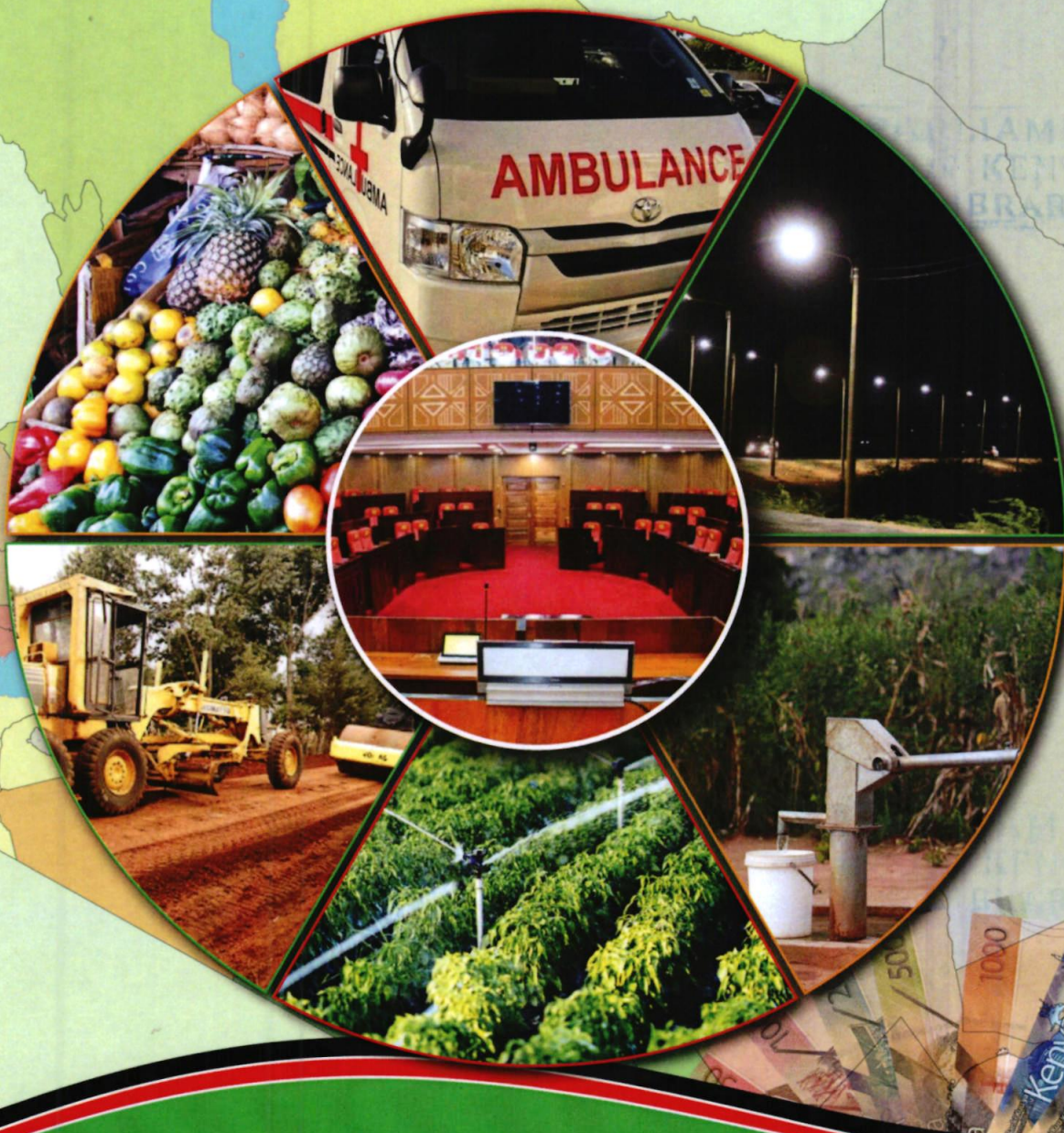




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AUDITOR-GENERAL'S SUMMARY REPORT ON COUNTY GOVERNMENTS 2024/2025



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OF

SUMMARY REPORT

ON

COUNTY GOVERNMENTS

FOR

FINANCIAL YEAR 2024/2025



PAPERS LAID	
DATE	21/4/2026
TABLED BY	Majority Leader
COMMITTEE	—
CLERK AT THE TABLE	Cherop

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Foreword

This report, contains a summary of cross-cutting issues as drawn from the County Governments reports for both County Executives and County Assemblies for the year ended 30 June, 2025. Separate reports for each County were submitted to the Senate, respective County Assemblies and the Accounting Officers by 31 December, 2025 in line with the provisions of the Constitution.

Under Article 229(4) of the Constitution of Kenya, the Auditor-General is mandated to audit and report on the use of public resources by all entities funded by public funds. These entities include the National Government, County Governments, the Judiciary, Parliament, State Corporations, Constitutional Commissions, Independent Offices, public debt, publicly funded political parties, and any other publicly financed entity. Article 229(6) further requires the Auditor-General to confirm whether public resources have been applied lawfully and effectively. The Public Audit Act, 2015, provides additional details on the execution of this mandate.

Further, Article 229(7) requires the Auditor-General to submit audit reports to Parliament or the relevant County Assembly within six (6) months after the end of the financial year. There has been perennial challenges faced by the Office as Section 81(4) of the Public Finance Management Act, 2012 allows entities until the end of September to prepare and submit their financial statements, effectively shortening the auditing and reporting window to three months. This has adversely affected the audit scope, which affects the efficiency and effectiveness of oversight by Parliament and the County Assemblies.

The Cabinet Secretary, The National Treasury and Economic Planning through the Circular No. AG.3/88 Vol. VII (41) of 4 December, 2024, directed all public entities to submit their annual reports and financial statements for the year ended 30 June, 2025 to the Auditor-General by 31 August, 2025. This accorded my Office an extra month to execute the audit. We take cognizance of this gesture as a culmination of concerted efforts by my Office and other stakeholders such as Parliament and oversight bodies to increase the audit period to four (4) or five (5) months in future. We remain optimistic that the above directive will be entrenched in law through an amendment to the Public Finance Management Act, 2012 and the Public Audit Act, 2015.

As previously reported, the mechanisms for following up on the implementation of audit recommendations are still not effective. Consequently, many audit queries recur in subsequent years due to the absence of decisive corrective action. Section 204(1)(g) of the Public Finance Management Act, 2012, empowers the Cabinet Secretary responsible for Finance to apply sanctions to any National or County Government entity that fails to address issues raised in the Audit Reports to the Auditor-General's satisfaction.

The above notwithstanding, a number of County Executives have recorded significant progress and registered gradual improved reports where none of the County Executives reported a Disclaimer of Opinion, two (2) County Executives recorded an Adverse Opinion, forty-four (44) County Executives had a Qualified Opinion while one County Executive had an Unmodified Opinion. On the other hand, reports of the County Assemblies improved significantly with nine (9) County Assemblies having an Unmodified

Opinion up from eight (8) County Assemblies recorded the previous year, while all the other thirty-seven (37) County Assemblies had a Qualified Opinion and none reported either an Adverse opinion or a Disclaimer of Opinion.

However, despite repeated reports highlighting weaknesses in accountability and inadequate documentation to support the lawful and effective use of public resources, the continued failure to enforce sanctions has allowed some Accounting Officers to continue to fail to fully account for the resources under their management. Some Accounting Officers continue to breach Section 62 of the Public Audit Act, 2015 by failing to adequately prepare for audit, as evidenced by inaccurate financial statements, missing supporting documents, and in some cases, limited cooperation with auditors. The absence of consequences has contributed to fiscal indiscipline, including misallocations, resource wastage, loss of public funds, and failure to achieve value for money in project implementation. These shortcomings undermine development programmes, hinder economic growth, and threaten the sustainability of quality service delivery to citizens.

For the year ended 30 June, 2025, all entities which were previously preparing financial statements under the International Public Sector Accounting Standards (IPSAS) cash basis presented IPSAS accrual basis financial statements for the first time for audit. This created audit risks around evidencing opening balances and IPSAS cash to IPSAS accrual reconciliations, confirmation of the completeness of liabilities (pending bills) and assessment of receivables and prepayments. Other challenges related to identifying and valuing non-financial assets, addressing estimation uncertainties, lack of accrual comparatives and evaluation of the use of transitional reliefs and disclosure adequacies as provided for under IPSAS 33. The documentation gaps pose heightened fraud risk from extensive manual adjustments.

The Office of the Auditor-General continues to enhance the effectiveness and quality of the audit process to ensure audit results and recommendations are credible, relevant, reliable, and value-adding. These improvements aim to support better decision-making and generate positive impact for citizens and other stakeholders. Delivery of quality and effective audits, while confirming the lawfulness and effectiveness of programmes, requires thorough scrutiny of supporting documents and verification of projects and programmes implemented across the country. Achieving this requires an independent, well-resourced Office of the Auditor-General with assured funding for timely, effective oversight and optimal staffing. The Office is pursuing financial independence and support from Parliament and the Executive to build technical capacity, expand county presence and broaden audit coverage.

We continue to bring audit services closer to citizens by establishing Regional Offices. To date, we have operationalized fifteen (15) Regional Offices and completed the constructing own premises in Garissa, Kakamega, Eldoret, and Embu. Plans for construction of a Mombasa Regional Office and the Nairobi Headquarters, which are both at the design stage have been delayed by inadequate funding. We will continue to seek adequate resources from Parliament and The National Treasury to facilitate efficient and closer delivery of our mandate across the National Government and County Governments and all other publicly funded entities.

The expansion of the national budget and establishment of additional entities have expanded our audit mandate. The scope has increased with the expansion of Government programmes to support sustainable development and continuous provision of quality services. In addition to the eighty-three (83) Ministries, Departments and Agencies (MDAs), State Owned Enterprises and forty-seven (47) County Governments together with their respective entities, nine thousand three hundred and ninety-seven (9,397) public secondary schools were required to submit financial statements for audit, and some have complied. I am also required to audit and report separately on the financial statements of three hundred and twenty-nine (329) Level 4 hospitals, twenty-five (25) Level 5 hospitals and nine (9) teaching and referral hospitals. In addition, my mandate further includes thirty-seven (37) Teachers' Training Colleges, two hundred and fifty (250) Technical and Vocational Education and Training (TVET) institutions, and over one thousand and two hundred (1,200) Community Vocational Training Institutions.

The Office has continued to strengthen audit service delivery through partnerships with regional Supreme Audit Institutions (SAIs), global professional bodies, and domestic oversight institutions, including the Ethics and Anti-Corruption Commission (EACC), State Corporations Advisory Committee (SCAC), Salaries and Remuneration Commission (SRC), Commission on Revenue Allocation (CRA), and the Controller of Budget (COB), among others, to enhance audit impact through learning, knowledge sharing, innovation, and collaboration.

Entity-specific reports, together with my opinion, are presented in the audited financial statements of the respective Counties for the year ended 30 June, 2025, which I have submitted to Senate, respective County Assemblies and to each Accounting Officer. A consolidated audit reports for both the County Executives and County Assemblies have been issued to the Senate, The National Treasury, the Council of Governors. The reports has also been uploaded and could be accessed in our website.

I extend my sincere appreciation to the staff of the Office of the Auditor-General for their commitment, professionalism, and resilience in delivering these audits despite funding constraints and tight reporting timelines. Special recognition goes to the Team that compiled this summary Audit Report for County Governments.

I also extend my appreciation to our clients (auditees) for their cooperation throughout the audit process.


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

23 March, 2026

1.0 Introduction

1.1 Constitutional Mandate of the Auditor-General

The Office of the Auditor-General (OAG) is an Independent Office established by Article 229 of the Constitution of Kenya. The Office is charged with the primary oversight role of ensuring accountability in the use of public resources within the three arms of government (the Legislature, the Judiciary and the Executive) at the national and county levels as well as the Constitutional Commissions and Independent Offices. The mandate of the Auditor-General is further expounded by the Public Audit Act, 2015.

The Constitution requires the Auditor-General to audit and submit the audit reports of public entities to Parliament and the relevant County Assemblies by 31 December, every year. In carrying out the mandate, the Auditor-General, is also required, under Article 229 (6) to assess and confirm whether public entities have utilised the public resources entrusted to them lawfully and in an effective way.

Further, the objects and authority of the Auditor-General, as outlined in Article 249 of the Constitution, are: to protect the sovereignty of the people; to secure the observance by all State Organs of democratic values and principles; and, to promote constitutionalism. The Auditor-General has also been given powers by the Constitution, under Article 252, to conduct investigations, conciliations, mediations and negotiations and to issue summons to witnesses for the purpose of investigations.

1.2 Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Public Sector Accounting Standards (IPSAS), as prescribed by the Public Sector Accounting Standards Board (PSASB), and 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.

Management is also responsible for maintaining an effective internal control environment necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error, and for the assessment of the effectiveness of internal controls, risk management and governance.

Further, Management is required to ensure that the activities, financial transactions and information reflected in the financial statements, are in compliance with the law and other relevant or applicable authorities, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how each 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.

1.3 Auditor-General's Responsibility

My responsibility is to conduct an audit of the financial statements in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), and to issue an auditor's report. The audit report includes my opinion as provided by Section 48 of the Public Audit Act, 2015, and the report is submitted to Parliament in compliance with Article 229(7) of the Constitution.

In addition, Article 229(6) of the Constitution requires me to 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 law and other authorities that govern them, and that public resources are applied in an effective way. I also consider the entities' 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.

I am independent in accordance with Article 249(2) of the Constitution of Kenya and 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 public entities in the Republic of Kenya.

1.4 Transition to Accrual Accounting

In March, 2024, the Cabinet approved the transition from IPSAS cash basis to IPSAS accrual basis of accounting across the National Government, County Governments, and their entities effective 1 July, 2024. The reform, which is phased over three years, requires that financial assets and financial liabilities be recognized in year 1, inventories be brought on board in year 2, and all remaining assets and liabilities be recognized in year 3. The financial statements for the year ended 30 June, 2025 were the first transitional IPSAS

accrual statements which required, at a minimum, inclusion of all financial assets and liabilities.

Key deliverables for the transition include complete assets registers, comprehensive liabilities recording, accrual-based general purpose financial statements, an IFMIS upgrade to support accrual modules and strengthened internal controls to reflect period-end adjustments, asset management and commitment controls. These are to be supported by updated policies and procedures including revised accounting manuals and audit methodologies.

The shift to accrual accounting is designed to improve transparency, accountability and decision-making by providing a complete financial representation that captures assets, liabilities and non-cash transactions, thereby strengthening resource and liability management, improving asset stewardship, enabling clearer performance measurement, and risk identification, thus building public trust. This reform is among Kenya's most significant Public Financial Management (PFM) initiatives in decades, underpinned by strong political support, structured planning and institutional commitment, and is expected to materially strengthen the integrity of public financial reporting and overall governance.

1.5 Reporting Structure

The structure of my report addresses the reporting requirements of Article 229(4) of the Constitution of Kenya, which requires that I audit and report on preparation and fair presentation of financial statements in accordance with the International Public Sector Accounting Standards, as prescribed by the Public Sector Accounting Standards Board. Further, Article 229(6) of the Constitution requires that an audit report shall confirm whether or not public resources have been applied lawfully and in an effective way. In addition, Section 7(1)(a) of the Public Audit Act, 2015 requires that I provide assurance on the effectiveness of internal controls, risk management and overall governance.

Further, I am expected to read the other information provided by Management and report whether the other information is materially inconsistent with the financial statements.

In order to address these requirements, my audit reports contain the following:

- (i) **Report on Financial Statements**, in which I give an audit opinion on whether the financial statements present fairly, in all material respects the financial position and performance of the entity.
- (ii) **Report on Lawfulness and Effectiveness in Use of Public Resources**, in which I make a conclusion on whether or not public resources have been applied lawfully and in an effective way.
- (iii) **Report on Effectiveness of Internal Controls, Risk Management and Governance**, in which I make a conclusion on whether internal controls, risk management and overall governance were effective.

- (iv) **Report on Other Legal and Regulatory Requirements** is also included, where applicable, particularly for some donor-funded projects and for entities registered under the Companies Act, 2015, or governed by other enabling legislation or authorities that mandate such disclosures.

1.6 Audit Opinions

I have expressed various audit opinions based on the following criteria:

- (i) **Unmodified Opinion:** The books of accounts and underlying records agree with the financial statements and no material misstatements were found. The financial statements present fairly, in all material respects, the operations of the entity. The financial statements with an Unmodified Opinion are listed in **Appendix 1A(i)** and **1B(i)** for County Executives and County Assemblies, respectively.
- (ii) **Qualified Opinion:** Financial transactions were recorded and are to a large extent in agreement with the underlying records, except for cases where I noted material misstatements or omissions in the financial statements. The issues though material, are not widespread or persistent. The financial statements with Qualified Opinion are listed in **Appendix 1A(ii)** and **1B(ii)** for County Executives and County Assemblies, respectively.
- (iii) **Adverse Opinion:** The financial statements exhibit significant misstatements with the underlying accounting records. There exists significant disagreement(s) between the financial statements and the underlying books of accounts and/or standards. The discrepancies and misstatements are widespread, and persistent which require considerable interventions by Management to rectify. Only two County Executives and no County Assembly had an Adverse Opinion as indicated in **Appendix 1A(iii)** and **B1(iii)**, respectively.
- (iv) **Disclaimer of Opinion:** The financial statements exhibit serious and significant misstatements that may arise from inadequate information, limitation of scope, inadequacy or lack of proper records such that I was not able to form an opinion on the financial operations. None of the financial statements had a Disclaimer Opinion as indicated in **Appendix 1A(iv)** and **1B(iv)** for County Executives and County Assemblies, respectively.

A summary of cross cutting issues noted during the audit of the financial statements for the year ended 30 June, 2025 are highlighted in the ensuing pages.

2.0 Key Audit Findings

2.1 Overall Budget Review

The issues which are discussed here fall under the following categories:

- i. Overall Budget Overview
- ii. County Government Revenue Analysis
- iii. County Government Expenditure Analysis
- iv. Pending Bills
- v. County Government Audit Opinions
- vi. Summary Observations – County Executives
- vii. Summary Observations – County Assemblies

The summary therefore highlights the cross-cutting issues which require urgent attention in the management of County Governments.

