%	-2%	Surpassed due to NGO-pilot projects
				Percentage of Households using Solar for lighting	33%	40%	-7%	Uptake improved through subsidies & donor collaboration
Programme 5:General Planning, Administration and Support Services	To provide efficient, effective, and sustainable administrative and support services that enable the Water and Energy Department to achieve its core mandate of delivering reliable water and energy services.	Enhanced institutional capacity and operational efficiency of the department, leading to improved service delivery.	Staff in payroll	No of staff in payroll	138	138	0	Stable workforce
			Motivated staff	No of staff capacity built	89	60	29	Training activities resumed Q4
			Infrastructure developed	Facilities developed	1	1	0	Achieved as planned
DEPARTMENT 6: MEDICAL SERVICES, PUBLIC HEALTH AND SANITATION								

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
Programmes and Sub-Programmes Performance Report for the Period Ending 30th June, 2025 (Non-Financial Information)								
Programme 1: Curative and Rehabilitative Health Services	To provide timely, high-quality, and integrated curative and rehabilitative health services to restore health, minimize disability, and improve the overall quality of life for all patients.	Improved health, functional independence, and well-being for patients and a reduction in the burden of disease within the population.	Specialized cancer healthcare services	Completion of Cancer Centre (%)	0.3	0.25	0.05	Implementation by MoH ongoing, Phase I ongoing
			Level IV facilities upgraded to required infrastructure norms	Level IV facilities improved	33	25	8	Construction ongoing; procurement delays in some sites
			Strengthening Emergency response and preparedness	Operational ambulances	7	6	1	One under repair
				Response time to health emergencies	35 mins	30 mins	-5 mins	Improved dispatch and tracking
				EOC operationalization level	0.5	0.6	-0.1	Capacity enhanced
			Timely prevention and response to epidemics and emergencies	Dispensaries improved	78	68	10	Significant progress in Q4
			Dispensaries and Health Centers upgraded	Facilities supplied with HPTs	161	161	0	Fully achieved
			Health products and technology services	Order fill rate	0.47	0.65	-0.18	Improved logistics and deliveries
			Facilities with Pharmaceutical & and non-pharmaceutical products	% Supply of Lab/Nutrition/Other	90%	85%	-5%	Increase due to partner procurement
Health Commodities (Nutrition, Lab, Dental, Radiology, Eye, Renal,	% of facilities equipped	0.06	0.09	-0.03	Additional equipment delivered in Q4			

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
			Rehabilitative) Supplied					
			Specialized & assorted medical equipment purchased	Percentage of facilities with diagnostic and treatment equipment	0.21	0.3	-0.09	Improved efficiency in the supply chain.
Programme 2: Preventive and Promotive health services	To promote and protect the health of the population by preventing disease, reducing health risks, and empowering individuals and communities to adopt healthy behaviors.	To promote and protect the health of the population by preventing disease, reducing health risks, and empowering individuals and communities to adopt healthy behaviors.	Safe Mother delivery	Percentage Increase of women who have a skilled birth under skilled health attendants	0.61	0.72	-0.11	Boosted by CHV mobilization & incentives
			Increased ANC coverage	Increase in ANC coverage	0.38	0.44	-0.06	Early visit uptake improved
			Reduced under 5 Mortality	Reduced under 5 Mortality	45	34	-	Improved neonatal care
			Increase in number of children fully immunized	Percentage of children fully immunized	0.75	0.81	-0.06	GAVI & MoH vaccines
			Increased number of Women of Reproductive Health (WRA) on contraceptive	Family Planning coverage	0.24	0.34	-0.1	Stronger outreach and partner support
			Malaria Prevention and Curative Services	Malaria case positivity rate	16	11	-5	Prevention through LLITNs
				Coverage of children under 1 year receiving LLITNs	0.42	0.52	-0.1	LLITN distribution intensified
				Proportion of pregnant women visiting for ANC who received LLITNs	0.41	0.5	-0.09	
			Reduced Disease prevalence through primary	Weekly Disease Surveillance Reports Compliance	1	1	0	Maintained

COUNTY EXECUTIVE OF KISII
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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
			healthcare interventions					
			Event-based surveillance services	Number of facilities with functional event-based surveillance services	8	12	-4	Target surpassed
		HIV Prevention and Management Services	HIV testing and counseling coverage from 63.5% to 80%	% of pregnant women on ART	0.95	0.98	-0.03	Fully supported
				PMTCT rate	0.08	0.06	-0.02	Lowered by improved screening
				Positivity rate	0.02	0.027	0.007	More testing led to more detection
				Institutional and community-based HIV testing and counseling coverage	0.75	0.85	-0.1	Adherence improved
		TB Prevention and Curative Services	Number of notified TB cases	TB treatment success rate (all forms of TB)	5980	4800	1180	Decline due to better prevention
						0.17	0.22	-0.05
			Event-based surveillance services	Number of facilities with functional event-based surveillance services	0.65	Data pending	-	Survey scheduled Q1 FY2025/26
		Increase in community led total sanitation (CLTS) interventions	Increase in Latrine Coverage and use	Percentage of villages declared ODF free	17%	20%		
						65%		
Programme 3:General Administration,	To strengthen the overall administrative,	A more efficient, well-governed, and sustainable health	Increased number of HCWs across all cadres	Number of Healthcare workers (HCWs) in payroll	2067	2070	-3	Slight net recruitment in Q4

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
Planning & Support Services	planning, and support functions of the health sector to ensure efficient resource management, effective governance, and robust infrastructure for the delivery of high-quality health services.	system with improved capacity to deliver services and respond to health needs.	Staff capacity built	Number of HCWs Trained	400	420	-20	Exceeded target due to donor support
			Operationalization of M&E & HIS	Increased availability of funds for Planning, Budgeting, M & E and HIS as a percentage of development budget	0.02	0.012	0.008	Partially funded, scaling up next FY
			Policy document developed and adopted	Number of strategic plans & policy documents developed	4	4	0	Target met
			Management and coordination of health services	Increased availability of funds for management and coordination as a percentage of recurrent budget	0.01	0.008	0.002	Underfunding persisted
			Standard, operational and complete infrastructure	Level of completion/operation-HMIS system	1	1	0	Target met
				Facilities supplied with equipment	4	4	0	Target met
DEPARTMENT 7: EDUCATION, TECHNICAL TRAINING AND INNOVATION								
Programmes and Sub-Programmes Performance Report for the Period Ending 30th June, 2025 (Non-Financial Information)								
Programme 1: Early Childhood Development Education	To provide a comprehensive and nurturing foundation for children's holistic development, ensuring they are prepared for formal schooling and equipped with	Improved school readiness, well-being, and foundational learning outcomes for young children.	Centers supplied with learning materials and equipment	Number of centres supplied with Learning Materials	209	125	84	AS per available budget
				No. of centres supplied with fittings and equipment	209	134	75	Procurement ongoing for remaining
			Kids benefitting with the capitation	Number of kids given grant	57,000	43,000	14,000	Partially implemented; balance under processing
			Digital gadgets supplied	Number of centres supplied with operational Digital gadgets	353	120	233	Roll-out began in Q4 through partner support
			ECDE classrooms constructed	Number of ECDE classrooms constructed	106	100	6	Projects concluded in most wards

COUNTY EXECUTIVE OF KISII
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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25		Remarks
					Target(s)	Actual as at 30th June, 2025	
	essential social, cognitive, and emotional skills.		Toilets constructed	Number of ECDE child friendly toilets	28	20	8 Re-budgeted
Programme 2: Vocational Training	To equip individuals with the relevant technical skills, knowledge, and entrepreneurship competencies required for gainful employment, self-employment, and lifelong learning, in alignment with labor market demands.	Increased employability and enhanced economic opportunities for vocational training graduates.	VTCs supplied with learning tools and equipment	Number of VTCs supplied with learning tools and equipment	59	40	19 Equipment procurement concluded; balance delivered Q1 FY2025/26
			Students benefited from capitation	Number of students benefit from capitation	5,000	4,000	1,000 Budget disbursement done in Q4
			Digital centers equipped	Number of digital centers equipped	4	2	2 Implementation phased across FYs
			Workshops constructed	Number of workshops constructed	6	5	1 Final site under procurement
			Hostels constructed	Number of hostels constructed	2	1	1 Land and design completed for second project
Programme 3: General Administration, Planning and Support Services	To provide efficient, transparent, and data-driven administrative and support services that effectively manage resources, A well-managed and high-performing education system that efficiently utilizes resources and supports improved student and staff outcomes.	Increased number of staff across all cadres (Recruitment/Replacement) Staff capacity built Increased number of enrolments in	Established digital centres in VTCs	Number of digital centres established and functional	4	3	1 To be completed early next FY
			Increased number of staff across all cadres (Recruitment/Replacement)	Number of ECDE/VTC staff in payroll	1231	1240	-9 Net increase due to replacement and new recruitment
			Staff capacity built	Number of staff trained	906	620	286 Target partially achieved; phased training
			Increased number of enrolments in	Number of students Benefited from bursary	7500	6000	1500 Last batch done as per allocation.

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
	foster a positive environment, and enable the delivery of quality education.		secondary and tertiary levels					
DEPARTMENT 8: INFRASTRUCTURE, ROADS AND PUBLIC WORKS								
Programmes and Sub-Programmes Performance Report for the Period Ending 30th June, 2025 (Non-Financial Information)								
Programme 1:Roads Development	To develop and maintain a safe, reliable, and well-connected road network that facilitates economic growth, improves access to services, and enhances the mobility of people and goods.	A more efficient and accessible road network that supports economic development and improves connectivity.	Motorable roads	Number of KMs of roads maintained	400	312	88	Work picked up in Q4
			Improved gravel roads	Number of kilometers constructed	200	122	78	Work picked up in Q4
Programme 2:General Administration, Planning & Support Services	To provide efficient, transparent, and data-driven administrative, planning, and	A more effective and accountable roads sector with improved capacity to plan, manage, and deliver infrastructure projects.	Increased efficiency and staff motivation	Staff in pay roll	195	195	-	Fully achieved

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
	support services that enable the effective development, maintenance, and management of the road network.							
DEPARTMENT 9: YOUTH, SPORTS, CULTURE, ARTS AND SOCIAL SERVICES								
Programmes and Sub-Programmes Performance Report for the Period Ending 30th June, 2025 (Non-Financial Information)								
Programme 1: Culture and arts development	To foster a vibrant and inclusive arts and culture sector that celebrates diversity, preserves cultural heritage, and enhances the social and economic well-being of communities.	Increased participation in and appreciation of cultural and artistic activities, leading to a more cohesive and creative community.	Equipped county libraries	Number of libraries equipped	1	1	-	Achieved
			Library centers established	Number of libraries constructed	2	1	1	1 ongoing, delayed due to procurement issues
			Community cultural exhibitions held	No. of Community cultural exhibitions held	1	0	1	No funds released
			Social halls established	Number of social halls constructed	2	1	1	One ongoing
Programme 2: Sports Development	To promote and develop sports as a tool for physical well-being,	Increased participation in sports and improved athletic performance, leading to a healthier	Sports infrastructure Completed and in use stadia	Number of sub-county stadia constructed	1	1	-	Completed
				Number of public playgrounds upgraded	6	4	2	More upgrades expected Q1 FY 2025/26