2.2 Overall Budget Review

In the 2024/2025 financial year, the Net Approved Expenditure was Kshs.4,206,948,271,528 while approved Appropriations-In-Aid (AIA) was Kshs.583,010,844,771 resulting in an Approved Estimated Gross Expenditure of Kshs.4,789,959,116,299 as detailed in **Table 1** below;

Description	Approved Net Expenditure (Kshs)	A-I-A (Kshs)	Estimated Gross Expenditure (Kshs)	Percentage to Total Expenditure
Recurrent Votes	1,448,595,830,954	321,366,187,305	1,769,962,018,259	37%
Development Votes	351,338,921,472	261,644,657,466	612,983,578,938	13%
Consolidated Fund Services	1,988,754,549,821	-	1,988,754,549,821	41%
Sub-Total for National Government	3,788,689,302,247	583,010,844,771	4,371,700,147,018	91%
County Governments	418,258,969,281	-	418,258,969,281	9%
Total Expenditure	4,206,948,271,528	583,010,844,771	4,789,959,116,299	100%

Table 1: Estimated Gross Expenditure

As indicated in **Table 1** above, 37% of the estimated gross expenditure was budgeted for recurrent expenditure while 13% for development expenditure. The Consolidated Fund Services, including repayments of Public Debt, accounted for 41%, while County

Governments estimated expenditure accounted for 9% of the estimated gross expenditure as illustrated in **Figure 1** below;

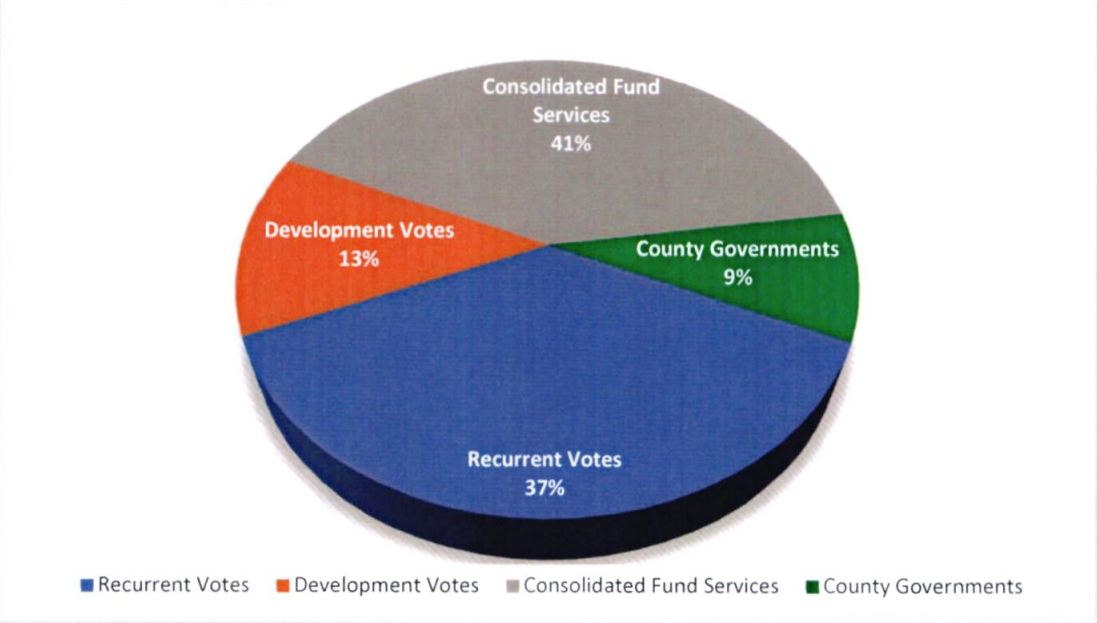


Figure 1: Estimated Gross Expenditure

During the year under review, development expenditure was allocated only 13% of the total budget contrary to provisions of Section 15(2)(a) of the Public Finance Management Act, 2012 which requires that, over the medium term, a minimum of thirty percent (30%) of the National and County Governments budgets shall be allocated to development expenditure.

The County Governments allocation of Kshs.418,258,969,281 for the year 2024/2025 proportionately rose slightly by one (1%) to 9% up from 8% during the previous year. The amounts comprised of county equitable share revenue of Kshs.400,116,788,147 and Exchequer arrears of Kshs.18,142,178,715 due in 2023/2024. The county equitable share of revenue amount of Kshs.400,116,788,147 was based on the approved audited revenue accounts for the year 2020/2021, which was the latest approved audited revenue accounts by the National Assembly as indicated in the Division of Revenue Act, 2024. However, at the time of the approval of the budget for 2024/2025 in June 2024, the Auditor-General had submitted the audit reports for 2021/2022 and 2022/2023 financial years.

2.3 County Governments Budgets Trends

During the 2024/2025 financial year, the combined budgets of County Governments approved by the County Assemblies amounted to Kshs.607,521,760,947, comprising Kshs.560,732,888,411 allocated to the County Executives and Kshs.46,788,872,536 allocated to the County Assemblies, as summarized in **Appendix 2**. This represented an overall increase by Kshs.36,223,261,430 from the 2023/2024 financial year budget

allocation of Kshs.571,298,499,517. **Table 2** below, illustrates budget allocations to County Governments over the last five (5) years:

County	FY 2020/2021 (Kshs)	FY 2021/2022 (Kshs)	FY 2022/2023 (Kshs)	FY 2023/2024 (Kshs)	2024/2025 (Kshs)
Executives	495,542,227,458	506,346,098,669	474,869,434,875	522,537,091,520	560,732,888,411
Assemblies	40,547,433,179	43,958,858,045	50,213,399,139	48,761,407,997	46,788,872,536
Total	536,089,660,637	550,304,956,714	525,082,834,014	571,298,499,517	607,521,760,947

Table 2: County Government Budget Allocations Analysis for the four years

The following chart further illustrates the budget allocation trend for the five (5) financial years from 2020/2021 to 2024/2025.

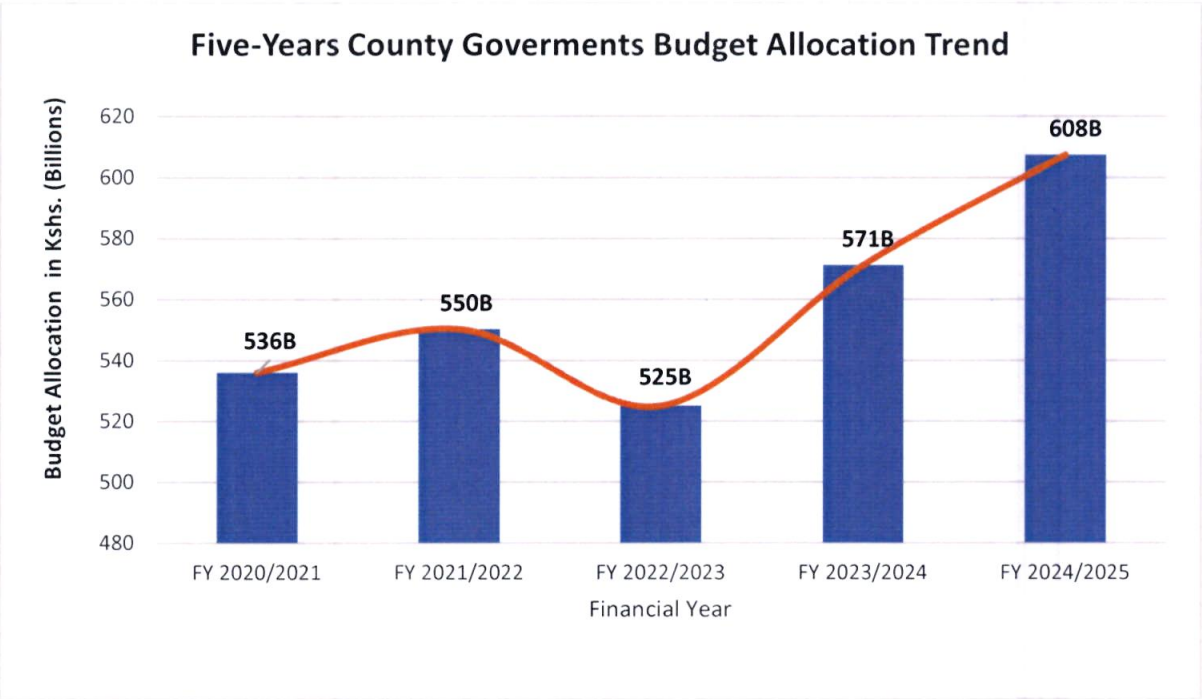


Figure 2: County Government Budget Allocation Trend

Section 25(1)(f) of the Public Finance Management (County Governments) Regulations, 2015 requires that the approved expenditure of a County Assembly shall not exceed either 7% of the County Government’s total revenue or twice the personnel emoluments, whichever is lower.

However, the total approved budget for the County Assemblies balance of Kshs.46,788,872,536 represented a proportion of 7.70% which is slightly above the maximum proportion of 7% of the overall County Governments’ budget balance of Kshs.607,521,760,947 equivalent to Kshs.42,526,523,266. Similarly, the budgeted

amount of Kshs.46,788,872,536 is also more than twice the personnel emoluments budget of Kshs.20,246,049,303 which translates to an amount of Kshs.40,492,098,606.

Accordingly, the applicable ceiling is Kshs.40,492,098,606 implying that the approved County Assemblies' budget exceeded the applicable limit by Kshs.6,296,773,930, contrary to the provisions of the Regulations.

2.4 Revenue Budget Performance for County Governments

The approved County Government's Revenue Budget for 2024/2025 amounted to Kshs. 607,521,760,946 which comprised an amount of Kshs.560,732,888,411 or 92.3% for the County Executives and an amount of Kshs.46,788,872,536 or 7.7% for the County Assemblies, which is slightly above the maximum proportion of 7%, as detailed in **Appendix 2**.

However, the actual revenue disbursements amounted to Kshs.479,594,832,226, which comprised Kshs.437,803,550,410 for County Executives and Kshs.41,791,281,816 for the County Assemblies as detailed in **Appendix 3**

2.5 Revenue Allocation Trend Analysis

During the financial year 2024/2025, the combined County Governments' budgets approved by the County Assemblies amounted to Kshs.607,521,760,947. This was an increase of Kshs.36,223,261,430 from the previous financial year budget allocation balance of 571,298,499,517. **Table 3** below shows the trend in revenue allocation for the last five (5) financial years.

Amounts	FY 2020/2021 (Kshs)	FY 2021/2022 (Kshs)	FY 2022/2023 (Kshs)	FY 2023/2024 (Kshs)	FY 2024/2025 (Kshs)
Budgeted	528,377,832,362	550,304,956,714	525,082,834,014	571,298,499,517	607,521,760,947
Actual	473,530,236,537	438,892,787,929	447,281,706,685	462,460,215,621	479,594,832,226
Shortfall	54,847,595,825	111,412,168,785	77,801,127,329	108,838,283,896	127,926,928,721
	90%	80%	85%	81%	79%

Table 3: Revenue Allocation Analysis for five (5) years

The following chart further demonstrates the trend on the budget and actual revenue allocation for five (5) from 2020/2021 to 2024/2025.

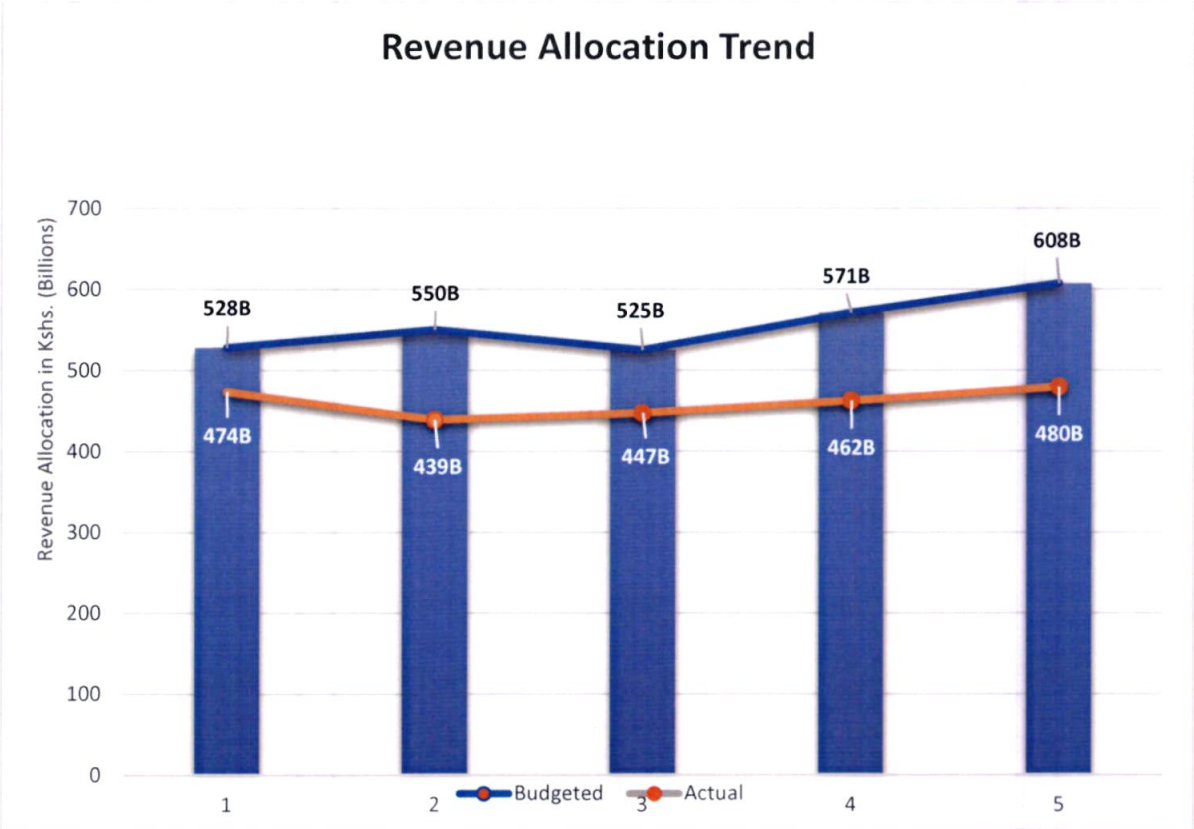


Figure 3: Revenue Allocation Trend

2.6 Analysis of County Own Source Revenue

During the 2024/2025 financial year, County Governments generated Own-Source Revenue amounting to Kshs.50,595,826,781, as detailed in **Appendix 4**. Review of revenue performance indicates that seven (7) counties met or exceeded their annual Own-Source Revenue targets, with Tana River recording the highest performance at 133%, followed by Kirinyaga at 127%, Wajir at 122%, Samburu at 111%, Tharaka-Nithi at 110%, Elgeyo/Marakwet at 103%, while West Pokot achieved full realisation at 100%.

Conversely, five counties with the lowest Own-Source Revenue performance were Kisumu County at 20%, Kakamega County at 25%, Homa Bay County at 27%, Baringo County at 34%, and Lamu County at 36%. In terms of total collections, Nairobi City County recorded the highest Own-Source Revenue at Kshs.11.79 billion, followed by Narok County with Kshs.5.66 billion.

Overall performance indicates that Own-Source Revenue of Kshs.50,595,826,781 represented 65% of the annual target of Kshs.77,440,681,155, resulting in a shortfall of Kshs.26,844,854,373. This represented a decline compared to the Kshs.53,074,521,606 generated in the previous financial year. **Table 4** presents the trend in Own-Source Revenue collection over the last five (5) years.

	FY 2020/2021 (Kshs)	FY 2021/2022 (Kshs)	FY 2022/2023 (Kshs)	FY 2023/2024 (Kshs)	FY 2024/2025 (Kshs)
Budgeted	528,377,832,362	550,304,956,714	525,082,834,014	571,298,499,517	607,521,760,947
Actual	473,530,236,537	438,892,787,929	447,281,706,685	462,460,215,621	479,594,832,226
Shortfall	54,847,595,825	111,412,168,785	77,801,127,329	108,838,283,896	127,926,928,721
	90%	80%	85%	81%	79%

Table 4: Own Source Revenue Analysis for five (5) years

The above performance is illustrated in the chart below which demonstrates the trend in Own-Source Revenue collection from 2020/2021 to 2024/2025 financial years.

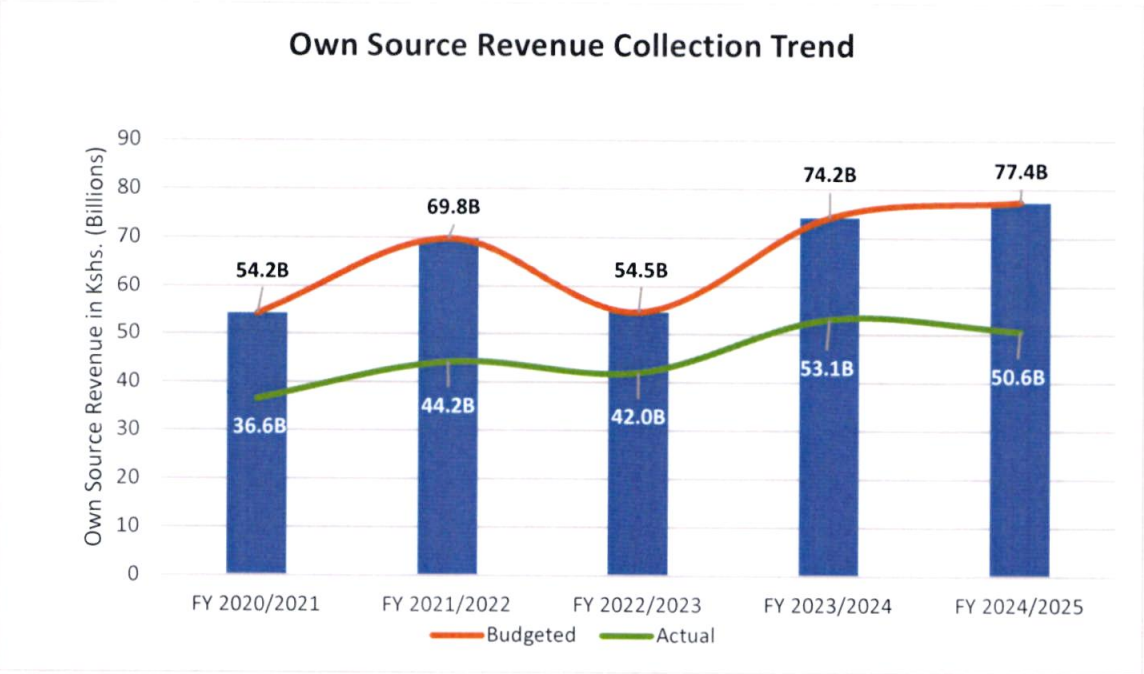


Figure 4: Own Source Revenue Collection Trend

2.7 Analysis of Exchequer Releases and Exchequer Receipts

The aggregated actual Exchequer receipts recorded in the County Governments financial statements for the year ended 30 June, 2025 amounted to Kshs.411,578,837,225. However, review of the audited National Exchequer financial statements during the same period indicated that the total disbursements to the County Governments amounted to Kshs.418,258,969,281 resulting in an unreconciled variance of Kshs.6,680,132,056 which implies that the County Governments’ management may have failed to reconcile all Exchequer receipts in their financial statements. As analysed in **Appendix 5**, eleven (11) County Governments recorded less Exchequer receipts than those recorded in The National Treasury Exchequer records.

2.8 County Governments Expenditure Analysis

The financial statements for the County Governments were to be prepared using the transitional provisions under the International Public Sector Accounting Standards (IPSAS)-Accrual Basis framework and as prescribed by the Public Sector Accounting Standards Board of Kenya (PSASB), in compliance with IPSAS 33 of the International Public Sector Accounting Standards (IPSAS).

Review of the audited financial statements for the year 2024/2025 indicates an actual expenditure of Kshs.460,461,068,775 (against a budgetary provision of Kshs.607,521,760,947) which comprises expenditure by the County Executives of Kshs.419,008,729,979 (against a budget of Kshs.560,732,888,411) representing 91% while expenditure by the County Assemblies amounted to Kshs.41,452,338,796 (against a budget of Kshs.46,788,872,536) or 9% as illustrated in the chart below;

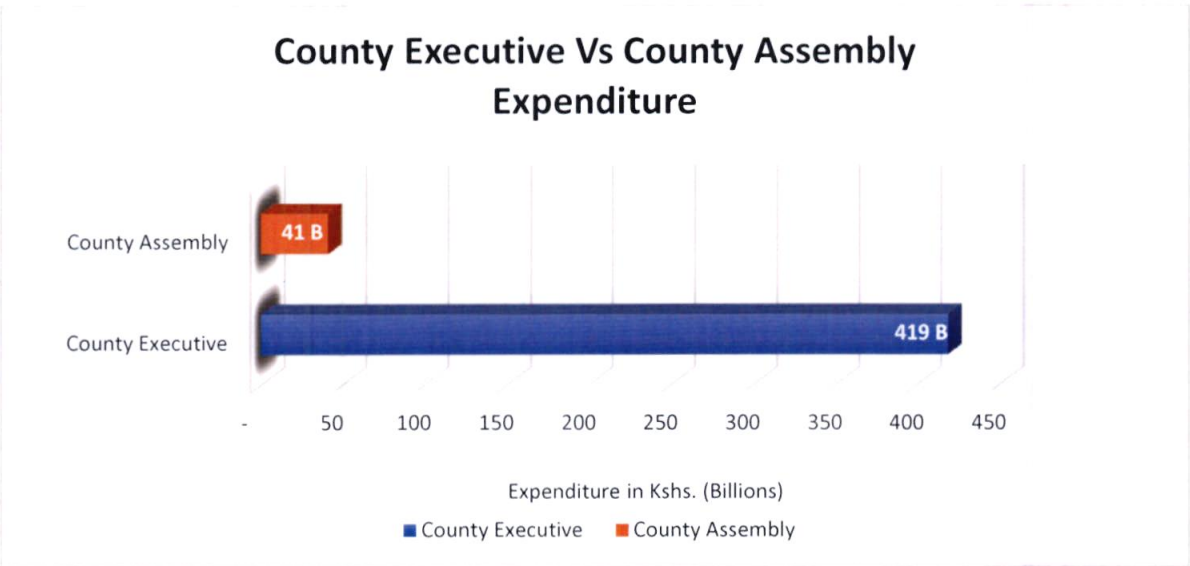


Figure 5: County Executive vs. County Assembly Expenditure

The County Governments that attained the highest expenditure in absolute terms were: Nairobi City County at Kshs.33.58 billion, Kiambu County at Kshs.18.49 billion, Kilifi County at Kshs.17.13 billion, Turkana County at Kshs.16.26 billion and Narok County at Kshs.15.99 billion. The lowest expenditure was recorded by Lamu County followed by Isiolo County, Tharaka-Nithi County and Elgeyo/Marakwet County, at amounts of Kshs.3.80 billion, Kshs.4.64 billion, Kshs.5.37 billion, and Kshs.5.39 billion respectively, as detailed in **Appendix 6**.

2.9 Expenditure Trend Analysis

The total expenditure by the County Governments in the 2024/2025 financial year amounted to Kshs.460,461,068,775, translating to an absorption rate of 96.01% of the

total annual County Government actual revenue of Kshs.479,594,832,226. This represented a decline compared to FY 2023/2024, during which an absorption rate of 98.1% was recorded, with total expenditure of Kshs.453,836,193,881 against total annual County Government revenue of Kshs.462,460,215,621. **Table 5** below presents the expenditure trend over the last five (5) financial years.

Details	FY 2020/2021 (Kshs)	FY 2021/2022 (Kshs)	FY 2022/2023 (Kshs)	FY 2023/2024 (Kshs)	FY 2024/2025 (Kshs)
Actual Revenue	473,530,236,537	438,892,787,929	447,281,706,685	462,460,215,621	479,594,832,226
Actual Expenditure	447,633,048,177	446,466,195,644	440,916,947,901	453,836,193,881	460,461,068,775
Absorption %	94.53%	101.73%	98.58%	98.14%	96.01%

Table 5: Expenditure Trend Analysis for five (5) years

The following chart illustrates the five (5) year trend in expenditure from financial year 2020/2021 to 2024/2025

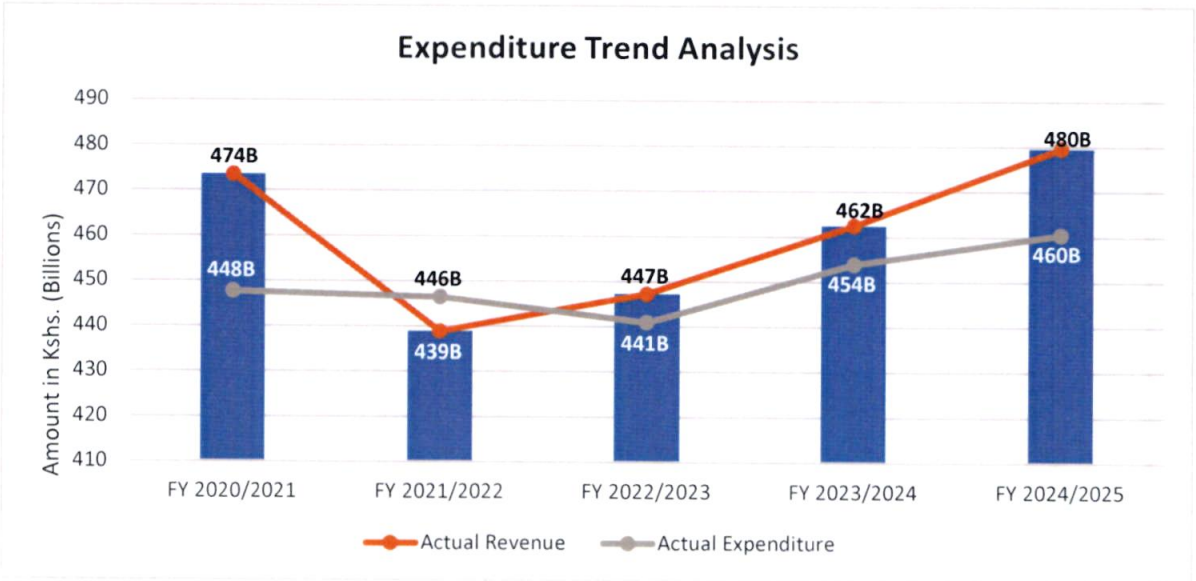


Figure 6: Expenditure Trend Analysis

2.10 Wage Bill Expenditure Analysis for County Governments

During the financial year 2024/2025, analysis of personnel emoluments indicates that the County Governments spent an amount of Kshs.222,539,801,344 on personnel emoluments comprising of Kshs. 203,011,476,573 and Kshs. 19,528,259,620 in respect of the County Executives and County Assemblies, respectively, as shown in **Table 6** below;

County	Personnel Emoluments (Kshs)	Total Revenue (Kshs)	% Wage Bill
Executives	203,011,476,573	437,803,550,410	46%
Assemblies	19,528,259,620	46,788,872,536	42%
Total	222,539,736,193	484,592,422,946	46%

Table 6: Wage Bill Analysis for County Governments

The County Executives incurred expenditure amounting to Kshs.203,011,476,573 on employee compensation, representing 46% of the total revenue of Kshs.437,803,550,410. Kajiado County Executive recorded the highest wage bill at 63% of its total revenue, while Nyeri County Executive reported a wage bill of 59% and Bomet County Executive reported a wage bill of 57% of their respective total revenues, as detailed in **Appendix 7**.

Similarly, the County Assemblies incurred expenditure amounting to Kshs.19,528,324,771 on employee compensation, representing 46.7% of the total revenue of Kshs.41,791,281,816. Wajir County Assembly and Isiolo County Assembly recorded the highest wage bills at 72% and 70% of their respective total revenues, as detailed in **Appendix 8**.

Only seventeen (17) County Executives and five (5) County Assemblies operated within the thirty-five (35%) percent threshold. This is contrary to Regulation 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015 which limits the County Government's expenditure on wages and benefits to a maximum of 35% of the total revenue for the year.

2.11 Accounts Payables (Pending Bills)

During the year under review, the aggregated payment of accounts payables (pending bills) reported by the County Governments amounted to Kshs.217,676,825,304. The balance constituted an amount of Kshs.210,564,264,376 (96.7%) in respect of County Executives and Kshs.7,112,560,928 (3.3%) relating to County Assemblies as indicated in **Appendix 9**. However, the combined County Governments' budget for the year amounted to Kshs.607,521,760,947 while the actual revenue received was Kshs.479,594,832,226 resulting in a shortfall of Kshs.127,926,928,721. Therefore, the outstanding payables balance of Kshs.217,676,825,304 exceeded the overall county budget shortfall of Kshs.127,926,928,721, implying that, in general, Counties had overcommitted the budget by Kshs.89,749,896,583 without corresponding budgetary support.

The County Governments have continued to accumulate payables with a steady increase noted every year. **Table 7** shows the continued increase of payables for the last five (5) years:

County	FY 2020/21 (Kshs)	FY2021/22 (Kshs)	FY2022/23 (Kshs)	FY2023/24 (Kshs)	FY2024/25 (Kshs)
Executives	53,509,842,469	88,520,135,757	161,452,186,252	221,038,742,910	210,564,264,376
Assemblies	1,912,138,674	2,551,655,209	3,392,331,991	5,574,937,413	7,112,560,928
TOTAL	55,421,981,143	91,071,790,966	164,844,518,243	226,613,680,323	217,676,825,304
County Govt Revenue Shortfall	54,847,595,825	111,412,168,785	77,801,127,329	108,838,283,896	127,926,928,721
Excess of Shortfall	(574,385,318)	20,340,377,819	(87,043,390,914)	117,775,396,427	89,749,896,583

Table 7: Accounts Payables Analysis for the last five (5) years

Figure 7 below shows the accounts payables trend from financial year 2020/2021 to 2024/2025.

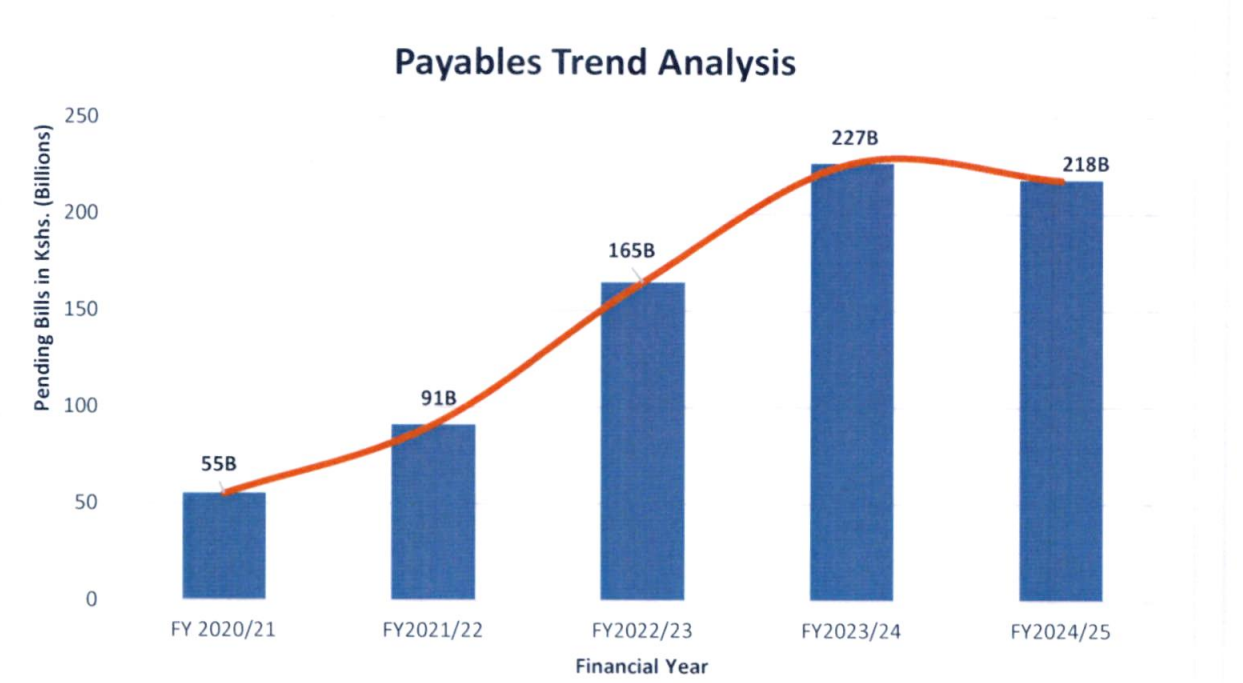


Figure 7: Pending Bills Trend Analysis

The Nairobi City County had the highest pending bills of Kshs.88,008,437,027 as at 30 June, 2025. This represented forty (40%) percent of the total County Governments' pending bills. Other County Governments with high pending bills include Kilifi County with pending bills amounting to Kshs.12,225,498,193, Kiambu County with pending bills amounting to Kshs.6,439,630,438, Nakuru County with pending bills amounting to

Kshs.7,148,740,727 and Narok County with pending bills amounting to Kshs.6,678,948,599.

As reported in the previous year, analysis of the balances reported as pending bills against the financial statements indicates that the County Governments actual expenditure would have exceeded the budgeted expenditure if the pending bills had been settled during the year they occurred. This would have led to deficits in the statement of receipts and payments and overdrawn cash and cash equivalents balances.

Some of the County Governments' pending bills related to prior financial years and they lacked supporting schedules and documentation. Failure to clear pending bills as a first charge is contrary to Regulation 55(2)(b) of the Public Finance Management (County Governments) Regulations, 2015.

2.12 Financing Locally-Led Climate Change Program (FLLoCA)

The Financing Locally-Led Climate Change Action (FLLoCA) Program aims to implement locally driven climate resilience initiatives while enhancing the capacity of both the County and National Governments to effectively manage climate-related risks. The program seeks to empower counties to plan, budget, implement, and monitor mitigation and adaptation strategies, with a particular focus on community and ward-level interventions. It is expected to strengthen institutional frameworks, ensuring a sustainable approach to addressing climate challenges and promoting community resilience against the adverse effects of climate change.

During the financial year 2024/2025, the Financing Locally-Led Climate Change Action (FLLoCA) program was allocated an amount of Kshs.12,894,230,218 across forty-one (41) counties to support climate change initiatives as detailed in **Appendix 10**. The counties with the highest allocations included Migori County which was allocated an amount of Kshs.782,933,186, Homa Bay County which was allocated an amount of Kshs.735,687,741, and Vihiga County with Kshs. 715,248,406. However, a significant portion of the funds remained unspent. Counties like Kakamega County had an unspent balance of Kshs.505,317,600, Homa Bay had a balance of Kshs.475,325,335, while Migori had an unspent balance of Kshs.374,095,215.

Other counties reported overspending beyond their allocations. These include Uasin Gishu County which overspent with an amount totaling Kshs.181,269,408, Embu County which overspent with an amount totalling Kshs.71,614,438 and Laikipia County which overspent with an amount totaling Kshs.1,670,254. This indicates possible financial mismanagement or underestimation of required resources.

Two (2) County Governments, that is, Nairobi City County and Mombasa County did not participate in the program as they had not met the necessary requirements to qualify for FLLoCA funding.

While the FLLoCA initiative provides substantial funding for climate resilience, only an amount of Kshs.7,368,947,615 was spent out of the allocated balance of Kshs.12,894,230,218, indicating an absorption rate of approximately 57.1%. This suggests potential challenges in fund utilization, project execution, and financial management at the county level.

2.13 Scholarships and Bursary Funding

From the analysis of the 2024/2025 county bursary expenditures, several audit issues emerged, highlighting irregularities, mismanagement, and financial discrepancies.

During the year under review, an amount totaling Kshs.6,246,854,154 was allocated by the Counties for scholarships and bursaries, but only Kshs.6,169,701 was spent, leaving an unspent balance of Kshs.77,012,453 as detailed in **Appendix 11**. Twenty-four (24) Counties overspent their allocations, including Bungoma County which overspent their allocation with an amount of Kshs.219,345,121, Kitui County overspent its allocation with an amount totaling Kshs.120,000,000, and Embu County overspent their allocation with an amount totaling Kshs.93,821,789, raising questions on their budget management. Conversely, West Pokot County had the largest unspent balance of Kshs.200,000,000 followed by Kilifi County with an unspent balance of Kshs.127,509,025 and Mombasa County with an unspent balance of Kshs.118,155,209, indicating potential inefficiencies or misallocation of funds.

Key cross-cutting issues in the utilization and management of the bursary funds included the following:

(i) Irregular Award and Disbursement of Bursaries

Instances were noted where bursaries were awarded to beneficiaries who did not meet the eligibility criteria, multiple bursary disbursements were made to the same beneficiaries, and in some cases, bursaries were issued to institutions that were not accredited, undermining the objective of supporting deserving students.

(ii) Unsupported Bursary Payments

Several counties made bursary payments without adequate supporting documentation, beneficiary details, or verification records, while in other cases, scholarship and grant payments were not supported by relevant documentation.

(iii) Delayed Disbursement of Bursary Funds

In some counties, bursary funds were disbursed late to beneficiaries or transferred to bursary fund accounts without timely distribution, affecting the ability of students to meet school fee obligations in a timely manner.

(iv) Weak Governance and Oversight of Bursary Funds

Weaknesses were observed in the governance of bursary funds including irregular appointment and composition of bursary fund committees, lack of code of conduct for fund selection committees, and non-compliance with statutory meeting requirements.

(v) Failure to Develop Regulations and Operational Frameworks for Bursary Funds

Some counties had not developed regulations or operational frameworks to guide the administration, selection criteria, and management of bursary funds, leading to inconsistencies in bursary allocation and oversight.

(vi) Unsupported Administrative Expenditure

Some bursary funds incurred unsupported secretariat and administrative expenditures or exceeded statutory limits on administration expenses, reducing the funds available for bursary beneficiaries.

(vii) Weak Internal Control and Risk Management Systems

Several counties lacked risk management policies, internal audit activities, and proper monitoring mechanisms for bursary funds, weakening oversight and increasing the risk of financial mismanagement.

(viii) Non-Compliance with Transparency and Reporting Requirements

A number of counties failed to publish lists of successful bursary beneficiaries, prepare quarterly utilization reports, or submit financial reports as required, limiting transparency and public accountability.