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
	social cohesion, and economic opportunity by providing accessible facilities and supporting talent at all levels	and more engaged community.		Level of completion of Gusii Stadium (%)	50%	40%	10%	Works slowed down due to delayed disbursements and increased scope of work
			Sporting Talent identified and developed	Number of sporting events conducted	1	0	1	Rescheduled
				No. of Sports programmes for vulnerable groups undertaken	1	1	-	Achieved
Programme 3: Social Development	To empower vulnerable individuals and communities, reduce poverty, and promote social inclusion by providing targeted support, building resilient social safety nets, and ensuring equal opportunities for all.	Enhanced well-being, social equity, and economic empowerment for all community members.	Anti-FGM campaign held	Number of Anti-FGM campaigns meetings held	4	3	1	One planned in July
			Knowledgeable youth	Number of youths trained employability, entrepreneurship skills, financial literacy, value addition and formation of Sacco	100	900	-800	High support by partners (YEDEF, Uwezo)
			Meetings held	Number of youth mentorship meetings conducted	1	1	-	Held in Q4
Programme 4: General Administration, Planning & Support Services	To provide efficient, well-coordinated, and sustainable	A more efficient, accountable, and sustainable administrative system that supports	Increased efficiency and staff motivation	Number of staff in pay roll	86	86	-	Achieved
			Staff capacity built	Number of staff Trainings (Quarterly)	4	1	3	Low funding

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
	administrative and support services that enable the effective management and promotion of culture, arts, sports, and social development programs.	the growth and accessibility of cultural, artistic, and social programs.	Policy document developed and adopted	No. of Policies developed	1	3	2	Proactive policy efforts
No. of Policies reviewed				1	1	-	Achieved	
DEPARTMENT 10: TRADE, TOURISM, INDUSTRY AND MARKETINGS								
Programmes and Sub-Programmes Performance Report for the Period Ending 30th June, 2025 (Non-Financial Information)								
Programme 1: Tourism Promotion Services	To promote and market the region as a premier tourist destination by showcasing its unique cultural, natural, and historical attractions, while fostering sustainable tourism practices and enhancing the visitor experience.	Increased tourism arrivals and revenue, leading to economic growth and community benefits.	Increased domestic tourism	Number of sites protected and preserved	1	1	-	Achieved
				Number of tourism entry points developed	2	1	1	1 ongoing
				Number of tourism expositions and festivals held	1	1	-	Held during Q3

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
Programme 2:Consumer Protection Services	To protect the rights and interests of consumers by ensuring fair market practices, promoting product safety, and providing effective recourse mechanisms for consumer grievances.	A fair and safe marketplace where consumer rights are respected and protected.	Weighing and measuring equipments verified	Percentage of equipment registered, mapped and calibrated	1	1	-	Achieved
Programme 3:Trade Development, industry and investment	To foster a conducive business environment that promotes trade, stimulates industrial growth, and attracts strategic investments to create employment and enhance economic prosperity.	Increased trade volumes, industrial growth, and investment, leading to job creation and economic diversification.	Improved trading environment	Number of retail markets constructed	1	1	-	Completed
				Number of toilets constructed	7	4	3	Implementation ongoing
				Number of market sheds constructed	4	2	2	Works progressing

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
Programme 4:General Administration, Planning & Support Services	To provide efficient, effective, and data-driven administrative and support services that enable the Trade, Industry, and Investment sector to achieve its goals of economic growth and job creation.	A more transparent and responsive administrative system that supports the growth of trade, industry, and investment.	Increased efficiency and staff motivation	Number of staff in pay roll	51	51	-	Achieved
DEPARTMENT 11:LANDS, PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT								
Programmes and Sub-Programmes Performance Report for the Period Ending 30th June, 2025 (Non-Financial Information)								
Programme 1:Land Use Services	To promote sustainable and efficient land use planning, management, and administration that supports economic development, environmental conservation,	More sustainable, equitable, and efficient land use practices and administration.	Physical development plans	No of physical development plans developed	1	0	1	Draft under stakeholder review
			County spatial plan	Level of completion	0.5	0.5	-	Ongoing
			A complete and functional GIS Lab	Level of completion	1	0.75	0.25	Equipment procurement stage
			Ownership documents	No. of parcels of land surveyed	5	2	3	Targeted for Q1 FY 2025/26
			Formalization of market plots	No of market centres surveyed	5	1	4	Underfunded
			Public and private valuation roll	No. of urban centres covered	1	0	1	Funds not released

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Programme	Strategic Objective	Outcome	Output	Output Indicator	FY 2024/25			Remarks
					Target(s)	Actual as at 30th June, 2025	Variance	
	and social equity.							
Programme 2:Housing	To facilitate the development of affordable, safe, and dignified housing and human settlements that meet the diverse needs of the population and promote inclusive communities.	Increased access to adequate and affordable housing for all residents.	Number of government houses renovated	No. of government houses renovated	15	3	12	Limited funds released
Programme 3:Urban Development	To promote well-planned, inclusive, and sustainable urban growth that enhances the quality of life for residents, supports economic activities, and protects the environment.	Effective urban planning with more livable, resilient, and economically vibrant urban areas.	Complete and operational streetlights	No. of streetlights installed	20	15	5	On track
			Motorable roads	No. of kms of roads constructed	12	10	2	Progressing
			Functional Foot bridges	No. of footbridges constructed	1	0	1	To be rolled over
			Functional storm water drains	No. of kms of drains constructed	9	6	3	On track
			Waste management equipment	No. of waste management equipment purchased	2	1	1	Tractor delivered
			Decommissioned land fill	Level of completion	1	0	1	Not started
			Clean urban areas	No. of urban areas with framework for cleaning	4	4	-	Achieved



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County Assembly

The key mandate of the County Assembly is legislation, oversight, and representation. To achieve this, the Assembly's program was documented in terms of objective, key performance indicators, and output. Below is the performance of the Assembly in FY 2024-25.

In accordance with Section 164 (2) (f) of the Public Finance Management Act, 2012, which requires a statement of a county government entity's performance against predetermined objectives, this report provides a detailed account of the Assembly's achievements in the period under review.

Strategic Development Objectives

The County Assembly's strategic objective for the financial year was to provide effective legislative, oversight, and representative functions to promote good governance and ensure the well-being of the county's citizens. Table 5.3 gives the performance for FY 2024-25 at the County Assembly.

6. Environmental and Sustainability Reporting

a) Sustainability strategy and profile

The County has also engaged in capacity building of its human resource to ensure that they remain competitive and relevant in a competitive market

Socially the county has built the people's park to ensure that the people enjoy improved and quality life by experiencing nature and engaging in physical activities enabling them to relax.

b) Environmental performance

The county government passed legislation in the County Assembly for the cutting of eucalyptus trees which have adversely affected the water table. The county has also encouraged the replacement of eucalyptus trees which have no effect to water table.

Through the ministry of environment water and natural resources, the county has initiated spring protection works and rehabilitation of water schemes.

It has also embarked on recovery of riparian land by partnering with other government agencies such as NEMA

c) Employee welfare

The County Government of Kisii provides equal employment opportunities to the citizen through advertisement of vacancies on its website and local media for easy access of the applicants. It also strives to attain the gender balance in the recruitment process.

The County Government of Kisii has consistently increased capacity building of its employees in equipping them on their career development. This involves necessary skills to enable them discharge their duties and responsibilities in an ever changing working environment.

It also takes care of employee's welfare through provision of comprehensive medical insurance scheme.

d) Market place practices

The county has installed high mast solar streetlights in all major markets to enable a 24 hour economy. In empowering its citizens, the County through the department of trade, tourism and industrialization has constructed market stalls and shades to make business possible.

The county has also constructed a banana and avocado processing plant to enable the locals' access easy market of their locally grown produce

e) Community Engagements

The county has engaged in the construction of peoples' recreational park whose objective is to offers an opportunity for social groups as well as individuals of all ages to meet and interact.

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The park also offers an opportunity for reduction of crime and juvenile delinquency. It has also provided an opportunity for people to experience nature and engage in physical activities.

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7. Management Discussion and Analysis

This report summarizes the operational and financial performance of the Kisii County Executive, primarily focusing on the period from Fiscal Year (FY) 2020/2021 to the present, drawing on publicly available county financial and planning documents.

Key Programs/Projects or Investment Decisions Implemented or Ongoing

The County's strategic focus, particularly under the County Integrated Development Plan (CIDP) 2023-2027, is structured around five key pillars:

a) **Wealth Creation:** Focuses on value addition, entrepreneurship, and sustainable agriculture.

Investment in Agriculture: Ongoing projects include an Avocado Oil Processing Plant and the establishment of a Cold Storage Facility to boost value addition and support small-scale farmers.

b) **Social Development (Health and Education):**

Affordable Healthcare: Key investments are directed toward infrastructure, such as the Kisii Teaching and Referral Hospital (KTRH), and the completion/renovation of other facilities like Male wards at Mogweko and Kegogi Level 3 Hospitals and the Renovation of Sosera Dispensary.

Education: Focus on ECDE Infrastructure Development and the completion of hostels and workshops in Vocational Training Centres (VTCs).

Sports Development: Allocations for nurturing talents.

c) **Enablers and ICT:**

Roads and Infrastructure: Significant allocations for road construction, maintenance, and the purchase of road machinery. The County also invests in improved urban infrastructure (e.g., Kisii Municipality and street lighting).

Water: Projects include water schemes reticulation, drilling/reticulation of boreholes, and spring protection.

ICT: Leveraging technology as an enabler for development.

d) Sustainable Environmental Conservation: Focus on climate resilience investment.

e) Strengthening Devolution and Governance: Initiatives to streamline operations and enhance public participation.

Compliance with Statutory Requirements

Compliance reports indicate mixed performance, with a need for improvement in financial and human resource management:

Financial Reporting & Planning: The County generally adheres to the requirement of preparing and publicizing key planning documents like the County Integrated Development Plan (CIDP) and Annual Development Plan (ADP). For instance, the CIDP for 2023-2027 and ADP for 2023/24 were published on time.

Major Risks Facing the Organization

The County faces several significant fiscal and operational risks:

- **Financial Risks:** Unmet Own Source Revenue (OSR) Targets: Persistent shortfall in OSR collection affects budget implementation and development projects.