2.14 Delayed Construction and Commissioning of County Aggregation and Industrial Parks

In August, 2023, the National Government and County Governments entered into contracts with various firms for the Construction of County Aggregation and Industrial Parks in twenty-four (24) Counties as shown in **Appendix 12**, which were to be completed within two (2) years at a total contract sum of Kshs.10,927,546,050. This was preceded by an intergovernmental agreement between the National Government through the Ministry of Investments, Trade and Industry and the respective County Governments. Under this framework, the National Government was to contribute an amount of Kshs.250,000,000 to each participating County while the County Government was to provide a similar amount all totalling Kshs.11,000,000,000.

The scope of works for the projects included the construction of aggregation warehouses and cold storages, value addition warehouses, boundary walls, office blocks, power houses, pump houses, ablution blocks and civil works.

Review of expenditure records relating to work-In-progress revealed that amounts of Kshs.2,730,392,826 and Kshs.6,198,602,339 had been paid in financial years 2023/2024 and 2024/2025, respectively, totalling Kshs.8,928,995,165. Out of the total amounts paid Kshs.4,051,999,990 was contributed by National Government while Kshs.4,876,995,175 had been contributed by the twenty-two (22) County Governments. This resulted in underfunding by the both the National Government and County Governments.

The project was jointly funded by the National Government and the County Government. However, the level of funding to be provided by each Government was not clear since no agreements or commitment between the two levels of Government was provided for audits. Further, two Counties constructed two County Aggregation and Industrial Parks (CAIPs) at a cost of Kshs.1,030,957,899 although they had not been included among the twenty-two Counties in the 3rd Schedules.

2.15 Facility Improvement Fund (FIF)

The Facility Improvement Fund (FIF) is a fund established by County Governments to manage revenue generated by public health facilities such as hospitals, health centres and dispensaries. The revenues arise from services including consultation fees, laboratory services, pharmacy sales and other user charges. The fund is intended to enable health facilities to utilize locally generated revenue to support operational costs, procurement of medical supplies, maintenance of equipment and improvement of health services.

According to the Public Finance Management Act, 2012, all revenues raised by or on behalf of a County Government should be deposited into the County Revenue Fund

(CRF) and subsequently appropriated and transferred to the Facility Improvement Fund accounts in line with the approved legal and financial framework. This process ensures proper financial oversight, accountability and transparency in the management and utilization of health facility revenues.

Review of records revealed that twenty-seven (27) County Governments reported activity under the Facility Improvement Fund during the financial year 2024/2025 as shown in **Appendix 13**. However, several weaknesses were noted in the collection, remittance and management of the funds.

- (i) Health facilities from Ten (10) counties collected and retained revenues directly at the facility level without remitting the funds through the County Revenue Fund. The affected counties included Kilifi County, Lamu County, Embu County, Kiambu County, Narok County, Bomet County, Bungoma County, Busia County and Nyamira County where hospitals collected revenues and retained them in facility bank accounts for operational use. This practice bypasses the required revenue management framework and weakens financial oversight.
- (ii) Twelve (12) counties reported outstanding balances between the amounts collected through the County Revenue Fund and the amounts transferred to the Facility Improvement Fund, indicating that not all funds collected were remitted to the hospitals. The affected counties included Kitui County, Tharaka-Nithi County, Kisii County, Migori County, Machakos County, Kakamega County, West Pokot County, Kajiado County, Samburu County, Nyeri County County, Baringo County and Homa Bay County.

In addition, one (1) county, Trans Nzoia County, reported a negative variance where the amount transferred to the Facility Improvement Fund exceeded the amount reported as collected through the County Revenue Fund, resulting in an unexplained difference of Kshs.170,000.

These inconsistencies indicate weaknesses in the financial management and control of hospital-generated revenues and are contrary to Section 109 of the Public Finance Management Act, 2012, which requires all county revenues to be deposited into the County Revenue Fund before appropriation and expenditure. Failure to comply with this requirement undermines transparency and accountability in the management of funds intended to support the improvement of healthcare services.

3.0 SUMMARY OF AUDIT OPINIONS

3.1 Analysis of Audit Opinions

During the financial year ended 30 June, 2025, a total of ninety-four (94) financial statements comprising of forty-seven (47) County Executives and forty-seven (47) County Assemblies were audited on which I expressed my audit opinion as listed in **Appendices 1(A)** and **1(B)** and summarised in **Table 8** below;

Opinion	County Executives		County Assemblies	
	Number	Percentage	Number	Percentage
Unqualified/ Unmodified	1	2%	9	19%
Qualified	44	94%	38	81%
Adverse	2	4%	0	0%
Disclaimer	0	0%	0	0%
Total	47		47	

Table 8: Audit Opinions for County Executives and County Assemblies

During the year, nine (9) County Assemblies’ financial statements had unqualified/unmodified opinions up from three (3) counties recorded in the previous financial year. For the County Executives, only one County, namely Makueni County Executive, achieved an unqualified/unmodified opinion, which is an improvement compared to none during the previous year, reflecting a marginal improvement in audit outcomes. In addition, two (2) County Executives recorded adverse opinions in the current year, compared to none reported in the previous financial year, reflecting challenges in financial reporting. As similar to previous year, no county recorded a disclaimer of opinion, in both the County Executives and County Assemblies. Management of County Governments is encouraged to strengthen accountability and financial management systems in order to improve audit outcomes, achieve and sustain unqualified opinions in their financial statements.

The above performance is illustrated below;

Audit Opinions on County Executive Financial Statements

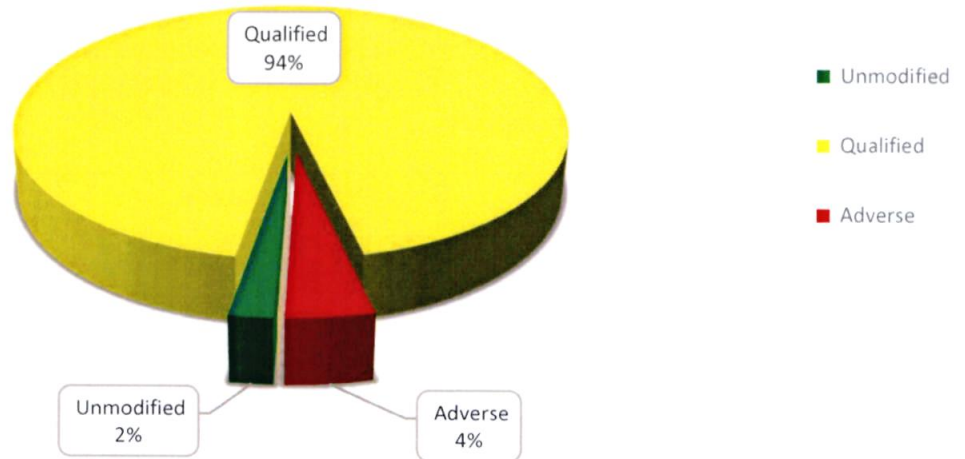


Figure 8: Audit Opinions on County Executive Financial Statements

Audit Opinions on County Assembly Financial Statements

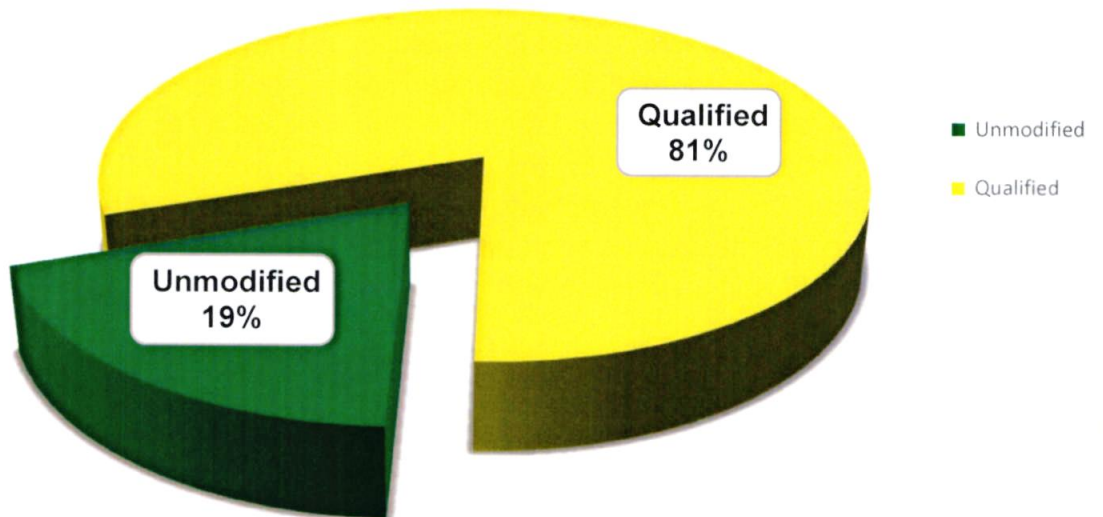


Figure 9: Audit Opinions on County Assembly Financial Statements

3.2 Audit Opinions Trend Analysis

There has been a positive trajectory with considerable improvements in the opinion on the financial statements for County Governments over the last five (5) years.

During the 2024/2025 financial year, the number of County Executives’ financial statements that received a qualified opinion declined to forty-four (44) from forty-seven (47) in the previous financial year, while one County (Makueni County Executive) received an unqualified/unmodified opinion compared to none in the previous year. However, two (2) County Executives received adverse opinions during the year, compared to none in the previous financial year and there was no disclaimer of opinion issued during the year as illustrated in **Table 9** and illustrated at **Figure 10** below;

Opinion	Financial Year - County Executives				
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Unmodified	1	0	0	0	1
Qualified	38	37	41	47	44
Adverse	8	10	6	0	2
Disclaimer	0	0	0	0	0
Total	47	47	47	47	47

Table 9: Audit Opinions Trend Analysis for County Executives for the last five (5) years



Figure 10: County Executives Opinion Trend Analysis

For the County Assemblies, nine (9) County Assemblies' financial statements received unqualified/unmodified opinions in the current financial year, compared to only three (3) in the previous financial year while the number of County Assemblies with a qualified opinion increased from thirty-seven (37) to thirty-eight (38). Those with an adverse opinion declined from two (2) to none and, no disclaimer of opinion was issued during the year as illustrated in **Table 10** and illustrated at **Figure 11** below;

Opinion	Financial Year - County Assemblies				
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Unmodified	5	1	3	8	9
Qualified	38	44	41	37	38
Adverse	3	2	3	2	0
Disclaimer	1	0	0	0	0
TOTAL	47	47	47	47	47

Table 10: Audit Opinions Trend Analysis for County Assemblies for the last five (5) years

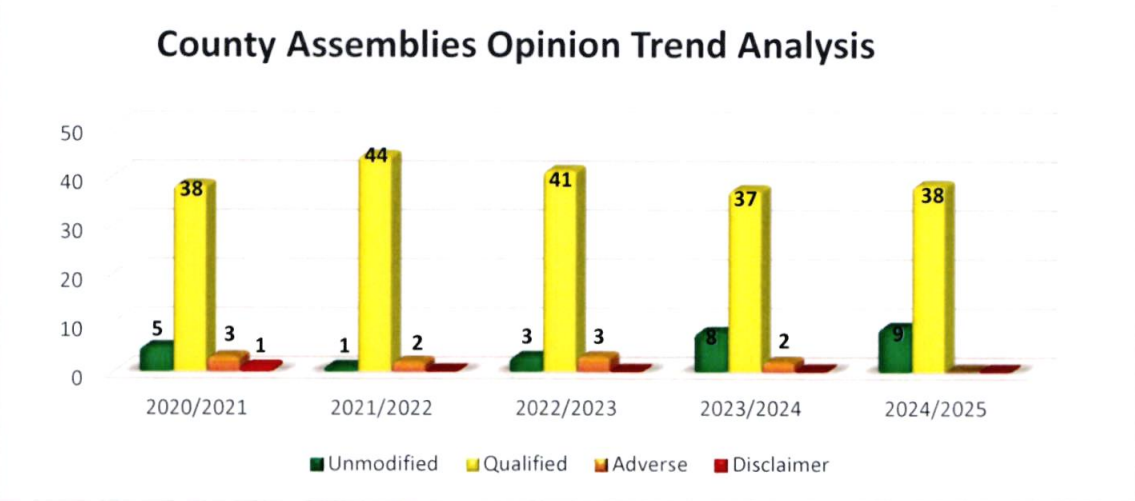


Figure 11: County Assemblies Opinion Trend Analysis

Despite the improvements in the opinion ratings on the financial statements, I noted that several County Governments had fundamental issues relating to Governance and Compliance with the laws and regulations that govern their operations. I noted that the instances of weak or inadequate internal controls coupled with non-compliance with the laws and regulations may have compromised the accountability and reliability of the financial statements. My report on governance and compliance issues is highlighted in my summary of material observations section of this report.

4.0 SUMMARY OF MATERIAL OBSERVATIONS - COUNTY EXECUTIVES

4.1 Summary of Systemic Issues

The audit for the 2024/2025 financial year has revealed various systemic issues affecting the County Executives which are observed across all the counties. The issues range from inaccuracies in financial reporting, lack of supporting documents, value-for-money concerns in the use of public resources, governance and compliance issues, pending bills and lack of effectiveness of internal controls, risk management and governance. The number of issues observed across the counties under each thematic area are summarised Figure 12 below;

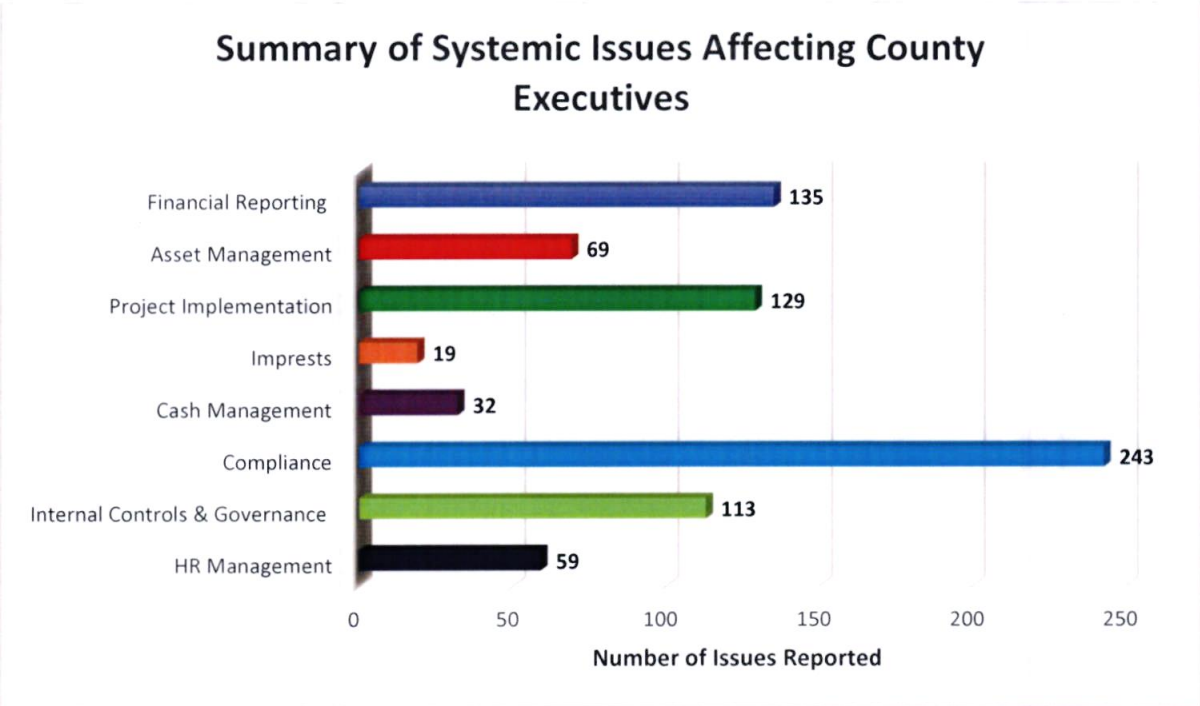


Figure 12: Systemic Issues Affecting County Executives

Based on the above findings, accounting officers should identify the root causes for the systemic issues and ensure that focused and relevant interventions, including capacity building, standard operating procedures, internal controls, and risk management processes are designed and implemented to address the various systemic issues observed at the counties. In particular, governance and compliance issues, and irregularities in financial reporting must be addressed to enhance transparency, accountability, and good governance in the management of public resources. However, viewed wholistically, the presentation of financial statements is still below expectations,

as only one County Executive had an unmodified/unqualified opinion. The following sections provide additional details of critical observations made during the audit.

4.2 Presentation of Financial Statements

There has been a general improvement in the presentation of financial statements and the maintenance of accounting records during the last three (3) years compared to previous years. The improvement has culminated to the adoption of the International Public Sector Accounting Standards (IPSAS) Cash-Basis, Accounting Framework when accounting for public funds. Further, interventions by The National Treasury aimed at improving accountability in the public sector, capacity-building initiatives by individual County Governments and other stakeholders, including development partners, have also contributed to these improvements. The graph below shows a summary of the main issues related to the presentation of financial statements that were observed and the number of County Executives affected as illustrated in **Figure 13** below;

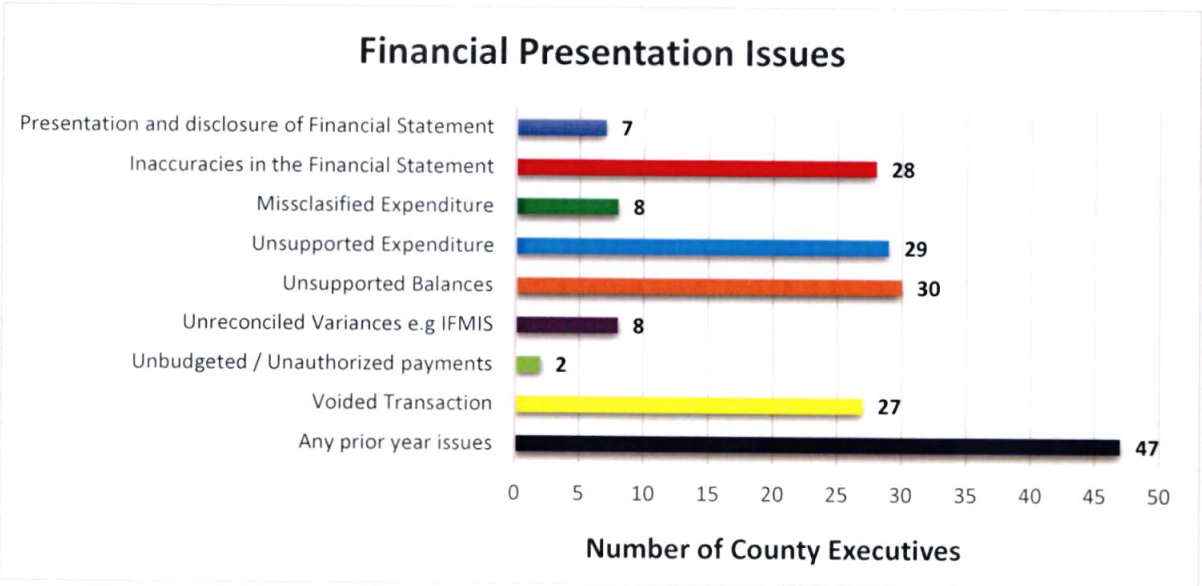


Figure 13: Issues related to Presentation of Financial Statements in County Executives

4.2.1 Inaccuracies in the Financial Statements

Review of the financial statements revealed several inaccuracies affecting balances amounting to Kshs.45,878,853,152 in twenty-eight (28) County Executives as detailed in **Appendix 14** below;

4.2.2 Unsupported Expenditure

The audit revealed that expenditure amounting to Kshs.33,578,235,363 from twenty-eight (28) County Executives was not supported by the relevant documentation and supporting

schedules as shown in **Appendix 15**. Kilifi County had the highest unsupported expenditure of Kshs.16,745,792,005 while Kericho County followed with an unsupported expenditure of Kshs.8,189,617,459.