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- Late Disbursement of Funds from the National Treasury, leading to cash flow issues and accumulation of pending bills.
- High Wage Bill: The cost of wages and benefits remains a major challenge, sometimes exceeding the prescribed percentage of total revenue.
- Debt Sustainability: The accumulation of pending bills poses a risk to the County's ability to meet its financial obligations.

Material Arrears in Statutory and Other Financial Obligations

The primary material financial obligation arrears relate to pending bills owed to contractors and suppliers.

- Total Outstanding Debt: As of June 30, 2025, the overall county debt stood at over Kshs 1 billion, primarily composed of unpaid suppliers and contractors across various departments.
- Strategy to Address Arrears: The County Debt Management Strategy Paper (DMSP) is prepared to outline refinancing measures and strategies for prudent debt management, aiming to meet payment obligations at the lowest possible cost.

Review of the Economy and Sector

- Economic Structure: The Kisii County economy is predominantly agricultural, with a focus on crops like tea, coffee, and horticulture.
- Recent Performance: The County's economic growth was affected in recent years. Specifically, FY 2022/2023 experienced slow growth attributed to a prolonged electioneering and transition period, which negatively impacted local revenue streams (OSR).
- Revenue Outlook: There has been an improvement in OSR collection in FY 2023/2024 (e.g., Kshs 501 million collected, which was 77% of the KShs 650 million target, an increase from the previous FY), attributed to continuous engagement with stakeholders, a stable regime, and political commitment to revenue enhancement.
- Development Expenditure Absorption: Significantly low, at approximately 29.2%. This highlights a major challenge in timely implementation of development projects.

Future Developments

The County's future financial and operational plans are anchored in the County Integrated Development Plan (CIDP 2023-2027) and the Fiscal Strategy Paper (FSP) for FY 2025/2026 and the Medium Term, with a focus on:

- Strengthening the Financial Base: Minimizing debt and maximizing revenues through modernization and automation of revenue collection, proper mapping of all revenue streams, and strengthening internal revenue administration/controls.
- Adherence to Fiscal Principles: Emphasizing the 30:70 ratio requirement for Development to Recurrent expenditures.
- Key Investment Priorities: Continued investment in the five pillars, with a strategic focus on Water, Health, and Roads infrastructure, which cumulatively take a substantial share of the planned expenditure.

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- **Bridging the Resource Gap:** Exploring strategies such as enhanced revenue collection, collaboration with the National Government and Development Partners, and utilizing Public Private Partnerships (PPPs) to fund key projects.

Any Other Information Considered Relevant

Development Expenditure Absorption: The consistently low absorption rate for development expenditure (29.2% in FY 2023/2024) is a critical indicator of operational inefficiency in project implementation, which could affect long-term service delivery and the achievement of strategic goals.

Focus on Local Legislation: The County is working on new relevant revenue laws, such as the Kisii County Finance Act (Amendment), 2024, to formalize and strengthen various local levies and fees.

Approval of the financial statements

The County Executive’s financial statements were approved and signed by the County Executive Committee Member for Finance on 27/8/ 2025

Signature.....

Name.....Richard N Ataudi

County Executive Committee Member – Finance and Economic Planning

COUNTY EXECUTIVE OF KISII
Annual Report and Financial Statements for the year ended June 30, 2025

8. Statement of Management Responsibilities

Section 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of a County Government County Executive of Kisii 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/assembly; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the county Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

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

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

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


COUNTY EXECUTIVE OF KISII
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County Executive's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

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

Approval of the financial statements

The County Executive's financial statements were approved and signed by the CEC member/Clerk for finance on 27th August, 2025.


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CECM – Finance and Economic Planning

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF KISII 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 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, the risk management environment and the 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 Kisii set out on pages 1 to 46, which comprise of the statement of financial

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of County Executive of Kisii 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, Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No. 3 of 14 April, 2025.

Basis for Qualified Opinion

1.0. Non-Compliance with Transitional IPSAS Reporting Template

The cover page to the annual report and financial statements indicates "Transitional IPSAS financial statements/ Prepared in accordance with accrual basis of accounting method under international public sector accounting standards (IPSAS). This is indicative of Management failure to choose the method adopted to prepare the financial statements. Further, under 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.

2.0. Unexplained Voided Transactions

The statement of financial performance reflects total expenses of Kshs.7,560,021,975. Review of the Integrated Financial Management System (IFMIS) payments revealed that six hundred and ninety-three (693) transactions amounting to Kshs.1,094,702,969 were voided during the year 2024/2025. However, the supporting documents and reasons for voiding were not provided for audit review.

In the circumstances, the accuracy and completeness of the total expenses of Kshs.7,560,021,975 could not be confirmed.

3.0. Use of Goods and Services

The statement of financial performance, and as disclosed in Note 8 to the financial statements, reflects use of goods and services amount of Kshs.1,373,224,911 whose audit revealed the following unsatisfactory matters:

3.1. Unreconciled Fuel, Oil and Lubricants

The amount of Kshs.1,373,224,911 includes Kshs.40,645,666 in respect to fuel, oil and lubricants. However, the supporting schedules provided for audit reflected a fuel, oil and lubricants amount of Kshs.37,245,666, resulting in an unreconciled variance of Kshs.3,400,000. Although Management explained that the variance relates to accrued expenditure on fuel, oil and lubricants, supporting documents including the specific vouchers were not provided for audit review.

In the circumstances, the accuracy and completeness of the fuel, oil and lubricants expenses of Kshs.40,645,666 could not be confirmed.

3.2. Unsupported and Avoidable Legal Expenses

The amount of Kshs.1,373,224,911 includes Kshs.347,089,030 in respect of other operating expenses, which further includes legal fees of Kshs.7,762,065. However, documents provided for audit review revealed that a court ruling had been made against the County Government on alleged infringement of constitutional rights against a petitioner. The Environment and Land Court ruling on the case awarded the petitioner Kshs.5,605,885, comprising Kshs.5,000,000 damages and Kshs.605,885 being costs of petition borne by the County Government of Kisii. The ruling was made back on 31 March, 2023. According to a demand letter dated 17 February, 2025 by an advocate on behalf of the petitioner, the County Government was supposed to pay the petitioner an accrued amount of Kshs.7,762,065 computed up to December 2024 and which had not yet been settled by the County Government. In light of the foregoing, the delay by the County Executive to honor the court ruling resulted in extra costs of Kshs.2,156,180 which could have been avoided had the settlements been made in full. Further, no evidence was provided to confirm whether the County Government ever explored avenues of appeal against the court ruling. In addition, the total outstanding amount in respect of this petition could not be confirmed as Management did not provide the breakdown of payments already made to date. Further, review of pending bills listing as at 30 June, 2024 did not confirm any outstanding amounts due in respect to this petition. No satisfactory explanation was provided on the omission of the outstanding legal costs in the pending bills.

In the circumstances, the accuracy and regularity of the Kshs.7,762,065 in respect to legal expenditure could not be confirmed.

4.0. Cash and Cash Equivalents

The statement of financial position, and as disclosed in Note 12 to the financial statements, reflects a balance of Kshs.309,124,367 in respect of the cash and cash equivalents. However, review of documents provided for audit review revealed the following anomalies:

4.1. Failure to Observe the Cut Off Period in Bank Reconciliation

Review of the bank reconciliation statements provided for audit revealed reconciling items of un-presented cheques and receipts in cash book not yet recorded in bank statements which related to transactions after the closure of the financial year up to 26 July, 2025 as shown below:

Bank Details	Unpresented Cheques (Kshs.)	Receipt in Cash Book not yet recorded in the bank statement (Kshs.)
CBK-Kisii County Development Account	751,280,300	305,576,605
CBK-Kisii County Recurrent Account	297,954,624	244,289,655
CBK- Kisii County Deposit Account	11,001,687	59,689,238
Total	1,060,236,611	609,555,498

In addition, bank confirmation certificates for all the accounts that are operated in the Central Bank of Kenya (CBK) were also not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs.309,124,367 could not be confirmed.

4.2. Dormant Bank Accounts

Included in the cash and cash equivalents balance are balances held in twelve (12) bank accounts totalling Kshs.7,399,333, that were dormant and had no operations for more than one year. Management did not give a justification for continuing to operate the dormant bank accounts. This is contrary to Regulation 88(2) of the Public Finance Management (County Governments) Regulations, 2015, which provides that the County Executive Committee Member may suspend the operations of any county government bank account or impose certain conditions, if he or she reasonably believes the purpose of that account no longer exists.

In the circumstance, Management was in breach of the law for maintaining dormant accounts.

5.0. Trade and Other Payables

The statement of financial position, and as disclosed in Note 16 to the financial statements, reflects trade and other payables balance of Kshs.2,623,281,983 whose audit revealed the following unsatisfactory matters:

5.1. Unsupported Trade and Other Payables

Review of the supporting schedules provided for audit revealed that the balance comprises eligible and ineligible payables of Kshs.1,551,846,299 and Kshs.1,071,435,684 respectively. However, Management did not confirm why pending bills totaling to Kshs.Kshs.1,071,435,684 were classified as in-eligible. Further, contrary to National Treasury Circular No. 03/2025 dated 14 April, 2025, Management did not provide circularization results from all suppliers and obtain supplier statements as at 30 June, 2024, and reconcile these with their records to ensure completeness of trade and other payables. The guideline requires that these bills be adequately supported with all relevant documentation. These bills will form the opening balances as of 1 July, 2024 and will be subject to audit by the office of the Auditor General.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.2,623,281,983 could not be confirmed.

5.2. Unconfirmed Legal Liability

The trade and other payables balance includes legal payables of Kshs.155,831,232. A detailed listing of forty-five (45) suits revealed some payables dating as far back as 2015/2016 financial year. No plausible justification was provided on why the payables had not been paid in the subsequent years, which could pose a risk of penalties and accrued interest. Further, Management provided a listing of accounts payable as at 30 June, 2025 totaling to Kshs.2,623,281,983. However, none of the payables listed by the Legal Department had been incorporated in this balance. In addition, out of the forty-five (45) suits, twenty-eight (28) suits with outstanding balances are indicated as relating to decretal sum totaling Kshs.132,560,058. However, evidence of certified decree in respect to outstanding balance was not provided for audit review. The audit also revealed that the forty-five (45) suits were not supported by evidence of formal requisition from the user department and contract agreements for each of the suits. Moreover, the balance of Kshs.155,831,232 is not supported by fee notes or the computation of cost.

In the circumstances, the legal payables of Kshs.155,831,232 could not be confirmed.

6.0 Unreconciled Revenue Collections and Revenue Management System Administrative Costs

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects Kshs.1,373,224,911 in respect to use of goods and services. Included in this figure is Kshs.347,089,030 relating to other operating expenses which includes Kshs.24,902,063 in respect of administrative costs/transaction fees for the revenue management system.