4.2.3 Unreconciled Variances

Review of the financial statements revealed that eight (8) County Executives had unreconciled variances amounting to Kshs.3,721,729,294 as detailed in **Table 11** below;

No	County Name	Amount (Kshs)
1	Nyandarua County Executive	19,497,579
2	Nyeri County Executive	42,449,829
3	Murang'a County Executive	1,179,818,683
4	Kiambu County Executive	83,113,609
5	Nakuru County Executive	787,431,649
6	Kericho County Executive	585,155,549
7	Busia County Executive	1,020,862,396
8	Kisii County Executive	3,400,000
	Total	3,721,729,294

Table 11: Unreconciled Variances

4.2.4 Unauthorized Reallocation of Expenditure

Analysis of the financial statements revealed that eight (8) County Executives had re-allocated expenditure totalling Kshs.2,947,403,924 to other votes without prior authorization as detailed in **Table 12** below;

No	County Name	Amount (Kshs)
1	Kilifi County Executive	105,280,795
2	Marsabit County Executive	14,013,160
3	Embu County Executive	1,429,250,047
4	Kiambu County Executive	54,447,495
5	Baringo County Executive	6,113,300
6	Nakuru County Executive	725,862,918
7	Vihiga County Executive	610,722,609
8	Siaya County Executive	1,713,600
	TOTAL	2,947,403,924

Table 12: Unauthorized Reallocation of Expenditure in County Executives

4.2.5 Unsupported Balances

The audit revealed unsupported balances amounting to Kshs.36,725,959,155 in respect of twenty-nine (29) County Executives as detailed in **Appendix 16**.

4.2.6 Voided Transaction

The audit revealed that twenty-seven (27) County Executives had voided transactions totalling Kshs.41,347,990,517. The summary indicates that Nairobi City County had the highest value of voided transactions which amounted to Kshs.6,206,840,196 followed by Garissa County at Kshs.4,475,667,910 as detailed in **Table 13** below;

No	County Name	Amount (Kshs)
1	Nairobi City County	6,206,840,196
2	Garissa County	4,475,667,910
3	Siaya County	4,081,328,220
4	Busia County	2,818,910,284
5	Kakamega County	2,767,964,329
6	Mandera County	2,247,776,777
7	Narok County	2,173,171,187
8	Kwale County	1,939,611,178
9	Kajiado County	1,905,597,246
10	Bungoma County	1,847,835,448
11	Samburu County	1,574,202,029
12	Kisumu County	1,399,839,675
13	Trans Nzoia County	1,232,280,005
14	Kisii County	1,094,702,969
15	Tana River County	1,005,844,071
16	Laikipia County	879,301,779
17	Meru County	766,804,548
18	Isiolo County	754,058,788
19	Tharaka-Nithi County	441,482,502
20	Kericho County	410,578,393
21	Kirinyaga County	363,262,600
22	Embu County	313,720,244
23	Vihiga County	240,254,743
24	Nyeri County	230,423,834

No	County Name	Amount (Kshs)
25	Lamu County	162,642,185
26	West Pokot County	12,050,000
27	Taita/Taveta County	1,839,377
	Total	41,347,990,517

Table 13: Voided Transactions in County Executives

4.2.7 Unresolved Prior Year Issues

The audit revealed that all of the forty-seven (47) County Executives, had unresolved prior year issues raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance as detailed in **Appendix 17**. However, Management had not resolved the issues.

4.2.8 Presentation and Disclosure of Financial Statements

Review of the financial statements provided for audit revealed that Management did not comply with the Public Sector Accounting Standards Board (PSASB) reporting template mainly related to non-compliance with Transitional IPSAS Accrual reporting requirements. In particular, the financial statements did not disclose the items which Management took advantage of in the preparation of transitional financial statements as required under IPSAS 33. Further, management did not steps underway to disclose all the assets owned by the County as important disclosures and their historical costs at the time of their acquisition in readiness for valuation towards compliance with the IPSAS by the third year.

4.3 Compliance Issues

As required by Article 229(6) of the Constitution, audit procedures are applied to determine whether each County Executive operated within the law and whether public resources have been applied lawfully and effectively.

The audit observations on compliance matters indicate a general lack of adherence to law and authorities governing management of public resources. This has resulted in a lack of comprehensiveness, completeness, accuracy and reliability on some of the financial statements submitted for audit.

The complex modern environment demands greater accountability, transparency, and effective governance as envisaged in Goal 16 of the Sustainable Development Goals (SDGs). Effective governance requires structures that respond to the needs of the citizens

and enhance compliance with the laws and regulations governing prudent public financial management, which the County Executives are urged to adhere to.

A summary of the compliance issues observed in County Executives and the number of counties affected as shown in **Figure 14** below;

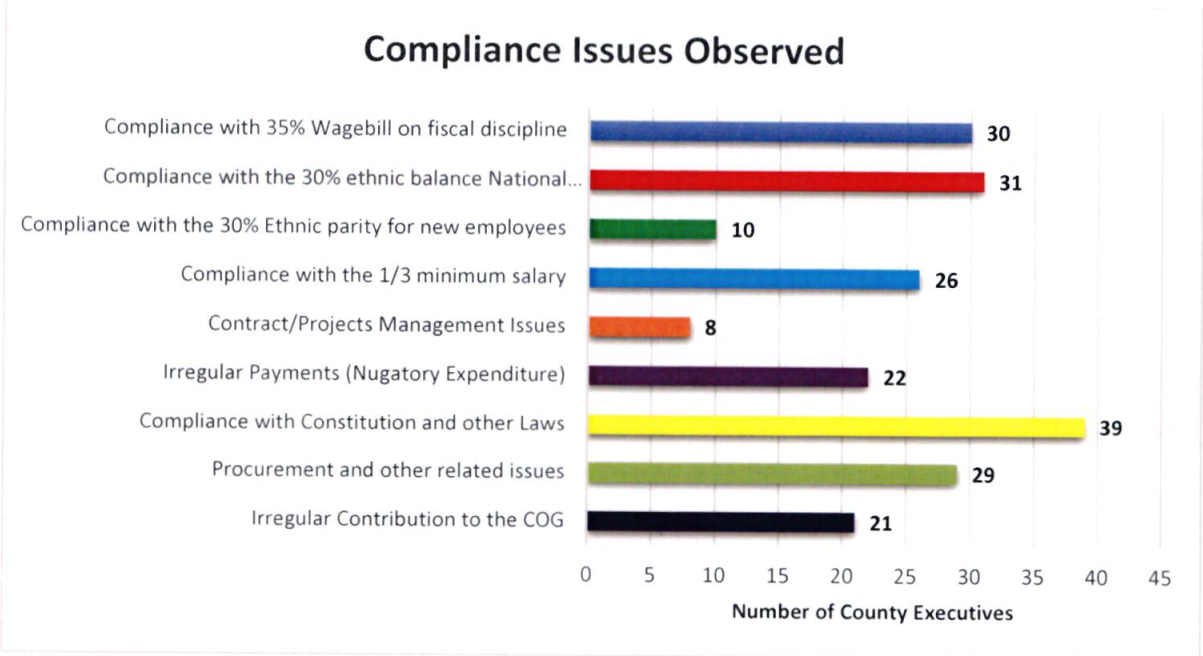


Figure 14:Issues related to Compliance in County Executives

4.3.1 Non-Compliance with Fiscal Responsibility Principles on Wage Bill

Analysis of personnel emoluments indicated that thirty (30) County Executives had a wage bill greater than 35% of their total revenue. Top on the list was Nyeri County Executive whose wage bill was 54% of their total revenue, followed by Laikipia and Homa Bay County Executives whose wage bill were 48% of their total revenue as detailed in **Appendix 18**. This was contrary to Regulation 25 (1)(b) of the Public Finance Management (County Governments) Regulations, 2015 which states that the County Government’s expenditure on wages and benefits for its public officers shall not exceed 35% of the County Government’s total revenue.

4.3.2 Non-Adherence to One-Third Rule on Basic Salary

Review of the County Executives’ payrolls, revealed that in thirty-one (31) County Executives, more than eighteen thousand, eight hundred and sixteen (18,816) employees received net salaries which were less than a third of their respective basic pay as detailed in **Appendix 19**. This was contrary to Section 19 (3) of the Employment Act, 2007 which states that the total amount of deductions under the provisions of Sub Section (1), may be made by an employer from the wages of his employee at any one time, shall not

exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

4.3.3 Non-Compliance with the Law on Staff Ethnic Composition

Further review of the County Executives' human resource records revealed that thirty-one (31) of the County Executives or 65%, had more than one-third of their staff from the same ethnic community as shown in **Appendix 20**. The counties with the highest non-compliance include Bomet County Executive at 99%, Nyandarua County Executive at 96%, while Elgeyo/Marakwet County Executive and Nyamira County Executive had 95% of their staff from the dominant community in the county. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which requires that no public establishment shall have more than one-third of its staff from the same ethnic community.

4.3.4 Non-Compliance with the Law on Staff Composition on New Appointments

Analysis of the workforce composition from recent appointments across the County Executives revealed that eight (8) County Executives failed to comply with the requirements of Section 65(1)(e) of the County Governments Act, 2012, which requires that at least 30% of new appointments by the County Public Service Board should be made from ethnic groups other than the dominant community as shown in **Table 14** below;

No	Financial Statements	New Employees from Dominant Community
1	Uasin Gishu County Executive	96%
2	Murang'a County Executive	93%
3	Kwale County Executive	91%
4	Makueni County Executive	89%
5	Kitui County Executive	88%
6	Kirinyaga County Executive	87%
7	Bungoma County Executive	85%
8	Bomet County Executive	74%

Table 14: Non-Compliance with 30% Ethnic Diversity Requirement in New Appointments in County Executives

Among the most notable cases are Uasin Gishu County Executive which recorded 96% of its new appointments from the dominant ethnic community, while Murang'a County

Executive and Nyeri County Executive followed closely, with 93% and 91% respectively of their new employees being drawn from the dominant ethnic group.

4.3.5 Irregular Funding of National Government Functions

The audit revealed that three (3) County Executives, namely; Mandera, Kitui and West Pokot, incurred expenditure on functions that fall under the mandate of the National Government, including issuance of bursaries and other expenditures outside devolved unit functions.

This practice was contrary to Article 187 and the Fourth Schedule of the Constitution of Kenya, 2010, which clearly delineates functions between the National Government and County Governments.

4.3.6 Non-Remittance of Statutory Deductions

The audit revealed that eight (8) County Executives failed to deduct or remit statutory deductions including Pay-As-You-Earn (PAYE) and National Social Security Fund (NSSF) contributions to the relevant statutory bodies as listed in **Table 15** below;

No	County Name
1	Kitui, County Executive
2	West Pokot, County Executive
3	Tharaka-Nithi County Executive
4	Marsabit County Executive
5	Kisumu County Executive
6	Taita/Taveta County Executive
7	Wajir County Executive
8	Samburu County Executive

Table 15: Non-Remittance of Statutory Deductions

This was contrary to Section 19(4) of the Employment Act, 2007, Section 37(1) of the Income Tax Act (Cap.470) and Section 20(1) of the National Social Security Fund Act, 2013, which require employers to deduct and remit statutory deductions from employees' salaries within the prescribed timelines.

4.3.7 Non-Remittance of the Public Procurement Capacity Building Levy

The audit revealed that six (6) County Executives, namely; Meru, Tharaka-Nithi, Kirinyaga, Turkana, Trans Nzoia and Nyamira, failed to deduct and remit the 0.03% Public

Procurement Capacity Building Levy on procurement contracts to the Public Procurement Regulatory Authority (PPRA).

This was contrary to Paragraph 3(1) of the Public Procurement Capacity Building Levy Order, 2023, which requires procuring entities to deduct the levy from the contract sum for all procurement contracts and remit the same to the Authority through the prescribed platform.

4.3.8 Failure to Establish or Operationalize Statutory Funds and Governance Structures

The audit revealed that four (4) County Executives, namely; Mandera, Trans Nzoia, Nandi and Bomet, failed to establish or operationalize statutory funds and governance structures including emergency funds, climate change funds and youth service programmes provided for under county legislation.

This was contrary to the Public Finance Management Act, 2012 and the respective county legislations which require counties to establish and operationalize such institutions to support service delivery and financial accountability.

4.3.9 Weak Public Participation and Governance Processes

The audit revealed that Nyandarua County Executive, did not provide evidence of adequate citizen participation in planning and budgeting processes, contrary to Articles 201 and 232 of the Constitution of Kenya, 2010, which require transparency, accountability and public participation in public financial management.

4.3.10 Procurement and Other Related Issues

Review of the County Executives' procurement records revealed that twenty-five (25) County Executives had various procurement irregularities amounting to Kshs.14,453,061,294 as shown in **Appendix 21**. Kericho County Executive had the highest procurement irregularities on contracts valued at Kshs.5,764,665,083 followed by the Nairobi City County Executive which had procurement irregularities valued at Kshs.2,772,693,197.

Some of the cross-cutting procurement issues raised in the County Executives include:

i) Irregular Use of Procurement Methods

The audit revealed instances where some counties used alternative procurement methods such as direct procurement, restricted tendering and request for quotations (RFQ) without satisfying the conditions prescribed in law and instances where procurement requirements were split into smaller lots. This splitting allowed the

counties to use alternative procurement methods thereby circumventing competitive procurement thresholds. This was contrary to Section 54 (2) and 91 of the Public Procurement and Asset Disposal Act, 2015, which provides that open tendering shall be the preferred procurement method for procurement of goods, works and services unless the circumstances justify the use of alternative procurement methods.

ii) Lack of Procurement Plans and Procurement Outside the Plans

The audit revealed instances where some Counties did not prepare annual procurement plans to guide procurement activities and instances where procurement activities were undertaken outside the approved procurement plans. This was contrary to Section 53(2) and (8) of the Public Procurement and Asset Disposal Act, 2015, which requires accounting officers to prepare annual procurement plans as part of the annual budget preparation process and that procurement shall only be undertaken in accordance with the approved procurement plan.

iii) Failure to Advertise Procurement Opportunities

The audit revealed cases where procurement opportunities were not publicly advertised despite exceeding thresholds requiring open tendering. This was contrary to Section 96(2) of the Public Procurement and Asset Disposal Act, 2015, which requires procuring entities to advertise tenders to ensure fair competition and transparency.

iv) Lack of Technical Specifications and Needs Assessments and Standard Procurement Documents

The audit revealed cases where procurement processes were initiated without proper needs assessments or preparation of clear technical specifications and instances where procuring entities used non-standard procurement documents during procurement processes. This was contrary to Section 70(1) and (2) of the Public Procurement and Asset Disposal Act, 2015, which requires procuring entities to prepare tender documents describing the requirements of the procuring entity and use standard documents.

v) Irregular Tender Evaluation and Award Processes

The audit revealed cases where tender evaluation processes were not conducted in accordance with the evaluation criteria specified in the tender documents and instances where contracts were awarded without obtaining the professional opinion of the head of procurement function. This was contrary to Section 80(2) and 84 (1) of the Public Procurement and Asset Disposal Act, 2015, which requires evaluation committees to evaluate tenders strictly in accordance with the evaluation criteria

specified in the tender documents and that the head of procurement function to provide a professional opinion before contract award decisions are made.

vi) Irregular Contracts Management

The audit revealed weaknesses in the management of procurement contracts including delayed project implementation, inadequate monitoring of contract execution and instances where contracts were varied without proper approvals or exceeded allowable variation limits. This was contrary to Section 139(1) and (4) of the Public Procurement and Asset Disposal Act, 2015, which requires procurement contracts to be managed in accordance with the terms and conditions of the contract and which limits variations to procurement contracts.

vii) Failure to Maintain Procurement Records

The audit revealed instances where procuring entities did not maintain complete procurement records including tender documents, evaluation reports and contract documentation. This was contrary to Section 68(1) of the Public Procurement and Asset Disposal Act, 2015, which requires procuring entities to maintain procurement records for a prescribed period.

viii) Failure to Conduct Inspection and Acceptance of Goods

The audit revealed cases where goods and services were paid for without evidence of delivery notes and inspection and acceptance by an inspection committee reports. This was contrary to Section 48 and 68(1) of the Public Procurement and Asset Disposal Act, 2015, which requires procuring entities to establish inspection and acceptance committees and proper financial records and effective internal control systems.

ix) Non-Compliance with Access to Government Procurement Opportunities (AGPO) Requirements

The audit revealed cases where procuring entities did not allocate the required 30% of procurement opportunities to women, youth and persons with disabilities. This was contrary to Section 155 of the Public Procurement and Asset Disposal Act, 2015 and Regulation 58 of the Public Procurement and Asset Disposal Regulations, 2020, which require procuring entities to reserve procurement opportunities for disadvantaged groups.

4.3.11 Avoidable/Wasteful Payments

Review of records revealed that twenty-two (22) County Executives incurred avoidable and wasteful expenditures amounting to Kshs.10,990,916,510 arising from irregular

payments, penalties, interest charges, unsupported legal costs, irregular procurement, and payments for activities outside the mandates of the County Governments. **Table 16** below shows the affected counties.

No	County Name	Amount (Kshs)
1	Kwale County Executive	446,171,890
2	Kilifi County Executive	66,447,080
3	Lamu County Executive	26,659,640
4	Taita/Taveta County Executive	17,821,521
5	Garissa County Executive	57,758,400
6	Wajir County Executive	56,063,174
7	Marsabit County Executive	49,967,065
8	Tharaka-Nithi County Executive	1,346,760
9	Nyandarua County Executive	437,406
10	Kiambu County Executive	854,652,650
11	Samburu County Executive	46,716,012
12	Nandi County Executive	41,972,940
13	Nakuru County Executive	66,472,548
14	Narok County Executive	603,765,850
15	Kericho County Executive	80,345,679
16	Kakamega County Executive	29,037,060
17	Busia County Executive	98,044,645
18	Siaya County Executive	22,331,251
19	Kisumu County Executive	26,501,160
20	Migori County Executive	3,972,779
21	Nyamira County Executive	23,490,953
22	Nairobi City County Executive	8,370,940,052
	Total	10,990,916,515

Table 16: Avoidable/Wasteful Expenditure in County Executives

4.3.12 Irregular Contributions to the Council of Governors

During the year under review, twenty-one (21) County Executives made contributions amounting to Kshs.78,300,000 to the Council of Governors as detailed in **Appendix 22**. This was contrary to Section 37 of the Intergovernmental Relations Act, 2012, which states that the operational expenses in respect of the structures and institutions

established in this Act shall be provided for in the annual estimates of the revenue and expenditure of the National Government.