Review of records for administrative costs for the revenue management system revealed that two invoices dated 7 June, 2024 and 7 July, 2024 of Kshs.8,059,684 and Kshs.8,598,998 respectively were paid during the year under review for transaction fees for revenues collected between 1 April, 2024 to 31 May, 2024. However, the amount of total revenue collected during the period varied, with the first invoice indicating Kshs.59,434,341 and the second invoice indicating Kshs.87,611,115 resulting in a variance of Kshs.28,176,774.

Further, a re-computation of expected transaction fees at 5.4% of revenue collected in the invoices indicates that Kshs.3,209,454 and Kshs.4,731,000 ought to have been billed for the first and second invoice respectively indicating an overpayment of Kshs.4,850,230 and Kshs.3,867,998 for the first and second invoice respectively. Management did not provide explanations for the inconsistencies in amounts of revenue collected on the invoices for the same period and the administrative costs paid.

In addition, during the year, the revenue management system service provider was paid Kshs.4,850,230 as administrative costs for revenues of Kshs.89,819,066 collected between 26 January, 2024 and 31 March, 2024. However, review of revenue reports maintained at the county revenue department revealed that no revenue was collected through Jambo pay system during this period.

Further review established that the reporting module on Jambo Pay had not been fully implemented, consequently, system generated reports could not be produced and it

was not possible to perform reconciliation between the invoiced amount and the money banked.

In the circumstance the accuracy and completeness of administrative costs for the revenue management system of Kshs.24,902,063 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kisii County Executive 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

1.0. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.13,953,991,832 and Kshs.9,320,328,103 respectively, resulting in underfunding of Kshs.4,633,663,729 or 33% of the budget.

The underfunding affected planned activities and may have impacted negatively on service delivery to the residents of Kisii County.

2.0. Unsettled Tax Obligation to Kenya Revenue Authority

The statement of financial position reflects trade and other payables of Kshs.2,623,281,983 as disclosed in Note 16 to the financial statements. Included in this balance is Kshs.30,085,866 in respect to tax obligation to the Kenya Revenue Authority. However, at the time of audit in September, 2025, no documents were provided to confirm the payment of the tax obligation which could imply existence of additional accrued interest charges in case the amount has not been settled by the County Executive.

In the circumstances the County Executive may be exposed to further penalties and interest charges on the unpaid taxes.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in the Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance,

respectively. Review of the status during audit of the County Executive in 2024/2025 revealed matters detailed in **Appendix I** which remained unresolved as at 30 June, 2025.

Other Information

The Management is responsible for the Other Information set out on page iii to lxi which comprise Key County Executive of Kisii 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 the 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 Retain Facilities Improvement Funds at the Hospitals

Review of revenue records obtained from Level 4 and Level 5 health facilities in Kisii County revealed that eighteen (18) health facilities collected a total Kshs.190,435,651 towards the health facilities improvement. Out of this amount, a total of Kshs.173,444,017 was transferred to County Health Facilities Improvement Fund Board account. However, the amount reimbursed by the Board to the facilities could not be ascertained. This is because the Board made payments on behalf of the health facilities without disclosing the expenditures incurred on behalf of specific health facilities. This was contrary to Section 5(1) of the Facilities Improvement Financing Act, 2023, which requires that all monies raised or received by or on behalf of all public health facilities be retained in the Hospital Facilities Improvement Financing account.

In addition, failure to reimburse the total amount transferred by the facilities negatively impacted on service delivery by the health facilities.

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

2. Provision, Customization, and Implementation of Hospital Management Information System

Documents provided for audit review revealed that the County Executive awarded a tender to a service provider for the provision, commission and implementation design, development, installation and commissioning of the Integrated Hospital Management Information System (HMIS) at a cost of Kshs.27,878,280 for a contract period starting 2 April, 2024 to 2 April, 2025. Review of the project implementation report revealed that by May, 2025, the project was not yet complete. Milestone 4 (receipt of an acceptable system go live) and milestone 5 (issuing of the certificate of practical completion) had not been undertaken, because the infrastructure environment had not been provided. No explanation was provided on why the Hospital Management requested a system upgrade before assessing the infrastructure environment of the user facilities.

In the circumstances, the value for money for the amount spent on the project may not have been realized.

3. Irregularities in Contract Implementation

The County Government of Kisii procured the services of a company to provide automated revenue collection and management system at a contract sum of Kshs.24,902,063 on 26 January, 2024. An amount of Kshs.19,921,650 had been paid as at 29 October, 2024 in respect to delivery of the first and second milestone. However, data migration a key deliverable in milestone two had not been achieved up to the time of audit in May 2025. Management did not provide explanation on challenges impeding full data migration into Jambopay and action plans towards achieving this milestone.

In the circumstance, value for money for Kshs.19,921,650 cannot be confirmed.

4. Delay Completion of Reproductive Health in Kisii Mother-Child Hospital

The County Executive entered into a contract on 20 May, 2024, for the completion of reproductive health centre at the Kisii Mother-Child Hospital at a contract sum of Kshs.100,000,000. The contract period was twenty-four (24) weeks from 4 June, 2024 to 28 November, 2024. However, physical inspection of the project in May 2025, indicated that the project was estimated at 65% completion despite the lapse in contract period with no extension. The cumulative payments to date amount to Kshs.55,508,805.

Further, review of the project documents revealed that a contract variation of Kshs.8,529,250 was made within two months of the contract period contrary to Section 139(3) of the Public Procurement and Asset Disposal Act, 2015 that prohibits upward variation of contract price within twelve months from signing the contract. In addition, there was second variation of Kshs.1,809,250 and both variations were not reviewed by the evaluation committee or contract implementation team contrary to Regulations 132(2) of the Public Procurement and Asset Disposal Regulations, 2020.

The audit also revealed that the County Executive did not comply with Regulation 150(1) of the Public Procurement and Asset Disposal Regulations, 2020 which requires prompt payment within sixty days from date of receipt of invoice since the contractor issued notice of delayed payments exceeding five months which affected project cashflows.

In the circumstance management was in breach of law and value for money for Kshs.55,508,805 spent on the project has not been realized.

5. Irregular Subscriptions to Council of Governors

Review of records revealed that during the year under review, the County Executive transferred Kshs.3,000,000 to the Council of Governors for the purpose of meeting its operational expenses, contrary to Section 37 of the Intergovernmental Relations Act, 2012, which requires the National Government to cater for the expenses of the Council of Governors.

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

6. Projects Verification- Department of Water, Energy, Environment and Climate Change

During the year under review, Kisii County implemented various projects in the Department of Water, Environment and Energy. Physical verification done on 22 May, 2025 revealed the following anomalies:

6.1. Reticulation of Eronge Borehole in Monyerero ward

The County Government entered into a contract with a company on 22 April, 2024 for the reticulation of Eronge borehole in Monyerero ward at a contract sum of Kshs.1,999,600. However, physical verification could not identify the project with the County Government of Kisii as it had not been branded. In addition, the pipe connecting the borehole and the bump chamber had already burst and, therefore, a lot of water was lost through leakage.

6.2. Construction and Reticulation of Manga Hills Water Project

Kisii County Government entered into a contract with a company for the construction and reticulation of Manga Hills water project on 20 December, 2024 at a contract sum of Kshs.9,298,050. However, the audit revealed that the water produced from the plant was of high quantity, pump used could fill the 25,000-litre tank within 45min. However, inspection revealed that the water was being underutilized by the community and a lot of water was going to waste. The audit further noted that Management did not have the sustainability plan for the project.

6.3. Construction of Daraja Mbili Secondary School Back Street Drainage

Kisii County Government entered into a contract with a company for construction of Daraja Mbili Secondary School backstreet drainage on 2 January, 2024 at a contract sum of Kshs.2,499,684. However, the audit revealed that there were no weep holes in retaining walls placed to allow water to drain from behind the wall to prevent water buildup and potential damage hence there was a risk of wall failure.

6.4. Installation of Solar system at Nyamache Level 4 Hospital

Kisii County Government entered into a contract with a company, for installation of a 6.0KWP of solar photovoltaic system at Nyamache Level 4 Hospital on 3 July, 2023 at a contract sum of Kshs.2,948,990. However, the audit revealed that the system was not in use since it could only produce 24A but the facility was in need of a system which produces 70A for it to run the machines. The audit could not establish whether the proposal arose from the users and whether there was due diligence before the inception of the project. Further, the project was not branded as being owned by the County Government of Kisii.

6.5. Drilling and Reticulation of Riyabu borehole in Bokimonge Ward

Kisii County Government entered into a contract with a company for the drilling and reticulation of Riyabu borehole at Bokimonge ward on 22 January, 2024 at a contract sum of Kshs.4,297,400. However, the audit revealed that the water produced from the borehole were underutilized since the storage facility provided was only 10,000 litres tank, hence a lot of water was going to waste. In addition, the project was not branded as owned by the County Government of Kisii.

6.6. Drilling and Equipping of a Borehole at Nyabera Market with Hand Pump in Moticho ward

Kisii County Government entered into a contract with a company for drilling and equipping of a borehole at Nyabera market with hand bump in Moticho ward at a contract sum of kshs.2,499,600. However, there was no water from the borehole during the time of physical verification. The interview conducted during the audit established that it had taken more than four (4) months since the pump broke down. Further, the audit revealed that the water which came from the borehole was dirty with some smell implying that tests might not have been done before initiating the project signaling lack of appraisal for the project. In addition, the project was not branded and therefore could not be identified with the County Government of Kisii.

In the circumstances the value for money realized from the expenditure of Kshs.23,543,324 on the six (6) projects could not be confirmed.

7. Delayed Construction of County Aggregation and Industrial Park

As reported in the previous year, the trade department and regulations projects records revealed that the Kisii County Executive awarded a contract for the construction of County Aggregation and Industrial Park at a contract sum of Kshs.477,941,470 which commenced on 18 September, 2023. However, project verification revealed an advance payment of Kshs.95,588,294 prohibited under subclause 14.1 and 14.2.3 of particular conditions of the contract was made to the contractor upon winning the tender. Further, the project was still ongoing (Approximately 50% complete) despite the contract period having expired on 18 March, 2025. In addition, no ownership documents for the land on which the construction was being undertaken was provided to confirm that the land belonged to the County Executive. Also, the feasibility study for the project, National Environment Management Authority (NEMA) approvals, and signed programme of works were not provided for audit review.

In the circumstances, the value for money realized from the expenditure paid in respect to the construction of the county aggregation and industrial park could not be confirmed.

8. Abandoned Project- Egorofa- Riotwori-Keboba-Amasago Road Project

The County Government of Kisii entered into a contract with a company on 7 December, 2023 for the construction, repair and maintenance of eighteen (18) Lot 4 roads in Nyaribari Chache Sub-county for a period of 24 weeks at a contract sum of Kshs.53,696,806. Included in this category is repair and maintenance of Egorofa-Riotwori-keboba-Amasango road at a cost of Kshs.3,551,746. The contract period lapsed on 10 May, 2024 with no extension and the contract was terminated on 15 November, 2024. Cumulatively, the contractor had been paid Kshs.11,677,836.

Physical verification conducted on 4 June, 2025 revealed that the contractor was not on site and drainage works and culverts was not done for Riotwori-Egorofa road (0.8km), gravelling, compaction, drainage works and culverts were not done on Egorofa-Nyamira River (0.8km) and no works were ongoing on the Riotwori-Egorofa and Egorofa-Nyamira River sections. Additionally, no signages had been erected to identify the project with the County Government of Kisii.

Review of project documents revealed that the contractor had not submitted a program of works and monthly progress reports in line with Clauses 8.3.1 and 4.2.1 of the contract agreement.

In the circumstances, value for money for the project was not achieved.

9. Irregular Operation of Commercial Bank Accounts

The County Government operated a total of seventy-nine (79) bank accounts in both the Central Bank of Kenya and several commercial banks. Seventeen (17) were operated in the Central Bank of Kenya, and the remaining sixty-two (62) in commercial banks. This was contrary to Regulation 82(1)(b) of the Public Finance Management (County Governments) Regulations, 2015, which requires that the County Government bank accounts be opened and maintained at the Central Bank of Kenya with the exemption of imprest bank accounts, such as petty cash and revenue collection bank accounts.

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

9.1. Regularity of Human Resource Management Practices

Review of the human resources practices in the County Executive revealed the following unsatisfactory matters:

9.2. Non-Compliance with Fiscal Responsibility Principle on Wage Bill

The statement of financial performance reflects employee costs of Kshs.5,433,906,661 representing 59.7% of the total expenditure of Kshs.9,106,135,362. This was contrary to Regulation 25(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires that the County Executive Committee Member with the approval of the County Assembly

to set a limit on the County Government's expenditure on wages and benefits for its public officers and the limit not to exceed thirty-five (35) percent of the County Government's total revenue.

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

9.3. Non-Compliance with the One-Third of Basic Salary Rule

Analysis of the County Executive's monthly payroll revealed that three hundred and thirty-five (335) employees had net pays that was below a third (1/3) of their respective basic salaries, contrary to Section 19(3) of the Employment Act, 2007 which states that the total amount of deductions from the wages of an employee shall not exceed two third (2/3) of such wages.

9.4. Non-Compliance with the Law on Ethnicity Diversity in Staffing

Review of personnel records revealed that as at 30 June, 2025 the County Executive had a total of five thousand four hundred and seventy-eight (5478) staff in its payroll from various ethnic communities. Out of these, a total of five thousand one hundred and sixty-three (5,163) or 94.45% were from the same ethnic community, while the remaining 6% were from other ethnic communities. This was contrary to the provisions of section 7(1) and (2) of the National Cohesion and Integration Act, 2008.

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

10. Non-Compliance with Fiscal Responsibility Principle on Development Expenditure

The statement of comparison of budget and actual amounts reflects development expenditure of Kshs.2,243,229,092 or 24% of total expenditures of Kshs.9,011,203,736. This was contrary to Regulation 25(1)(g) of the Public Finance Management (County Governments) Regulations, 2015, which requires that, the county government actual expenditure on development shall be at least thirty percent.

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

11. Lack of County Spatial and Valuation Roll

During the year under review, the audit revealed that the County Government did not have the updated and approved county spatial plan and the valuation roll. Therefore, the audit could not establish the current plan or map of the county and the updated applicable rates for its property as per the current market prices. As a result, the County Government might not be in a position to identify all the revenue collection points leading to under collection of own generated revenue. This was contrary to Section 30 (1) of the National Rating Act, 2024 which states that "a county government shall cause preparation of a valuation roll to be undertaken in every five years on the ratable properties within the County".

In the circumstances, the County government 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. Identification, Collection and Accounting for Own Generated Revenue

During the year under review, Kisii County Executive used JamboPay revenue system for collection of all their revenues and Local Authorities Integrated Financial Operations Management System (LAIFOM) for collection of land rates. However, the point of sale machines assigned to the various revenue collectors had no power back up and a proper maintenance plan and, therefore, likely to affect the operations in case of failure. In addition, two hundred and eighty (280) point of sale machines were not enough for the operations of the County Executive, casting doubt if proper need analysis had been done before procurement was done. It was also observed that the super-admin rights were held by the service provider hence the security and the management of the data could not be confirmed.

On the other hand, the Local Authorities Integrated Financial Operations Management System (LAIFOM) was last updated in the year 2010 and there had been no more security updates for the system. As a result, the security of the critical land rates data is in doubt. Further, it was not clear why the County Executive had not transferred all the data of land rates from the LAIFOM to JamboPay system. Additionally, the County Executive did not have debt recovery plan for all the outstanding arrears on the land rates.

In the circumstances, the effectiveness of the revenue collection system of the County Executive could not be confirmed.

2. Weak Controls on imprest Management

Audit review revealed Kshs.1,750,000 in respect to various surrender of imprests. The imprests were issued to various personnel within the Department of Finance for cash purchases. However, review of the surrender vouchers provided for audit revealed that the expenditure was not accounted for in full. In addition, while the Department has a procurement unit, no plausible justification was provided on why the Kshs.1,750,000 in respect to cash purchases within one department could not be centrally managed through the procurement unit for ease of monitoring and accountability.

In the circumstances, the effectiveness of internal controls on imprest management could not be confirmed.

3. Weak Climate Change Unit and Oversight Structures

Kisii County has put in place a climate change action plan 2023-2027 to guide in adaptation to the effects of the climate change and reducing greenhouse gas emissions. Review of documents provided for audit review however, revealed that the technical unit has seven (7) staff against the requirement of nine (9) staff as per the climate action plan which could compromise on the achievement of key objectives of the unit. Further, the audit revealed that the County Executive did not have the capacity to report on the greenhouse gas emissions as no output had been raised on the same.

In the circumstances, the effectiveness of the climate change action plan could not be confirmed.

4. Information and Communications Technology Internal Controls

During the year under review, the County Executive utilized a number of automated systems such as the county electronic revenue collection and management system, the Integrated Financial Management Information System (IFMIS), the Integrated Payroll and Personnel Data (IPPD) system, the LAIFOM Land Rate Management System, and the Liquor Management System to manage its operations. However, the County Executive lacked business and IT continuity plans, a disaster recovery and offsite backup plan, an ICT capacity building training program, environmental controls policies and procedures, an IT security/risk management policy, and an approved IT steering committee to ensure that the IT Department was in harmony with the County Government's mission and objectives. In addition, the County executive did not have both the hardware maintenance program and hardware reviews.

In the circumstances, the effectiveness of the County Executive's ICT internal controls and IT governance could not be confirmed.

5. Lack of an Audit Committee

During the year under review, the County Executive did not have an audit committee contrary to Regulation 167(1) of the Public Finance Management (County Governments) Regulations, 2015. Consequently, the internal audit reports were discussed only at departmental level. Further, the internal audit did not have a charter and operationalized a workplan that was not approved by the audit committee contrary to Regulation 163(2) of the Public Finance Management (County Governments) Regulations, 2015.

In the circumstances, absence of an audit committee hampered effective oversight of the internal audit function and could affect their operational independence.

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.

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

15 December, 2025

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's, ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an

APPENDICES

Appendix I: Unresolved Prior Year Matters

S/No	Audit Issue
1	Unexplained Voided Transactions
2	Budgetary Control and Performance
3	Pending Accounts Payable
4	Non-Compliance with Fiscal Responsibility Principles - Development Expenditure
5	Non-Compliance with Fiscal Responsibility Principles – Wage Bill
6	Under-Payment of Staff
7	Non-Compliance with the Law on Ethnicity Diversity in Staffing
8	Non-Compliance with One-Third Basic Salary Rule
9	Irregular Earnings of Salary by the County Attorney
10	Irregular Recruitment of Staff
11	Long Outstanding Disciplinary Cases
12	Advance Payment for Fuel
13	Unutilized Market Facilities
14	Irregular Payment of Retention Money
15	Over-payment for Printing and Supply of Assorted Materials
16	Incomplete Projects - Department of Roads and Public Works
17	Irregular Procurement of Cleaning Services
18	Irregular Procurement of Insurance Services
19	Upgrading of Mosocho Market Health Centre
20	Installation of Generator at Gusii Stadium Office
21	Funding of Idle Projects - Department of Medical Services, Public Health and Sanitation
22	Payment for Works not Done
23	Proposed Levelling of Marani Stadium
24	Irregular Appointment of Private Investor to Run the Banana Processing Plant Unutilized but Completed ECDE Classrooms
25	Project Implementation Status - Department of Education
26	Project Implementation Status
27	Project Implementation Status - Culture, Sports and Social Services
28	Construction of County Aggregation and Industrial Park
29	Failure to Perform Project Handover and Acceptance after Completion
30	Delayed Installation of Metro Optical Cable at Governor's Office
31	Acquiring Software without Proper Service Level agreement
32	Funding of Idle Road
33	Lack of Public Participation and Title Deeds for Land Parcels Occupied by Projects
34	Failure to Remit Retirement Contributions
35	Adjustments in Supplementary Budget
36	Regularity of Legal Expenses
37	Irregularities in Imprest Management
38	Non-Preparation of Financial Statements for Municipalities
39	Non-Submission of Financial Statements for Sub-County Hospitals
40	Weaknesses in Revenue Collection System - Manual Invoicing

S/No	Audit Issue
41	Weaknesses in Revenue Collection System - Uncollected Revenue of Property Rates
42	Ineffective Revenue Collection Systems
43	Uncollected Revenue from Land Lease
44	Anomalies in Jambo Pay Revenue Collection System
45	Weak IT Internal Controls
46	Weaknesses in Internal Audit Function and Audit Committee
47	Lack of an Approved Staff Establishment and Organogram
48	Staff Acting Without Formal Appointment

COUNTY EXECUTIVE OF KISII
Annual Report and Financial Statements for the year ended June 30, 2025

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

	Notes	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	9,106,135,362
Total		9,106,135,362
Total revenue		9,106,135,362
Expenses		
Employee costs	7	5,433,906,661
Use of goods and services	8	1,373,224,911
Transfers to other Government Entities	9	340,814,537
Depreciation and amortization expense	10	73,891,364
Other Grants and Subsidies	11	338,184,503
Total expenses		7,560,021,975
Surplus/Deficit for the year		1,546,113,387
Net Surplus/Deficit		1,546,113,387

The Financial Statements set out on pages 1 to 46 were signed by:

.....


Name: Vincent Okioma Nyang'wara

Chief Officer Finance

.....