4.4 Management of Imprest

Review of records revealed weaknesses in the management of imprests in several County Executives during the year under review. The issues identified include un-surrendered imprests, irregular use of imprests, weak imprest record management, issuance of multiple imprests and other weaknesses in imprest administration.

The key findings include:

4.4.1 Un-surrendered Imprests

The statements of financial position for the County Executives reflected outstanding imprests in seven (7) Counties amounting to Kshs.687,633,994 which had not been surrendered within the required timelines as detailed in **Table 17** below;

No	County Name	Amount (Kshs)
1	Embu County Executive	21,768,240
2	Machakos County Executive	3,587,127
3	Samburu County Executive	1,303,300
4	Kakamega County Executive	18,325,045
5	Bungoma County Executive	25,332,790
6	Siaya County Executive	4,551,674
7	Nairobi City County Executive	612,765,818
	Total	687,633,994

Table 17: Outstanding Imprests in the County Executives

This amount includes amounts held by officers with multiple imprests contrary to Regulation 93(5) and (8) of the Public Finance Management (County Governments) Regulations, 2015. The Regulation requires that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to the duty station and that the Accounting Officers or Authority to Incur Expenditure (AIE) Holders to ensure that no additional imprest is issued to any officer before the first imprest is surrendered or recovered in full, from the holders' salary.

4.4.2 Irregular Use of Imprests

The audit revealed that two (2) County Executives, namely; Wajir and Isiolo, irregularly used imprests to finance expenditures such as payment of facilitators and purchase of goods and services totalling Kshs.155,007,978 that should ordinarily be processed through the normal procurement and payment procedures.

4.4.3 Failure to Maintain Imprest Registers

The audit revealed that three (3) County Executives, namely; Isiolo, Uasin Gishu and Nandi, failed to maintain updated imprest registers to track the issuance, utilization and surrender of imprests.

Failure to maintain proper imprest records weakens internal controls and may lead to difficulties in tracking outstanding imprests.

4.5 Cash Management

4.5.1 Unsupported Bank Balances

The audit revealed that bank balances totalling Kshs.1,569,977,258 were not supported in nine (9) County Executives as detailed in **Table 18** below;

No	County Name	Unsupported Balances (Kshs)
1	Mombasa County Executive	1,064,900
2	Kilifi County Executive	135,482,754
3	Taita/Taveta County Executive	197,278,782
4	Mandera County Executive	4,632,854
5	Kiambu County Executive	595,554,259
6	Samburu County Executive	14,341,738
7	Kericho County Executive	86,230,126
8	Kakamega County Executive	10,833,620
9	Nairobi City County Executive	524,558,225
	Total	1,569,977,258

Table 18: County Executives with Unsupported Bank Balances

The balances lacked supporting schedules such as cashbooks, bank reconciliation statements, certificates of bank balances and Board of Survey reports.

4.5.2 Unreconciled Balances

Review of records maintained by the County Executives indicated an aggregate unreconciled variance of Kshs.834,174,887 between the amounts stated in the cash book and the amounts in the bank statements as summarized in **Table 19** below;

No	County Name	Amount (Kshs)
1	Mombasa County Executive	63,963,725
2	Murang'a County Executive	8,505,361
3	Kiambu County Executive	36,009,305
4	Samburu County Executive	82,190,366
5	Siaya County Executive	8,012,540
6	Kisii County Executive	609,555,498
7	Nairobi City County Executive	25,938,092
	Total	834,174,887

Table 19: County Executives with Unreconciled Balances

4.5.3 Undisclosed Bank Accounts

The County Executive of Kirinyaga failed to disclose a balance of Kshs.101,969,935 held in an undisclosed bank account. This was contrary to Sections 119 and 121 of the Public Finance Management Act, 2012 which requires that all county government revenue be deposited into the County Revenue Fund (CRF) at the Central Bank of Kenya (CBK) and prohibits county governments from opening or operating commercial bank accounts without prior approval from the County Treasury and the Controller of Budget.

4.5.4 Other Issues Related to Cash Management

During the year under review, fourteen (14) County Executives reported various weaknesses in cash management practices involving; irregular operation of commercial bank accounts, maintenance of dormant accounts, transactions conducted outside the Integrated Financial Management Information System (IFMIS), irregular transfer of funds, misstatement of cash balances, and weak oversight over special purpose and deposit accounts. These weaknesses exposed public funds to risks of misuse, weak financial control, and inaccurate financial reporting.

The key findings include:

(i) Irregular Operation of Commercial Bank Accounts

Several County Executives operated numerous commercial bank accounts without proper authorization from the County Treasury, weakening oversight and control over public funds. This was contrary to Regulation 82(1) of the Public Finance Management (County Governments) Regulations, 2015, which requires that bank accounts of a county government entity be opened and operated only with the written authority of the County Treasury.

(ii) Weaknesses in Management of Bank Accounts

Some counties maintained dormant bank accounts and failed to update bank account registers or close inactive accounts, weakening accountability and control over public funds. This was contrary to Regulation 82 of the Public Finance Management (County Governments) Regulations, 2015, which requires accounting officers to maintain proper records and effective control of county government bank accounts.

(iii) Transactions Outside the IFMIS Platform

In some instances, payments and financial transactions were processed outside IFMIS, weakening audit trails and transparency in financial management. This was contrary to Section 15(1)(d) of the Public Finance Management Act, 2012, which requires the National Treasury to ensure proper financial management systems for public entities.

(iv) Irregular Transfers and Misapplication of Funds

Cases were noted where funds were transferred between accounts or utilized for purposes inconsistent with their intended use, undermining proper financial management. This was contrary to Section 104(1)(b) of the Public Finance Management Act, 2012, which requires accounting officers to ensure that resources of an entity are used in a lawful and authorized manner.

(v) Unpresented Cheques and Misstatement of Cash Balances

Instances of long-outstanding unpresented cheques and misstatement of cash and cash equivalents balances were noted, undermining the reliability of financial statements. This was contrary to Section 149(1) of the Public Finance Management Act, 2012, which requires accounting officers to maintain proper financial records and prepare accurate financial statements.

(vi) Mismanagement of Deposits and Special Purpose Funds

Some counties retained deposits, retention monies, or special purpose funds without proper utilization or refund to the appropriate accounts. This was contrary to

Regulation 94 of the Public Finance Management (County Governments) Regulations, 2015, which requires proper management and control of deposit and special purpose accounts.

(vii) Weak Oversight and Internal Controls in Cash Management

The persistence of these issues indicates weaknesses in internal controls and oversight mechanisms in the management of public funds. This was contrary to Section 103(1) of the Public Finance Management Act, 2012, which requires accounting officers to ensure effective financial management and internal control systems within county government entities.

4.6 Project Implementation Status

The County Governments have continued to incur huge expenditure on projects that have either stalled or have remained incomplete long after their completion dates have elapsed. Some of the projects are attracting penalties due to delays in payment of completion certificates for achieved milestones, while others have been revised to amounts higher than the original contract sum leading to cost escalations. Further, payments have been made to projects that appear to have completely stalled casting doubt on value for money for such expenditure. The status of projects undertaken by various counties are illustrated in **Figure 15** below;

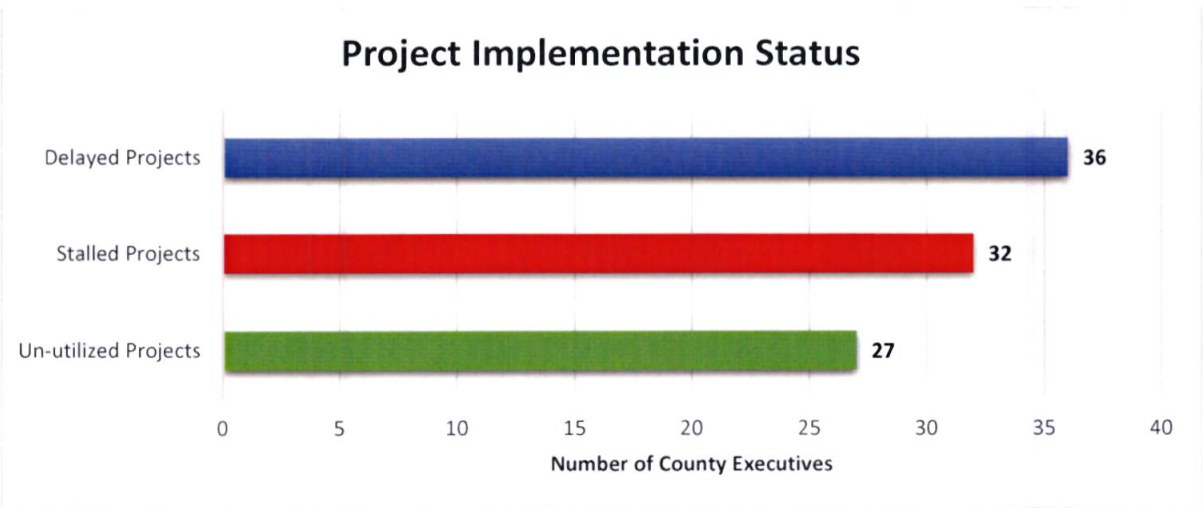


Figure 15: Project Implementation Status in County Executive

4.6.1 Delayed Projects

During the year under review, thirty-six (36) County Executives reported one hundred and twenty-four (124) delayed projects' completion whose contract sum amounted to more

than Kshs.24,695,284,194. **Appendix 23** shows a summary of the number of delayed projects and their respective contract values.

Delay in project implementation may be an indication of ineffectiveness in management of public resources causing delay in service deliver to the public.

4.6.2 Stalled/Abandoned Projects

The audit revealed that more than one hundred and sixty-one (161) projects valued at Kshs.14,577,963,566 were reported in thirty-two (32) County Executives as stalled and abandoned. **Appendix 24** shows a summary of the number of stalled projects and their respective contract values.

Stalled projects are an indication that the public has been denied benefits that would have accrued from the completed projects and that value for money invested in the projects have not been realized.

4.6.3 Un-utilized Projects

An analysis of the project implementation status across the forty-seven counties revealed projects in twenty-seven (27) County Executives that had been completed but were not operational whose contract sums amounted to Kshs.1,793,502,017, pointing to inefficiencies, financial mismanagement, and wastage of public resources as summarized in **Appendix 25**. The projects include health facilities, school classrooms, water projects, roads, and market structures, which remained idle due to poor planning, lack of equipment, incomplete works, and governance failures.

The key findings include:

i) Completed but Non-Operational Public Infrastructure

Several counties completed projects such as health facilities, markets, ECDE centres, vocational training workshops, water supply systems, and administrative buildings that were not put into use, reflecting weak project planning and failure to operationalize investments, contrary to Section 163 of the Public Finance Management Act, 2012, which requires county governments to ensure effective and efficient use of public resources.

ii) Failure to Equip and Furnish Completed Facilities

Some completed facilities including dispensaries, maternity wards, laboratories, and boreholes remained unused because they had not been equipped, furnished, or connected to essential utilities, indicating poor project planning and budgeting, contrary to Section 121 of the Public Finance Management Act, 2012, which requires public resources to be utilized in an economical, efficient, and effective manner.

iii) Un-commissioned and Unhanded Over Projects

In several instances, projects were completed but had not been commissioned or officially handed over to user departments or beneficiaries, delaying service delivery and accountability, contrary to Section 149 of the Public Finance Management Act, 2012, which requires proper documentation, accountability, and record keeping in public financial management.

iv) Idle Equipment and Infrastructure

Equipment such as hatchery equipment, cold storage facilities, construction machinery, and office furniture were procured but remained unused or idle for extended periods, reflecting weak asset utilization and poor project coordination, contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015, which requires procuring entities to ensure value for money in procurement of goods and services.

v) Underutilized Water and Sanitation Infrastructure

Water infrastructure including boreholes, pipelines, elevated tanks, and water reticulation systems were completed but remained underutilized due to lack of operationalization, equipment breakdown, or limited community access, contrary to Section 22 of the Water Act, 2016, which requires water infrastructure to be developed and operated to ensure access to water services.

vi) Idle Public Facilities and Social Infrastructure

Public facilities such as markets, resource centres, rehabilitation centres, and public participation portals remained idle or abandoned due to lack of operational planning and stakeholder engagement, contrary to Section 121 of the Public Finance Management Act, 2012, which requires prudent and efficient use of public resources.

vii) Weak Project Planning and Implementation

The persistence of completed but unused projects indicate weaknesses in project feasibility assessment, planning, and coordination among implementing departments, undermining effective service delivery and accountability. This was contrary to Section 119 of the Public Finance Management Act, 2012, which requires public officers to ensure prudent management of public resources.

4.7 Asset Management in County Executives

The Public Finance Management Act, 2012 and the Public Finance (County Governments) Management Regulations, 2015 provide that each County should maintain and verify the existence of assets controlled by the entity and ensure that there are proper

safeguards for the protection of the assets. The issues highlighted and the number of County Executives affected are summarizes in **Figure 16** below;

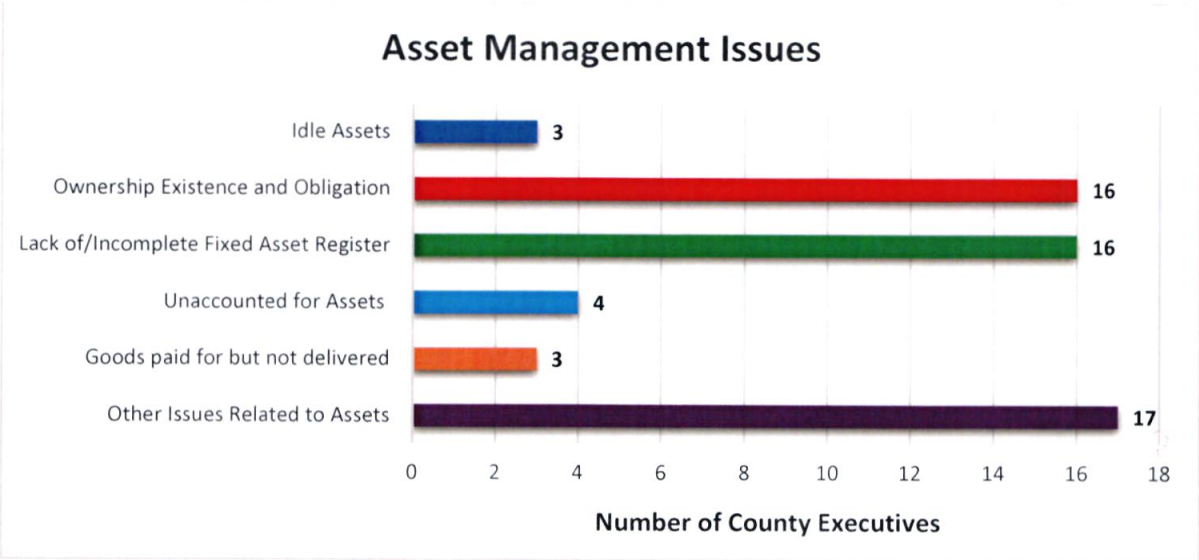


Figure 16: Issues related to Asset Management in the County Executives

4.7.1 Idle Assets

Physical verification conducted during the audit revealed that three (3) County Executives had assets valued at Kshs.954,167,731 which were not in use. The idle assets included network infrastructure, the County e-Government “Elimu ni Pesa” portal and tourism information centres and monuments in Kwale County; dry and unequipped boreholes, and the Wajir County International Abattoir in Wajir County; the Kathambalani Drift and Sump as well as the Makueni Child Protection and Development Centre in Makueni County, all of which had been completed but remained unused or non-operational. The details are in **Table 20** below;

No	County Name	Unutilized Assets	Amounts/Value (Kshs)
1	Kwale County Executive	(i) Installed, configured, and tested network infrastructure in various institutions remain utilized (ii) County e-Government Elimu ni Pesa portal not utilized Idle Tourism Information Centres and Monuments at Shimoni	105,837,100

No	County Name	Unutilized Assets	Amounts/Value (Kshs)
2	Wajir County Executive	(i) Dry and Idle Borehole Kshs.2,771,704 (ii) Unequipped borehole and thus not in use Kshs.3,734,040 (iii) Idle Projects - Kshs.694,916,095 (iv) Unutilized Wajir County International Abattoir Kshs.137,333,600	838,755,439
3	Makueni County Executive	(i) Kathambalani Drift and Sump - Kshs.6,390,017 not operationalized. (ii) Makueni Child Protection and Development Center - Kshs.5,695,175 not in use	9,575,192
	Total		954,167,731

Table 20: Idle Assets in the County Executives

4.7.2 Lack of Ownership Documents

Review of County Executives' records revealed that fifteen (15) County Executives as shown in the table below did not have ownership documents (title deeds), especially for land inherited from the defunct Local Authorities. Additionally, the County Executives lacked logbooks for their motor vehicles and motorcycles as shown in **Table 21** below;

No	County Name	Assets without Ownership Documents
1	Embu County Executive	Lack of Valuation Reports and Ownership Documents
2	Nyandarua County Executive	The County owns two hundred and twelve (212) motor vehicles and one hundred and sixty-two (162) motorcycles. Only ninety-three (93) logbooks for the motor vehicles and forty (40) for the motorcycles were made available.
3	Nyeri County Executive	Lack of Land Ownership Documents
4	Kirinyaga County Executive	A balance of Kshs.28,400,000 as additions to land during the year. However, Management did not provide land ownership documents in respect to the land acquired.

No	County Name	Assets without Ownership Documents
5	Kiambu County Executive	(i) Twenty-five (25) generators did not have ownership documents (ii) Logbooks for two hundred and twenty-five (225) motor vehicles were not provided for audit review. (iii) Lack of Ownership Documents for five (5) Hospital ambulances
6	Uasin Gishu County Executive	(i) Value of land without ownership documents - Kshs.27,550,000 (ii) Ownership on which Aggregated Industrial Park sits was not provided (iii) Lack of Ownership Documentation for Five (5) Level 4 Health Facilities
7	Nandi County Executive	Lack of Land Ownership Documents for two (2) parcels of land
8	Laikipia County Executive	Lack of Assets Ownership Documents
9	Nakuru County Executive	(i) Property, Plant and Equipment without ownership documents (ii) 218 motor vehicles and 878 parcels of land and encroachment on ten (10) parcels of land by illegal and private developers. (iii) Community Boreholes Sunk on Land with Doubtful Ownership
10	Kericho County Executive	Lack of title deed for purchase of land in Kapsur Ward Kshs.4,851,724
11	Bomet County Executive	(i) Lack of Ownership Documents for Construction of ECDE Center (ii) Grounded Motor Vehicles and Unserviceable Equipment
12	Bungoma County Executive	Lack of Ownership Documents for the Construction of Ngoli Vocational Training Centre
12	Kisumu County Executive	Title deed to a ten (10) acre piece of land not provided

No	County Name	Assets without Ownership Documents
14	Homa Bay County Executive	Value of motor vehicles without ownership document included in property plant and equipment
15	Nairobi City County Executive	Ownership documents for land and motor vehicles not provided

Table 21: County Executives that Lack Ownership Documents

4.7.3 Failure to Maintain Fixed Assets Registers

Review of records revealed that eighteen (18) County Executives did not maintain or update their fixed assets registers as shown in **Table 22** below;

No	County Name	No	County Name
1	Mombasa County Executive	10	Baringo County Executive
2	Kwale County Executive	11	Laikipia County Executive
3	Mandera County Executive	12	Nakuru County Executive
4	Embu County Executive	13	Narok County Executive
5	Kitui County Executive	14	Bungoma County Executive
6	Nyandarua County Executive	15	Busia County Executive
7	Kiambu County Executive	16	Kisumu County Executive
8	Uasin Gishu County Executive	17	Nairobi City County Executive
9	Elgeyo/Marakwet County Executive	18	Baringo County Executive

Table 22: County Executives that Lacked a Fixed Assets Register

Some assets registers had not been updated to include assets inherited from the defunct local authorities while others had not updated the additional assets acquired during the year.