Name: CPA Nyandanyi John

Director Accounting Services

ICPAK M/No. 13733

COUNTY EXECUTIVE OF KISII
Annual Report and Financial Statements for the year ended June 30, 2025

11. Statement of Financial Position as at 30 June 2025

	Notes	<i>FY 2024-2025</i>	<i>Opening Statement</i> <i>1st July 2024</i>
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	12	309,124,367	222,278,747
Prepayments	13	199,357,911	195,587,407
Total Current Assets		508,482,278	417,866,153
Non-Current Assets			
Property, Plant and Equipment	14	2,575,139,031	-
Intangible Assets	15	48,698,945	-
Total Non- Current Assets		2,623,837,976	-
Total Assets (A)		3,132,320,254	417,866,153
Liabilities			
Current Liabilities			
Trade and Other Payables	16	2,623,281,983	2,178,167,188
Refundable Deposits and Prepayments	17	92,275,335	82,972,114
Total Current Liabilities		2,715,557,318	2,261,139,302
Total Liabilities (B)		2,715,557,318	2,261,139,302
Net Assets(A-B)		416,762,936	-1,843,273,149
Represented By:			
Reserves		-	-
Accumulated Surplus		416,762,936	-1,843,273,148
Capital Fund		-	-
Net Assets		416,762,936	-1,843,273,148

The financial statements set out on pages 1 to 46 were signed by:

COUNTY EXECUTIVE OF KISII


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

.....


Name: Mr. Vincent Okioma

Nyang'wara

Chief Officer Finance

.....


Name: CPA Nyandanyi John

Director Accounting Services

ICPAK M/No. 13733

COUNTY EXECUTIVE OF KISII
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	Reserve s	Capita l Fund	Total
As at 30th June 2024 (cash basis)	139,306,633	-	-	139,306,633
Adjustments:				-
Recognition of assets	195,587,407	-	-	195,587,407
Recognition of liabilities	-2,178,167,188	-	-	-2,178,167,188
As at July 1, 2024	-1,843,273,148	-	-	-1,843,273,148
Return to CRF	8,086,005	-	-	8,086,005
Surplus/ deficit for the year	1,546,113,387	-	-	1,546,113,387
Other changes (Prior year payables paid during the year)	705,836,692	-	-	705,836,692
As at June 30, 2025	416,762,936	-	-	416,762,936

COUNTY EXECUTIVE OF KISII
Annual Report and Financial Statements for the year ended June 30, 2025

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

		<i>FY 2024-2025</i>
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		9,106,135,362
Total receipts		9,106,135,362
Payments		
Employee costs		4,954,112,404
Use of goods and services		1,173,824,282
Subsidies		-
Transfers to other Government Entities		395,037,958
Other Grants and Subsidies		245,000,000
Total payments		6,767,974,644
Net cash flows from/(used in) operating activities	18	2,338,160,718
Cash flows from investing activities		
Purchase of PPE		-2,204,867,003
Purchase Intangible assets		-38,362,089
Net cash flows from/(used in) investing activities		-2,243,229,092
Cash flows from financing activities		
Returns to CRF		-8,086,005
Net cash flows from financing Activities		-8,086,005
Net increase/(decrease) in cash & Cash equivalents		86,845,621
Cash and cash equivalents at 1 July	12	222,278,747
Cash and cash equivalents at 30 June	12	309,124,367

COUNTY EXECUTIVE OF KISHI
Annual Report and Financial Statements for the year ended June 30, 2025

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

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% Of Utilization f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carry overs (Special Purpose A/c)	-	214,192,741	214,192,741	214,192,741	-	100
Receipts						
Transfers from the CRF	13,331,573,693	408,225,398	13,739,799,091	9,106,135,362	4,633,663,729	66
Total Receipts	13,331,573,693	622,418,139	13,953,991,832	9,320,328,103	4,633,663,729	67
Payments						
Compensation of employees	5,877,304,081	123,000,000	6,000,304,081	4,954,112,404	1,046,191,677	83
Use of goods and services	1,534,255,486	-139,304,568	1,394,950,918	1,173,824,282	221,126,636	84
Subsidies	7,100,000	-	7,100,000	-	7,100,000	-
Transfers to other government units	899,955,451	718,058,918	1,618,014,369	395,037,958	1,222,976,411	24
Other grants and transfers	266,486,575	25,000,000	291,486,575	245,000,000	46,486,575	84
Social security benefits	-	-	-	-	-	-
Acquisition of assets	4,735,630,242	-93,494,353	4,642,135,889	2,243,229,092	2,398,906,797	48

COUNTY EXECUTIVE OF KISII
Annual Report and Financial Statements for the year ended June 30, 2025

Finance costs, including loan interest	10,841,858	-10,841,858	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
Total	13,331,573,693	622,418,139	13,953,991,832	9,011,203,736	4,942,788,096	65
Surplus	-	-	-	309,124,367	-309,124,367	

Reconciliation table

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	309,124,367
1		
	Closing Cash and Cash Equivalent as per the statement of Cash flows	309,124,367

Budget Notes

- i. The under-transfer of funds was primarily due to delays in project completion, which in turn caused delays in the submission of funding applications. This also impacted the timely utilization of funds.
- ii. The difference between the original and final budget was a result of re-allocations.

COUNTY EXECUTIVE OF KISII

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

15. Notes to the Financial Statements

1. General Information

The County Executive is established by and derives its authority and accountability from The Constitution of Kenya 2010. The County Executive of Kisii is domiciled in Kenya and its principal activities are

- i. Agriculture
- ii. County Health Services
- iii. Control of Air, Noise, and Other Public Nuisances
- iv. Cultural Activities, Public Entertainment, and Amenities
- v. County Transport
- vi. Animal Control and Welfare
- vii. Trade Development and Regulation
- viii. County Planning and Development
- ix. Pre-Primary Education and Child Care Facilities
- x. Implementation of Specific National Policies at County Level
- xi. Other Functions

2. Statement of Compliance and Basis of Preparation

Statement of compliance

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

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the County Executive of Kisii has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st year's financial statements are transitional financial statements and the following elements of the financial statements have not been recognized as the County Executive of Kisii has taken advantage of the transition provisions outlined in IPSAS 33. The County Executive has established a Steering Committee for smooth transition to IPSAS accrual.

These financial statements were authorised for issue by the accounting officer on 27th August, 2025.

COUNTY EXECUTIVE OF KISII
Annual Reports and Financial Statements for the year ended June 30, 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 recognized when rights to assets are earned or levied rather than when cash is received, and expenses are recognized 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 year ended 30th June, 2025.

COUNTY EXECUTIVE OF KISII
Annual Reports and Financial Statements for the year ended June 30, 2025

Notes to the financial statements

Critical accounting judgments

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

Recognition of revenue

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

Recognition of non-exchange expenses and liabilities

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

The County Executive pursues a number of policy targets and outcomes. However the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the County Executive of Kisii is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the County Executive of Kisii 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.

COUNTY EXECUTIVE OF KISII

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

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 County Executive of Kisii 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.

COUNTY EXECUTIVE OF KISII
Annual Reports and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 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 cash flows of an Entity. The new standard requires entities to recognize, 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,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to 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. The standard will enable County Executive of Kisii dispose assets that are not in use.</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 recognized 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</p>

COUNTY EXECUTIVE OF KISII

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

Standard	Effective date and impact:
	<p>infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>The standard will enable classify the assets appropriately and be able to depreciate and recognize the carrying amounts in the books of accounts. Additionally, County Executive of Kisii will maintain an updated asset register.</p> <p>No Impact</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul 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> <p>Entity will be able to recognized correct asset values in the register</p> <p>No Impact</p>

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

Standard	Effective date and impact:
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that a County Executive of Kisii</p>

COUNTY EXECUTIVE OF KISII

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

Standard	Effective date and impact:
	<p>shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>No Impact</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>No Impact</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>No Impact</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. 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.

COUNTY EXECUTIVE OF KISII

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

Standard	Effective date and impact:
	No Impact

iii) Early adoption of standards

The County Executive of Kisii did not early – adopt any new or amended standards in the financial year.

COUNTY EXECUTIVE OF KISII

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

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on 20th 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 County Executive of Kisii upon receiving the respective approvals in order to conclude the final

COUNTY EXECUTIVE OF KISII

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

budget. Accordingly, the County Executive of Kisii recorded additional appropriations of **622,418,139** 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 County Executive of Kisii 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

COUNTY EXECUTIVE OF KISII

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

costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

e) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the County Executive of Kisii 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 County Executive of Kisii 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 County Executive of Kisii 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 County Executive of Kisii 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 County Executive of Kisii 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. A County Executive of Kisii 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 County Executive of Kisii 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

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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 County Executive of Kisii 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 County Executive of Kisii expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the County Executive of Kisii 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 County Executive of Kisii does not have any hedge relationships and therefore the new hedge accounting

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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 County Executive of Kisii and a financial liability or equity instrument of another entity. At initial recognition, the County Executive of Kisii measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

i. Financial assets

Classification of financial assets

The County Executive of Kisii 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 cash flows 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 a County Executive of Kisii 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 County Executive of Kisii 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,

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are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the County Executive of Kisii 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 County Executive of Kisii 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 County Executive of Kisii recognizes a loss allowance for such losses at each reporting date.

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ii. Financial liabilities

Classification

The County Executive of Kisii classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through surplus or deficit

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 County Executive of Kisii 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 County Executive of Kisii 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 County Executive of Kisii 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 County Executive of Kisii 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 County Executive of Kisii 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 County Executive of Kisii does not create and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The County Executive of Kisii provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which a County Executive of Kisii pays fixed contributions into a separate County Executive of Kisii (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

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

Notes to the Financial Statements (Continued)

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements.

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

u) Cash and cash equivalents

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

Notes to the Financial Statements (Continued)

v) Comparative figures

In preparing these financial statements the County Executive of Kisii has elected to apply paragraph 79 of IPSAS 33, which allows for the election by a County Executive of Kisii 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.

COUNTY EXECUTIVE OF KISII

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the County Executive of Kisii'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 judgments, 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 County Executive of Kisii 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

In the financial year, there were no Provisions raised and determined by management.

COUNTY EXECUTIVE OF KISII
Annual Reports and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers
Recurrent	6,512,638,313	-	6,512,638,313
Development	2,122,105,078	-	2,122,105,078
Special purpose transfers	471,391,971	-	471,391,971
Total	9,106,135,362	-	9,106,135,362

Notes to the Financial Statements (Continued)

7. Employee Costs

Description	FY 2024-2025
	Kshs
Basic salaries of permanent employees	3,211,897,832
Basic wages of temporary employees	-
Personal allowances – part of salary	1,423,733,675
Personal allowances paid as Reimbursements	324,000
Employer contributions to compulsory national social security schemes	318,156,898
Employer contributions to compulsory national health insurance schemes	-
Employer contribution to compulsory housing scheme	-
Other social benefit schemes	-
Other personnel costs (unpaid Salary -June 2025)	479,794,256
Total Employee costs	5,433,906,661

COUNTY EXECUTIVE OF KISII**Annual Reports and Financial Statements for the year ended June 30, 2025****8. Use of Goods and Services**

Description	FY 2024-2025
	Kshs
Utilities, supplies and services	47,810,100
Communication, supplies and services	9,409,132
Domestic travel and subsistence	211,468,442
Foreign travel and subsistence	529,460
Printing, advertising, and information supplies & services	27,191,032
Rentals of produced assets	14,277,175
Training expenses	14,519,001
Hospitality supplies and services	32,704,928
Insurance costs	241,028,775
Specialized materials and services	296,430,269
Other operating expenses including bank Charges	347,089,030
Office and general supplies and services	34,095,861
Fuel Oil and Lubricants	40,645,666
Routine maintenance – vehicles and other transport equipment	31,727,493
Routine maintenance – other assets	24,298,548
Total	1,373,224,911

9. Transfers to Other Government Entities

Description	FY 2024-2025
	Kshs
Transfers to other County Government entities	340,814,537
Transfers to self-reporting projects	
Transfers to car loan and mortgage schemes	-
Others (specify)	-
Total	340,814,537

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

10. Depreciation and Amortization Expense

Description	FY 2024-2025
	Kshs
Property, plant and equipment	66,934,372
Intangible assets	6,956,992
Investment property carried at cost	-
Total	73,891,364

11. Other Grants and Subsidies

Description	FY 2024-2025
	Kshs
Membership dues and subscriptions to international organizations	-
Scholarships and other educational benefits	252,350,000.00
Emergency relief and refugee assistance	85,834,503.00
Grants to small businesses, cooperatives, and self employed	-
Subsidies to Public entities	-
Subsidies to Private entities	-
Total Grants and Subsidies	338,184,503.00

12. Cash and Cash Equivalents

Description	FY 2024-2025	Opening Statement
	Kshs	1st July 2024
		Kshs
Recurrent Account	22,470,399	38,129
Development Account	5,764,684	8,047,876
Deposits Account	92,275,335	82,972,114
Special Purpose Accounts	154,466,566	51,200,079
Other operating commercial accounts (<i>Specify</i>)	34,147,383	80,020,548
Total	309,124,367	222,278,747

COUNTY EXECUTIVE OF KISII**Annual Reports and Financial Statements for the year ended June 30, 2025****12 (a) Detailed Analysis of the Cash and Cash Equivalents**

		<i>FY 2024-2025</i>	<i>Opening Statement</i>
Financial Institution	Account number	Kshs	Kshs
CBK Kisii County Development	1000170425	5,764,684	8,047,876
CBK Kisii County Recurrent	1000170395	22,470,399	38,129
CBK Kisii County Deposit	1000276681	92,275,335	82,972,114
CBK Kisii County Road Maintenance Fuel Levy	1000276697	4,781,941	4,781,941
CBK Kisii County Maternal Health WB & Denmark	1000276703	-	-
CBK Kisii County Universal Health	1000368567	-	-
CBK Kisii County Village Youth Polytechnic	1000368578	578,732	578,732
CBK Kisii County EU Grant Ideas	1000394013	696	696
CBK Kisii county Agric& Rural Growth	1000365544	1	-
CBK Kisii County Agric Sector Development Support Programme	1000365498	-	-
CBK Kisii County Urban Development Grant	1000386778	-	-
CBK Kisii County Urban Institutional Grant	1000392436	-	-
CBK Kisii County Primary Healthcare	1000568372	5	14,206,500
CBK Kisii County Climate Change Fund	1000522275	-	-
CBK Kisii County Devolution Support Programme	1000433647	16,652,357	29,594,247
CBK Kisii County COVID-19 Emergency Fund	1000459654	2,037,964	2,037,964
Kisii County Agregation Industrial Parks	1000736728	130,383,230	-
Kisii County 2nd Kenya Devolution Support Program	1000746308	31,640	-
Kisii County Agricultural Value Chain Development Programme	1000718285	0	-
KCB Manyasi Vocational Training Centre	1233603272	559,794	25,102
KCB Entanke Vocational Training Centre	1233624873	1,230,143	3,347
KCB Gotichaki Vocational Training Centre	1233625721	1,079,393	25,230
KCB Kirwanda Vocational Training Centre	1233624695	339,023	17,888

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Equity Nyansembe Youth Polytechnic	510277307167	460,707	47,404
KCB Masakwe Vocational VTC	1233605992	339,217	51,405
KCB Nyachenge Vocational Training Centre	1233499041	862,271	41,442
COOP Bosansa Vocational Training Centre	1139808194300	180,272	5,258
KCB Ekioga Vocational Training Centre	1233499491	3,238,908	42,686
COOP St. Don Bosco Ngeri Polytechnic	1139296807300	522,350	40,374
KCB Itongo Vocational Training Centre	1233625217	347,974	30,266
KCB Nyagonyi Vocational Training Centre	1233598430	186,317	48,802
KCB Nyamondo Vocational Training Centre	1233625063	226,556	54,146
KCB Kenya Vocational Training Centre	1233496786	1,448,060	96,159
KCB Nyarenda Vocational Training Centre	1238170587	181,152	19,884
KCB Nyachogochogo Vocational Training Centre	1233622285	175,627	1,569
KCB Nyakoora Vocational Training Centre	1238158234	302,863	14,930
KCB Nyaore Vocational Training Centre	1233624628	1,761,800	143,913
KCB Nyamagesa Vocational Training Centre	1233506226	1,102,232	4,844
KCB Nyambogo Vocational Training Centre	1233506773	389,991	52,836
KCB Moreremi Vocational Training Centre	1233507494	492,853	30,612
KCB Riatirimba Vocational Training Centre	1233505645	1,677,525	22,434
KCB Nyabiosi Vocational Training Centre	1238227732	241,160	17,090
KCB Nyanguru Vocational Training Centre	1233625411	292,436	52,224
KCB Irungu Vocational Training Centre	1233599933	767,088	20,835
KCB Keumbu Vocational Training Centre	1233927892	2,007,265	25,095
KCB Kiobegi Vocational Training Centre	1233545590	429,209	4,327
KCB Mobamba Vocational Training Centre	1233625268	407,185	7,307

COUNTY EXECUTIVE OF KISII**Annual Reports and Financial Statements for the year ended June 30, 2025**

KCB Gionseri Vocational Training Centre	1233624059	459,189	7,597
KCB St. KizitoNyamagwa Youth Polytechnic	1233443658	1,162,245	12,909
KCB Nyaburumbasi Vocational Training Centre	1233624989	1,845,793	228,605
KCB Enchoro Youth Polytechnic	1233396838	188,188	38,330
KCB Bombaba Vocational Training Centre	1233625608	440,643	3,346
KCB Gesonso Vocational Training Centre	1233625519	219,456	461
KCB ST. Joseph Etono DOK VTC	1233608169	171,787	54,267
KCB ST. Joseph's Nyamesocho VCT	1233608363	351,569	29,346
KCB Nyabinyinyi Vocational Training Centre	1233624288	190,078	3,613
KCB Nyamiobo Vocational Training Centre	1233624784	115,979	10,872
KCB Nyandusi Vocational Training Centre	1233624784	430,940	12,573
KCB Getacho Vocational Training Centre	1238101445	215,168	28,708
KCB Masongo Vocational Training Centre	1233404008	189,107	45,177
KCB Ikorongo Vocational Training Centre	1233507117	448,321	42,488
KCB Rianyoka Vocational Training Centre	1233601644	84,370	37,734
KCB Riangabi Vocational Training Centre	1233485318	395,368	65,534
KCB Genga Youth Vocational Training Centre	1233401831	186,140	15,025
KCB Omosobwa Vocational Training Centre	1233926985	356,664	26,046
KCB Raganga Vocational Training Centre	1257034073	250,924	8,050
KCB Kiamwasi Vocational Training Centre	1238100937	184,658	66,824
KCB Biringo PAG VTC	1233541455	253,753	10,627
KCB Kioge Vocational Training Centre	1238099750	136,678	27,479
COOP Gesabakwa Vocational Training Centre	1141809197900	318,763	18,157
COOP Nyangusu Vocational Training Centre	1141809435700	362,105	11,850
COOP Iringa Vocational Training Centre	1141808839900	184,673	15,278
KCB Nyatwoni Vocational Training Centre	1275622542	139,192	9,140

COUNTY EXECUTIVE OF KISII
Annual Reports and Financial Statements for the year ended June 30, 2025

KCB Matunwa Vocational Training Centre	1,238,133,878	263,398	70,654
RISAMWERA		119,085	-
NBK Agricultural Sector Development Support Programme	1560209412700	-	257
NBK EU Ideas Led Banana Project	1560206754600	-	687
SBM Kisii County Imprest	252376833001	1,968,146	1,067,948
NBK NARIGP Kisii County Operations	1560211819500	-	-
Family Kisii County NAVCDP	27000057086	1,265,631	77,103,557
Total		309,124,367	222,278,747

13. Prepayments

Description	FY 2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Other exchange debtors (Prepayments)	84,725,176	195,587,407
Insurance	114,632,735	-
Total	199,357,911.37	195,587,406.95

Aging analysis of prepayments

Description	FY 2024-2025		Opening Statement 1st July 2024	
	Kshs		Kshs	
	Current FY	% of the Total	Opening Balance	% of the Total
Less than 1 year	114,632,735.42	57.50	-	-
Between 1- 2 years	84,725,175.95	42.50	195,587,406.95	100
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	199,357,911.37	100	195,587,406.95	100

COUNTY EXECUTIVE OF KISII
Annual Reports and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

14. Property, Plant and Equipment

Property, Plant and Equipment	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Specialized Equipments	Work in progress	Total
Depreciation Rate		2%	10%	-	12.50%	33.30%	10%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-	-
Additions	-	314,600,958	69,568,179	1,658,921,502	61,216,042	14,782,325	79,325,850	443,658,547	2,642,073,402
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At /Jun 2025	-	314,600,958	69,568,179	1,658,921,502	61,216,042	14,782,325	79,325,850	443,658,547	2,642,073,402
Depreciation And Impairment									
Depreciation for the year	-	6,292,019	6,956,818	33,178,430	7,652,005	4,922,514	7,932,585	-	66,934,372
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At Jun 2024	-	308,308,939	62,611,361	1,625,743,072	53,564,036	9,859,811	71,393,265	443,658,547	2,575,139,031
Net Book Values									
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-	-
As At 30 June, 2024	-	308,308,939	62,611,361	1,625,743,072	53,564,036	9,859,811	71,393,265	443,658,547	2,575,139,031

COUNTY EXECUTIVE OF KISII

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

Notes to the Financial Statements (Continued)

15. Intangible Assets

Description	FY 2024-2025
	Kshs
Cost/Opening balance at the beginning of the year	-
Additions	55,655,938
Disposal	-
At end of the year	55,655,938
Additions-internal development	-
Disposal	-
At end of the year	55,655,938
Amortization and impairment	
At beginning of the year	-
Amortization	6,956,992
At end of the year	48,698,945
Impairment loss	-
At end of the year	48,698,945
NBV	48,698,945

16. Trade and Other Payables

Description	FY 2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Trade payables	2,143,487,127	2,178,167,188
Payments received in advance	-	-
Employee payables	479,794,856	-
Third-party payments	-	-
Other payables	-	-
Total trade and other payables	2,623,281,983	2,178,167,188

17. Refundable Deposits and Prepayments

Description	FY 2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Customer deposits	92,275,335	82,972,114
Prepayments	-	-
Other deposits	-	-
Total deposits	92,275,335	82,972,114

COUNTY EXECUTIVE OF KISII

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

18. Cash Generated from Operations

	<i>FY 2024-2025</i>
	Kshs
Surplus for the year before tax	1,546,113,387
Adjusted for:	
Depreciation	73,891,364
Non-cash grants received	-
Contributed assets	-42,379,982
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Increase in prepayment	-3,770,504
Increase in receivables	
Increase in deferred income	-
Increase in payables	672,005,481
Increase in payments received in advance	-
Net cash flow from operating activities	2,338,160,718

19. Events after the Reporting Period

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

20. Ultimate And Holding Entity

The County Executive of Kisii ultimate parent is the Government of Kenya.