4.7.4 Undisclosed Assets

The Management of two (2) County Executives, that is, Nyeri and Busia, did not disclose assets in their financial statements amounting to Kshs.112,048,970 despite evidence of their existence. The undisclosed assets include work in progress under property, plant and equipment amounting to Kshs.93,164,980 in Nyeri County Executive and land balances amounting to Kshs.18,883,990 in Busia County Executive relating to the purchase of twelve (12) parcels of land for the construction of dispensaries, playgrounds, and vocational training centres.

This omission was contrary to the provisions of IPSAS 17, which require the recognition and disclosure of property, plant, and equipment to ensure that users of financial statements can accurately assess an entity's investment in such assets and track changes over time.

4.7.5 Other Issues Related to Assets

During the year under review, seventeen (17) County Executives reported various weaknesses in asset management relating to tagging, maintenance, insurance, disposal, and safeguarding of county assets. The issues included failure to tag and track assets, grounded and unserviceable motor vehicles, lack of asset disposal plans, weak inventory management systems, irregular insurance of non-operational vehicles, and idle or deteriorating equipment, exposing public assets to risks of loss, misuse, deterioration, and inaccurate reporting in the financial statements.

The key issues observed included:

(i) Failure to Tag and Track Assets

Several County Executives had not tagged fixed and movable assets such as ICT equipment, making it difficult to trace and safeguard county assets.

(ii) Grounded and Unserviceable Vehicles

A large number of county government vehicles and motorcycles remained grounded, unserviceable, or non-functional without adequate justification or plans for repair and operationalization.

(iii) Lack of Disposal Plans for Obsolete Assets

Some counties retained obsolete and unserviceable assets, including vehicles and equipment, without preparing annual asset disposal plans, leading to continued deterioration of the assets.

(iv) Weak Asset Management Systems and Structures

In some counties, asset management units had not been established or inventory management systems were lacking, weakening oversight and control over county assets.

(v) Irregular Insurance of Vehicles

Instances were noted where non-operational vehicles were insured, vehicles without proper registration details were included in insurance covers, or duplicate insurance was effected on the same vehicles.

(vi) Idle and Deteriorating Equipment

Some equipment and machinery remained idle or unused for extended periods and were deteriorating due to lack of maintenance or operational planning.

(vii) Failure to Safeguard and Maintain County Assets

Weak controls over custody, maintenance, and safeguarding of assets exposed public resources to risks of loss, misuse, or deterioration.

4.8 Human Resource Management

4.8.1 Staff Salary Payments Outside Integrated Payroll and Personnel Database

Review of County Executive records revealed that salaries amounting to Kshs.2,364,521,150 across fourteen (14) County Executives were processed manually, circumventing the Integrated Personnel Payroll Data (IPPD) system, as outlined in Appendix 28 and summarized in **Table 23** below;

No	County Name	Amount (Kshs)
1	Mandera County Executive	30,342,500
2	Marsabit County Executive	88,545,699
3	Kitui County Executive	4,599,266
4	Nyandarua County Executive	93,005,874
5	Nyeri County Executive	19,213,386
6	Kiambu County Executive	288,055,645
7	Samburu County Executive	59,395,509
8	Uasin Gishu County Executive	313,987,992
9	Elgeyo/Marakwet County Executive	230,406,186
10	Nandi County Executive	155,541,525
11	Nakuru County Executive	286,945,211
12	Narok County Executive	17,040,129
13	Busia County Executive	110,473,909
14	Nairobi City County Executive	666,968,319
	Total	2,364,521,150

Table 23: Salaries made outside IPPD in the County Executives

The Nairobi City County Executive and Uasin Gishu County Executive recorded the highest manual payments of Kshs.666,968,319 and Kshs.313,987,992, respectively. This violates the provisions of the National Treasury Circular No.13/2019, dated 28 August 2019, which mandates that all personnel emoluments be processed through the

IPPD system and which requires entities to substantiate personnel expenditures with appropriate documentation.

4.8.2 Irregular Engagement of Casuals

Review of casual payrolls across the County Executives revealed that twelve (12) County Executives paid casual employees a total of Kshs.834,504,752 despite these employees having worked continuously for over three (3) months without a break as detailed in **Table 24**.

No	County Name	No. of Casuals	Amount (Kshs)
1	Garissa County Executive	273	37,572,000
2	Tharaka-Nithi County Executive	649	17,314,500
3	Embu County Executive	442	94,621,495
4	Nyandarua County Executive	20	1,792,800
5	Kiambu County Executive	1180	337,753,763
6	Elgeyo/Marakwet County Executive	13	-
7	Baringo County Executive	Not Indicated	94,621,495
8	Kajiado County Executive	Not Indicated	9,650,000
9	Bomet County Executive	Not Indicated	119,081,002
10	Busia County Executive	2357	41,698,236
11	Migori County Executive	677	-
12	Kirinyaga County Executive	928	80,399,461
	Total	6539	834,504,752

Table 24: County Executives with Casuals beyond Three (3) Months

This contravenes Section 37(1)(b) of the Employment Act, 2007, which stipulates that if a casual employee works uninterrupted for more than three months, their contract shall be recognized as one with monthly wages, subject to Section 35(1)(c) of the Act. Consequently, the County Executives are exposed to potential litigation for non-compliance with lawful employment terms.

4.8.3 Weak Human Resource Planning and Staff Establishment Management

During the year under review, analysis of records revealed that seventeen (17) County Executives had weaknesses in human resource planning and staff establishment management as shown in **Table 25** below;

No	County Name	No	County Name
1	Kilifi County Executive	10	Vihiga County Executive
2	Garissa County Executive	11	Bungoma County Executive
3	Nyandarua County Executive	12	Busia County Executive
4	Nyeri County Executive	13	Siaya County Executive
5	Kirinyaga County Executive	14	Kisumu County Executive
6	West Pokot County Executive	15	Migori County Executive
7	Samburu County Executive	16	Nyamira County Executive
8	Elgeyo/Marakwet County Executive	17	Nakuru County Executive
9	Nairobi City County Executive		

Table 25: County Executives with Weaknesses in Human Resource Planning and Staff Establishment Management

The weaknesses included lack of approved staff establishments, absence of structured workforce planning frameworks, and non-alignment between payroll records and approved staffing structures. In some instances, the number of employees appearing in the payroll exceeded the approved staff establishment, while in other cases counties operated without approved staffing structures to guide workforce management.

Further review revealed that Nyeri, Kisumu and Elgeyo/Marakwet County Executives had discrepancies between payroll records such as the Integrated Personnel and Payroll Database (IPPD) and approved staff establishment records.

These weaknesses indicate inadequate workforce planning and weak oversight in human resource management, contrary to Section 59(1)(d) of the County Governments Act, 2012, which mandates County Public Service Boards to develop human resource management and development policies, plans and strategies.

4.8.4 Non-Compliance with Employment Requirements for Persons with Disabilities

Review of records revealed that eleven (11) County Executives did not comply with the statutory requirement on employment of persons with disabilities as shown in Table 26 below;

No	County Name	Percentage of Persons with Disabilities
1	Bomet County Executive	1%
2	Homa Bay County Executive	1%
3	Migori County Executive	1.5%
4	Nyamira County Executive	1.1%

No	County Name	Percentage of Persons with Disabilities
5	Taita/Taveta County Executive	0.3%
6	Nyandarua County Executive	1%
7	Turkana County Executive	3%
8	Trans Nzoia County Executive	1%
9	Bungoma County Executive	1.26%
10	Kisumu County Executive	1.4%
11	Nairobi City County Executive	1%

Table 26: County Executives with Non-Compliance on Employment of Persons with Disabilities

The counties reported representation of persons with disabilities significantly below the statutory threshold of five percent (5%) of the total workforce, with the proportion of employees with disabilities ranging between 1% and 1.5%.

These weaknesses indicate non-compliance with statutory employment requirements and weak oversight in the implementation of inclusive employment policies, contrary to Section 15(2) of the Persons with Disabilities Act, 2025, which requires public entities to reserve at least five percent (5%) of employment opportunities for persons with disabilities.

4.8.5 Non-Compliance with the Law on Mandatory Retirement Age

An analysis of IPPD records across County Executives revealed that six (6) County Executives had retained a total of one hundred and fifty-seven (157) employees above the mandatory retirement age of 60 or 65 for PWDs as outlined in **Table 27** below;

No	County Name	Number of Employees Retained Beyond Retirement Age
1	Garissa County Executive	5
2	Isiolo County Executive	33
3	Embu County Executive	76
4	Nyeri County Executive	15
5	Migori County Executive	26
6	Nyamira County Executive	2
	Total	157

Table 27: Non-Compliance with Law on Mandatory Retirement in County Executives

This is contrary to Regulation 70(1)(a) of the Public Service Commission Regulations, 2020 and Section D.21 of the Human Resource Policies and Procedures Manual for the Public Service, 2016. This failure to enforce retirement was in breach of the law.

4.8.6 Irregular Recruitment Practices

Review of records revealed that nine (9) County Executives had weaknesses in recruitment and engagement of staff as shown in **Table 28** below;

No	County Name	Number of Officers Irregularly Recruited
1	Tharaka-Nithi County Executive	32
2	Kiambu County Executive	3,068
3	Bomet County Executive	47
4	Nyamira County Executive	Not indicated
5	Mandera County Executive	383
6	Nairobi City County Executive	1075
7	Bungoma County Executive	642
8	Vihiga County Executive	289
9	Siaya County Executive	608

Table 28: County Executives with Irregular Recruitment Practices

The weaknesses included recruitment of employees without approval of the County Public Service Board, engagement of staff without documented recruitment processes, recruitment without reference to approved staff establishments, and irregular engagement of casual and contractual staff.

Further, review revealed that Tharaka-Nithi County Executive engaged thirty-two (32) employees without approval of the County Public Service Board and supporting recruitment documentation such as advertisements, shortlisting records, interview reports and selection reports were not provided for audit review. In Kiambu County Executive, 3,068 Community Health Workers were irregularly engaged without adhering to the established recruitment procedures. Similarly, Bomet County Executive reported irregular recruitment of forty-seven (47) officers, while Nairobi City County Executive recruited 1,075 employees without approved recruitment procedures. In addition, Mandera County Executive engaged 383 National Police Reservists as casual employees without documented recruitment procedures, Bungoma County Executive recruited 642 employees without reference to approved staff establishments, Vihiga County Executive recruited 289 employees without an approved recruitment plan, and Siaya County

Executive engaged 608 employees without recruitment records. In Nyamira County Executive, irregularities in recruitment processes were also reported.

These weaknesses indicate non-compliance with established public service recruitment procedures and weak oversight in human resource management, contrary to Section 59(1)(b) and Section 65(1)(a) of the County Governments Act, 2012, which require appointments to the county public service to be conducted through the County Public Service Board in a competitive and transparent manner.

4.8.7 Irregular Acting Appointments Beyond the Prescribed Period

Review of records revealed that four (4) County Executives had officers serving in acting capacities beyond the prescribed period of six (6) months. Acting appointments are intended to be temporary measures pending the substantive filling of positions; however, prolonged acting appointments may undermine accountability and proper functioning of county departments.

Elgeyo/Marakwet County Executive had seven (7) senior officials serving in acting capacities beyond the stipulated six (6) months, while Homa Bay County Executive had nine (9) officers serving in acting capacities beyond the prescribed period. Similarly, Nandi County Executive reported officers receiving acting allowance for durations exceeding the stipulated period, while Kericho County Executive had one officer serving in acting capacity beyond six months.

These weaknesses indicate non-compliance with established human resource management procedures governing acting appointments, contrary to Paragraph C.14(1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016, which provide that acting appointments should not exceed six (6) months unless under exceptional circumstances.

4.8.8 Weak Payroll and Human Resource Information Systems Controls

Review of records revealed that six (6) County Executives had weaknesses in payroll management and human resource information systems controls. The weaknesses included maintenance of multiple payroll systems, discrepancies between payroll records and staff lists, employees appearing in payroll systems without supporting documentation, and inconsistencies between IPPD and employee records.

Mandera County Executive maintained two (2) separate payroll systems, while Nyeri County Executive reported non-alignment between IPPD and the approved staff establishment. Similarly, Elgeyo/Marakwet County Executive reported discrepancies

between the IPPD system and employee lists provided by Departments. In Siaya County Executive, several employees appeared in payroll records without staff numbers and supporting appointment documents, while Kisumu County Executive reported discrepancies between IPPD payroll records and staff lists provided by departments. In Samburu County Executive, integrity issues were noted between IPPD records and manual payroll records maintained by the county.

These weaknesses indicate weak payroll management controls and poor integrity of human resource information systems, which may expose public funds to risks of payroll fraud, irregular payments, and inaccurate reporting of compensation of employees.

4.8.9 Weak Human Resource Governance Frameworks

Review of records revealed that six (6) County Executives, that is, Meru, Busia, Siaya, Nyamira, Kisumu and Nandi lacked key human resource governance frameworks necessary to support effective workforce management. The weaknesses included absence of approved training policies, lack of annual training plans, failure to conduct training needs assessments, and absence of skills inventories necessary to guide staff development and succession planning. The absence of these frameworks limits the ability of county governments to systematically develop staff capacity, identify competency gaps, and implement structured career progression programmes, which may adversely affect workforce planning and service delivery.

These weaknesses indicate inadequate human resource governance and weak oversight in staff development and capacity building, contrary to Section 59(1)(d) of the County Governments Act, 2012, which mandates the County Public Service Board to develop human resource management and development policies, plans and strategies for the county public service, and Section B.5(1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016, which requires public entities to develop and implement training and development policies and plans based on identified training

4.8.10 Other Issues Related to Human Resource Management

Other human resource management issues were noted in a few County Executives as outlined below;

i) Employees Serving on Probation for Excessively Long Periods

Review of Human Resource records revealed that Busia, Meru and Bungoma County Executives had employees serving on probation for periods beyond the stipulated duration prescribed under public service regulations, in some cases extending for several years without confirmation to permanent and pensionable terms. This was contrary to Section B.19(1) of the Human Resource Policies and

Procedures Manual for the Public Service, 2016, which provides that an officer shall be appointed on probation for a period of six (6) months, which may only be extended for a further period not exceeding six (6) months.

ii) **Underpayment of Employees Below the Prescribed Minimum Wage**

Review of Human Resource records revealed that Homa Bay and Isiolo County Executives reported cases where employees were paid below the prescribed minimum wage. This was contrary to Section 48(1) of the Labour Institutions Act, 2007 and the Regulation of Wages (General) Order, which prescribe the minimum wages payable to employees and prohibit payment of wages below the stipulated minimum levels.

4.9 Internal Controls and Governance

As required by Section 7(1)(a) of the Public Audit Act, 2015, the Office conducted and performed audit procedures to confirm whether the internal controls, risk management and overall governance structures were effective.

The graph below indicates the major issues identified and the number of counties affected as summarized in **Figure 17** below;

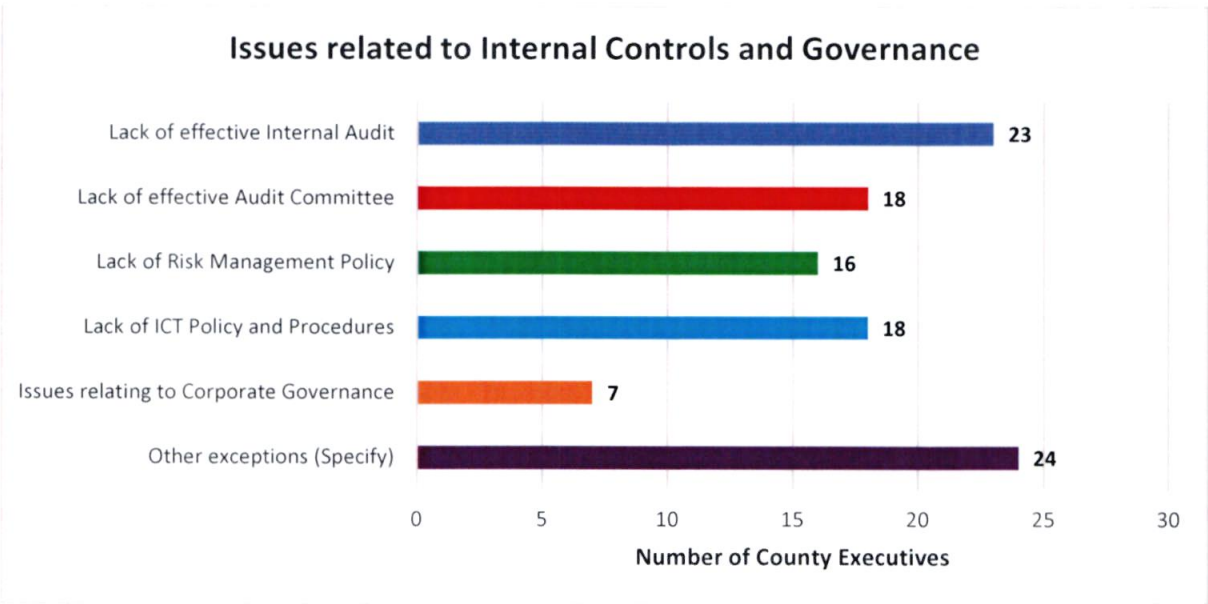


Figure 17: Issues related to Internal Controls and Governance in County Executives

4.9.1 Audit Committee Compliance Gaps

During the year under review, seventeen (17) County Executives exhibited weaknesses in the establishment and functioning of Audit Committees as shown in **Table 29** below;

No	County Executive	No	County Executive
1	Kilifi County Executive	10	Narok County Executive
2	Garissa County Executive	11	Kericho County Executive
3	Marsabit County Executive	12	Vihiga County Executive
4	Isiolo County Executive	13	Bungoma County Executive
5	Kirinyaga County Executive	14	Busia County Executive
6	Kiambu County Executive	15	Kisii County Executive
7	Uasin Gishu County Executive	16	Nyamira County Executive
8	Elgeyo/Marakwet County Executive	17	Kajiado County Executive
9	Baringo County Executive		

Table 29: County Executives with Audit Committee Compliance Gaps

Notable weaknesses included the following;

i) Lack of an Established Audit Committee

The audit revealed that five (5) County Executives, namely; Garissa, Isiolo, Kericho, Kajiado and Kisii, had not established functional audit committees during the year under review. This was contrary to Section 155(5) of the Public Finance Management Act, 2012 and Regulation 167(1) of the Public Finance Management (County Governments) Regulations, 2015, which require every county government entity to establish an Audit Committee to provide oversight on financial reporting, internal controls and risk management. Lack of audit committees weakens governance structures and limits oversight of financial management processes.

ii) Non-Functional or Incomplete Audit Committees

The audit revealed that five (5) County Executives, namely; Marsabit, Kiambu, Uasin Gishu, Elgeyo/Marakwet and Baringo, had audit committees that were either not fully constituted or operating with deficiencies that limited their effectiveness. Issues noted included incomplete committee membership, lack of diversity of skills among members, and deficiencies in committee operations, thereby limiting their ability to discharge their oversight mandate effectively.

iii) Failure to Hold Audit Committee Meetings

The audit further revealed that three (3) County Executives, namely; Kirinyaga, Nyamira and Narok, did not provide evidence that their audit committees held meetings during the year under review. This was contrary to Regulation 172(1) of the Public Finance Management (County Governments) Regulations, 2015, which requires audit committees to meet regularly to review financial operations, internal control systems and implementation of audit recommendations.

iv) Weak Oversight of Internal Audit Functions

The audit revealed that three (3) County Executives, namely; Kilifi, Homa Bay and Busia, demonstrated weaknesses in oversight of internal audit functions. Issues noted included failure to conduct annual reviews of the independence, performance and competency of the internal audit unit and failure by the audit committee to conduct an annual self-assessment to evaluate its performance against its mandate, roles, duties and responsibilities. These weaknesses undermine the effectiveness of internal audit as a key accountability and governance mechanism.

v) Failure to Follow Up on Audit Recommendations

The audit further revealed that three (3) County Executive, namely; Kilifi, Bungoma and Vihiga, did not take action on issues raised by internal and external auditors or failed to ensure implementation of internal audit recommendations. This was contrary to Regulation 172(2) of the Public Finance Management (County Governments) Regulations, 2015, which requires audit committees to review audit findings and monitor implementation of corrective actions.