21. Currency

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

COUNTY EXECUTIVE OF KISII

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

16. Appendix

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Unexplained Voided Transactions	All voided transactions have been properly documented and reviewed to enhance accountability and transparency	Resolved	
1.2	Non- Adherence to Year End Cut-off Procedures	Management has reinforced adherence to year-end cut-off procedures by training staff and strengthening oversight to ensure accurate and complete financial reporting	Resolved	
2.1	Unsupported Expenditure on Printing, Advertising, Information Supplies and Services	The expenditure has been fully supported.	Resolved	
2.2	Unsupported Expenditure Utilities, Supplies and Services	The expenditure has been fully supported.	Resolved	
2.3	Unsupported Expenditure Communication, Supplies and Services	The expenditure has been fully supported.	Resolved	

COUNTY EXECUTIVE OF KISII

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.4	Unsupported Expenditure Legal Expenses	The expenditure has been fully supported.	Resolved	
1.0	Budgetary Control and Performance	Management is committed to ensure compliance	Unresolved	31 st December, 2025
2.0	Pending Accounts Payable	The management has prioritized settlement of pending accounts payable and strengthened cash flow management to ensure timely payments.	Unresolved	31 st December, 2025
	Unresolved Prior Year Matters	Management is committed to ensure compliance	Unresolved	31 st December, 2025
1.0	Irregular expenditure on Emergency items for COVID-19 Pandemic	Sufficient budgetary allocation was done and funds transferred to emergency fund	Resolved	
2.1	Development Expenditure	Management is committed to ensure compliance	Unresolved	31 st December, 2025
2.2	Wage Bill	Management is committed to ensure compliance	Unresolved	31 st December, 2025
3.1	Underpayment of Staff	Management is reviewing payroll structures to ensure all employees are compensated in line with approved schemes of service and labor regulations.	Unresolved	31 st December, 2025
3.2	Non - Compliance with the law on	Management is taking steps to align staffing with the law on ethnic	Unresolved	31 st December, 2025

COUNTY EXECUTIVE OF KISHII

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	ethnicity Diversity in Staffing	diversity by enforcing fair recruitment practices and promoting inclusivity in future appointments		
3.3	Non- Compliance with one-Third Basic salary Rule	The issue arose due to officers taking loans during the COVID-19 period when KRA reduced the rates of taxes. When the normal rates were resumed, the found themselves below one-third rule. However, this was addressed by lengthening the repayment period.	Resolved	
3.4	Irregular Earnings of Salary by the County Attorney	The matter was addressed through an appeal and the officer was reinstated	Resolved	
3.5	Irregular Recruitment of Staff	Ongoing staff audits and capacity-building of HR officers are also being undertaken to prevent recurrence	Unresolved	31 st December, 2025
3.6	Long Outstanding Disciplinary cases	Timelines are in place to ensure compliance with HR regulations and improve staff accountability.	Unresolved	31 st December, 2025
4.0	Advance Payment for fuel			
5.1	Unutilized Market Facilities	Strategies are being implemented to align	Unresolved	31 st December, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		facility operations with community needs and promote local trade		
5.2	Irregular Payment of Retention Money	Controls have been strengthened to ensure retention is only released upon satisfactory project completion and certification	Unresolved	31 st December, 2025
5.3	Over-payment for Printing and Supply of Assorted Materials	Recovery procedures have been initiated and controls enhanced to prevent recurrence.	Unresolved	31 st December, 2025
5.4	Incomplete Projects- Department of Roads and Public Works	Monitoring mechanisms have been enhanced to ensure timely completion and value for money in line with contract terms	Unresolved	31 st December, 2025
5.5	Irregular Procurement of Cleaning Services	Internal controls and oversight mechanisms have been strengthened to ensure compliance.	Unresolved	31 st December, 2025
5.6	Irregular Procurement of Insurance Services	Measures have been put in place to ensure all future insurance contracts follow due process and achieve value for money	Unresolved	31 st December, 2025
5.7	Upgrading of Mosocho Market Health Centre	Complete and operational	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5.8	Installation of Generator at Gusii Stadium Office	Management committed to ensure that the issue is addressed	Unresolved	31 st December, 2025
5.9	Funding of Idle Projects - Department of Medical Services, Public Health and Sanitation	Budgetary provision was made to finalize the equipping and operationalization	Unresolved	31 st December, 2025
5.10	Payment for works not done	Stronger verification and monitoring mechanisms have been instituted to ensure payments are only made for completed and certified works		
5.11	Proposed Levelling of Marani Stadium	Management committed to ensuring the issues are addressed	Unresolved	31 st December, 2025
5.12.1	Procurement	Management committed to ensuring the issues are addressed	Unresolved	31 st December, 2025
5.12.2	Operations	Management committed to ensuring the issues are addressed	Unresolved	31 st December, 2025
5.13	Unutilized but Completed ECDE Classrooms	Management committed to ensuring the issues are addressed	Unresolved	31 st December, 2025
5.14	Project Implementation Status - Department of Education	Management committed to ensuring the issues are addressed	Unresolved	31 st December, 2025
5.15	Project Implementation Status	Management committed to ensuring the issues are addressed	Unresolved	31 st December, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5.16	Project Implementation Status - Culture, Sports and Social Services	Management committed to ensuring the issues are addressed	Unresolved	31 st December, 2025
5.17	Construction of County Aggregation and Industrial Park	.Measures have been taken to fast-track implementation	Unresolved	31 st December, 2025
5.18	Failure to Perform Project Handover and Acceptance after Completion	This has been addressed. Currently, the management ensures that Project Handover and Acceptance after Completion are done.	Resolved	
5.19	House Renovation at Lower Milimani Estate	The house is in use and handed over.	Resolved	
5.20	Irregular Implementation of a Project - Construction of New County Headquarters	Management has put measures ensuring that all projects are implemented within the relevant laws	Resolved	
5.21	Delayed Alteration and Renovations to Governor's Office at Old Municipal Building	Project is complete and office is in use	Resolved	
5.22	Delayed Installation of Metro Optical Cable at Governor's Office	Project is complete	Resolved	
5.23	Unsupported Procurement of fuel	Fuel was properly utilized and supported	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5.24	Acquiring Software without Proper Service Level agreement	Measures have been put in place to ensure all future software acquisitions are guided by formal Service Level Agreements to guarantee value, accountability, and proper support.	Unresolved	31 st December, 2025
5.25	Funding of Idle Road	Management is prioritizing completion and utilization of the idle road to ensure public resources achieve value and intended service delivery.	Unresolved	31 st December, 2025
5.26	Lack of Public Participation and Title Deeds for land Parcels Occupied by Projects	Management committed to ensuring the issues are addressed	Unresolved	31 st December, 2025
6.0	Failure to Remit Retirement Contributions	The parties had joint meeting and the management gave payment plan.	Unresolved	31 st December, 2027
7.0	Adjustments in Supplementary Budget	Management committed to ensuring the issues are addressed	Unresolved	31 st December, 2025
8.0	Regularity of Legal Expenses	Management has strengthened controls to ensure all legal expenses are incurred transparently, properly supported, and within	Unresolved	31 st December, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		approved budgetary provisions.		
9.0	Unsupported Bank Loan	Management provided the support documents for the loans	Resolved	
10.0	Sustainability of Climate Change Initiatives	The management is right on course to implement measures to mitigate effects of climate change	Resolved	
11.0	Irregularities in Imprest Management	The management issued circular advising departments on imprest management	Resolved	
12.0	Non-Preparation of Financial Statements for Municipalities	The management is yet to operationalize the Ogembo Municipality	Not Resolved	31 st December, 2025
13.0	Non-Submission of Financial Statements for Sub-County Hospitals	The management in the year 2024/2025 has prepared financial statements for Sub-County Hospitals	Resolved	
1.1	Manual Invoicing	The County Government is phasing out manual invoicing by adopting automated systems to enhance accuracy, transparency, and efficiency in revenue collection	Unresolved	31 st December, 2025
1.2	Uncollected Revenue of Property Rates	The County Government has intensified enforcement, updated valuation rolls, and issued demand notices to	Unresolved	31 st December, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		enhance collection of outstanding property rate		
1.3	Ineffective Revenue Collection Systems	The management has proposed measure to strengthened automation, staff capacity, and enforcement measures to enhance efficiency.	Unresolved	31 st December, 2025
1.4	Uncollected Revenue from Land Lease	The county strengthened enforcement and billing measures to enhance collection and recovery of outstanding land lease revenues.	Unresolved	31 st December, 2025
1.5	Anomalies in Jambo Pay Revenue Collection System	They have since been addressed	Resolved	
2.0	Weak IT Internal Controls	The Management is yet to address	Not Resolved	
3.0	Weaknesses in Internal Audit Function and Audit Committee	The management did advertise to audit committee members and process of recruitment is on going.	Not Resolved	31 st December, 2025
4.0	Lack of Approved Staff Establishment and Organogram	The process is at Draft level.	Not Resolved	31 st December, 2025
5.0	Staff Acting Without Formal Appointment	Regularizing appointments in line with HR policies is being done.	Unresolved	31 st December, 2025

COUNTY EXECUTIVE OF KISII
Annual Reports and Financial Statements for the year ended June 30, 2025



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Accounting Officer

Date