4.9.2 Ineffective Internal Audit Functions

Review of the Internal Audit Function across County Executives revealed that twenty-three (23) County Executives had weaknesses in the establishment and functioning of Internal Audit Units. The weaknesses included understaffing of internal audit departments, lack of internal audit reports, absence of approved internal audit plans and charters, failure to implement internal audit recommendations and weak operational capacity of internal audit functions, contrary to Section 155 of the Public Finance Management Act, 2012 and Regulation 155 of the Public Finance Management (County Governments) Regulations, 2015, which require county governments to establish and maintain effective internal audit arrangements to evaluate internal controls, risk management and governance processes. Issues noted were as follows:

(i) Understaffing of Internal Audit Units

The audit revealed that eight (8) County Executives, namely; Kilifi, Isiolo, Makueni, Murang'a, West Pokot, Uasin Gishu, Kericho and Kisumu, had internal audit units that were significantly understaffed compared to their approved staff establishments. In some instances, only a few officers were in position despite large approved staff establishments, limiting the ability of the units to effectively execute audit work plans and provide adequate oversight over internal control systems. This was contrary to Regulation 155(1)(a) of the Public Finance Management (County Governments) Regulations, 2015, which requires

accounting officers to ensure internal audit units are adequately staffed and resourced to effectively perform their functions.

(ii) Absence of Internal Audit Reports

The audit revealed that two (2) County Executives, namely; Garissa and Kirinyaga, did not provide internal audit reports for the financial year under review. This raises concerns as to whether internal audit activities were conducted during the period and limits management's ability to identify and address control weaknesses. This was contrary to Section 155(2) of the Public Finance Management Act, 2012, which requires internal auditors to prepare periodic audit reports to inform management and oversight bodies on the effectiveness of internal control systems.

(iii) Lack of Approved Internal Audit Plans and Governance Frameworks

The audit revealed that five (5) County Executives, namely; Kirinyaga, Nandi, Narok, Kericho and Kajiado, operated internal audit units without key governance documents such as approved internal audit charters, annual internal audit work plans and risk management reports to guide audit operations. This was contrary to Regulation 155(2) of the Public Finance Management (County Governments) Regulations, 2015, which requires internal audit units to operate based on approved internal audit plans and frameworks.

(iv) Failure to Implement Internal Audit Recommendations

The audit revealed that two (2) County Executives, namely; Isiolo and Busia, did not implement internal audit recommendations issued during the year under review. Failure by Management to address issues raised by internal auditors weakens internal control systems and increases the risk of recurrence of financial irregularities. This was contrary to Section 149(1)(a) of the Public Finance Management Act, 2012, which requires accounting officers to ensure effective internal controls and take corrective action on identified weaknesses.

(v) Weak Operational Capacity of Internal Audit Functions

The audit further revealed that seven (7) County Executives, namely; Kiambu, Samburu, Elgeyo/Marakwet, Baringo, Siaya, Nyamira and Wajir, had internal audit functions that were ineffective due to weak operational structures, lack of structured audit activities and inadequate institutional support to carry out internal audit functions. This undermines the ability of the internal audit to provide independent assurance on risk management and internal control processes as required under Section 155 of the Public Finance Management Act, 2012.

4.9.3 Lack of Risk Management Policies

Review of records and processes revealed that sixteen (16) County Executives lacked Risk Management Policy. This was contrary to the requirements of the Public Finance Management Act, 2012 and the Public Finance Management Regulations, 2015. Further, Section 155(1)(a) of the Public Finance Management Act, 2012 mandates public entities to establish risk management and internal control systems. However, several County Executives failed to establish the same as shown in **Table 30** below;

No	County Name	No	County Name
1	Kilifi County Executive	9	Nandi County Executive
2	Taita/Taveta County Executive	10	Narok County Executive
3	Marsabit County Executive	11	Kajiado County Executive
4	Kirinyaga County Executive	12	Kericho County Executive
5	Murang'a County Executive	13	Bomet County Executive
6	Kiambu County Executive	14	Vihiga County Executive
7	Turkana County Executive	15	Busia County Executive
8	Samburu County Executive	16	Migori County Executive

Table 30: Lack of a Risk Management Policy in County Executives

In addition, Regulation 158(1)(a) of the PFM Regulations, 2015, obligates counties to develop and maintain a risk management framework to assess and mitigate financial and operational risks. The absence of the policies exposes counties to financial mismanagement, fraud, inefficiencies, and operational vulnerabilities, ultimately undermining effective service delivery and public resource protection.

4.9.4 Lack of Effective Internal Oversight Mechanisms

During the year under review, eighteen (18) County Executives had weaknesses in the establishment and implementation of Information and Communication Technology (ICT) governance frameworks and internal controls as shown in **Table 31** below;

No	County Name	No	County Name
1	Mombasa County Executive	10	Elgeyo/Marakwet County Executive
2	Taita/Taveta County Executive	11	Laikipia County Executive
3	Marsabit County Executive	12	Narok County Executive
4	Isiolo County Executive	13	Kajiado County Executive
5	Makueni County Executive	14	Kakamega County Executive
6	Murang'a County Executive	15	Bungoma County Executive
7	Kiambu County Executive	16	Siaya County Executive

No	County Name
8	Trans Nzoia County Executive
9	Uasin Gishu County Executive

No	County Name
17	Migori County Executive
18	Kisii County Executive

Table 31: Lack of ICP Policies in County Executives

The weaknesses included lack of approved ICT policies and governance frameworks, weak ICT governance structures, inadequate ICT security controls, lack of business continuity and disaster recovery arrangements, and weak ICT internal control environments. These weaknesses undermine the ability of county executives to effectively manage ICT resources and safeguard information systems supporting financial management and service delivery. This was contrary to Section 68(1)(e) of the Public Finance Management Act, 2012, which requires accounting officers to ensure proper management and control of information systems, and Regulation 158 of the Public Finance Management (County Governments) Regulations, 2015, which requires accounting officers to maintain effective internal control systems including ICT controls.

5.0 SUMMARY OF MATERIAL OBSERVATIONS - COUNTY ASSEMBLIES

5.1 Summary of Systemic Issues

The audit of the County Assembly financial statements for the 2024/2025 period revealed systemic issues mirroring those observed in County Executives. Key concerns include inaccuracies in financial reporting, insufficient supporting documentation, value-for-money deficiencies in the use of public resources, unresolved bills, and broader governance and compliance challenges. Consequently, the effectiveness of public resource management remains compromised.

While there was a marginal improvement from the previous year, where eight (8) out of forty-seven (47) County Assemblies, representing 17%, achieved unmodified opinions, to the current financial year in which nine (9) out of forty-seven (47) County Assemblies, representing 19%, attained unmodified opinions, the overall performance remains largely unchanged and below expectation. A summary of the issues observed across the County Assemblies under each thematic area is illustrated in **Figure 18** below;

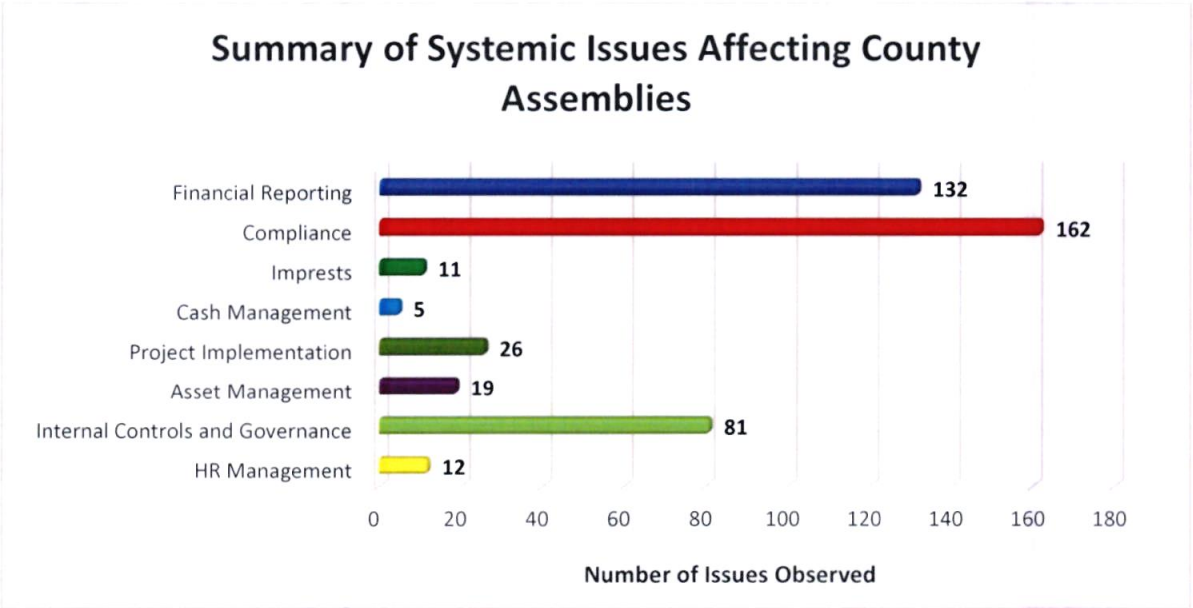


Figure 18: Systemic Issues Affecting County Assemblies

As recommended earlier in the section on systemic issues affecting the County Executives, the Accounting Officers of County Assemblies need to identify the root causes of the systemic issues and implement focused and relevant interventions to enhance transparency, accountability and good governance in the management of public resources.

The sections that follow provide further analysis of critical issues observed in the County Assemblies.

5.2 Presentation of Financial Statements

The transition from the IPSAS Cash-Basis Accounting Framework to the IPSAS Accrual-Basis Accounting Framework has been accompanied by emerging challenges in financial reporting within the County Assemblies.

The primary indicator of these challenges is the significant increase in issues relating to the presentation and disclosure of financial statements, which rose from five (5) County Assemblies in the 2023/2024 financial year to seventeen (17) County Assemblies in the year under review. Consistent with this trend, inaccuracies in financial statements increased from nine (9) to thirteen (13) County Assemblies, while voided transactions rose from seven (7) to fourteen (14) County Assemblies. Although unsupported expenditure declined marginally from twenty (20) to eighteen (18) County Assemblies, the audit also identified instances of misclassification of expenditure. These developments indicate the need for enhanced capacity building, strengthened controls, and closer oversight to improve compliance with accrual-based reporting requirements and the overall quality of financial statements.

During the year under review the following issues were noted and the number of counties affected as illustrated in the graph;

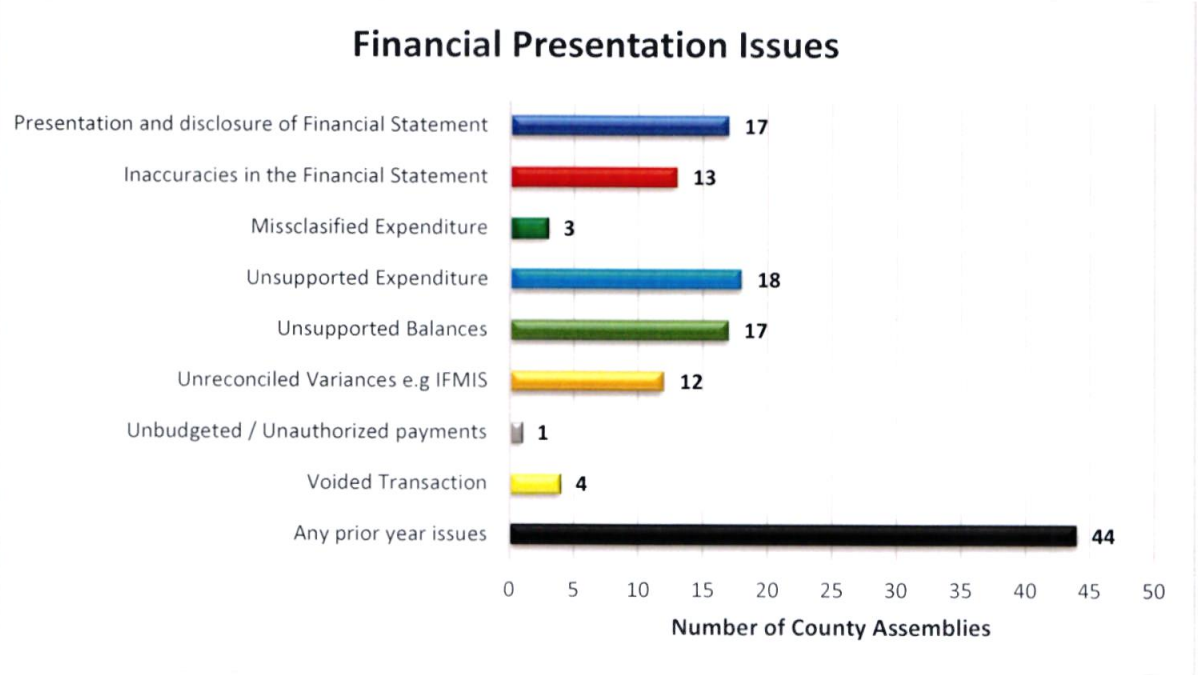


Figure 19: Issues related to the Presentation of Financial Statements in County Assemblies

5.2.1 Presentation and Disclosure in the Financial Statements

During the year under review, the audit identified deficiencies in the presentation and disclosure of financial statements across seventeen (17) County Assemblies as shown in Table 32 below;

No	County Name	No	County Name
1	Kilifi County	10	Nandi County Assembly
2	Lamu County Assembly	11	Baringo County Assembly
3	Mandera County Assembly	12	Nakuru County Assembly
4	Marsabit County Assembly	13	Narok County Assembly
5	Nyandarua County Assembly	14	Vihiga County Assembly
6	Nyeri County Assembly	15	Siaya County Assembly
7	Murang'a County Assembly	16	Kisumu County Assembly
8	West Pokot County Assembly	17	Kisii County Assembly
9	Elgeyo/Marakwet County Assembly		

Table 32: County Assemblies with Presentation and Disclosure matters in the Financial Statements

The deficiencies mainly related to non-compliance with Transitional IPSAS reporting requirements, which was noted in eleven (11) County Assemblies, namely Kilifi, Lamu, Mandera, Nyandarua, Elgeyo/Marakwet, Vihiga, Siaya, Kisumu, Baringo, Murang'a, West Pokot, Nakuru and Kisii.

Further weaknesses were identified in the disclosure of contingent liabilities in two (2) County Assemblies, as a result of failure to disclose contingent liabilities arising from ongoing court cases in Marsabit County Assembly and unsupported disclosure of contingent liabilities amounting to Kshs.17,500,000 in Nyeri County Assembly.

In addition, non-disclosure of deferred income amounting to Kshs.56,027,772 was noted in Nandi County Assembly, while failure to disclose prior-year balances of Property, Plant and Equipment amounting to Kshs.27,004,466 was observed in Baringo County Assembly. The audit further identified failure to disclose material uncertainties relating to the sustainability of services in two (2) County Assemblies, namely Nakuru County Assembly, which had negative working capital of Kshs.71,873,609, and Narok County Assembly, where undisclosed sustainability-related uncertainties amounted to Kshs.19,297,138. These deficiencies have affected the completeness and reliability of the financial statements.

5.2.2 Misclassification of Expenditure Accounts

Review of the financial statements revealed misclassification of expenditure totalling Kshs.28,118,740 in three (3) County Assemblies as shown in **Table 33** below;

No	County Name	Amount (Kshs)
1	Makueni County Assembly	4,785,096
2	Uasin Gishu County Assembly	14,488,444
3	Siaya County Assembly	8,845,200
	TOTAL	28,118,740

Table 33: Misclassification of Expenditure in County Assemblies

In Makueni County Assembly, expenditure amounting to Kshs.4,785,096 relating to training activities was incorrectly charged under hospitality expenses. Uasin Gishu County Assembly recorded misclassified expenditure amounting to Kshs.14,488,444, while Siaya County Assembly misclassified expenditure amounting to Kshs.8,845,200, where ward and general office operations were erroneously charged to compensation of employees. These discrepancies highlight significant weaknesses in financial reporting and internal controls.

5.2.3 Inaccuracies in the Financial Statements

Review of the financial statements revealed instances of inaccuracies amounting to Kshs.1,709,098,824 in thirteen (13) County Assemblies as detailed in **Table 34** below;

No	County Name	Inaccuracies Noted	Amount (Kshs)
1	Kilifi	Misstatement of accumulated surplus and net cash flows from operating activities	727,105,646
2	Lamu	Inaccuracies in transfers from County Revenue Fund and unsupported PPE balances	16,011,084
3	Nyandarua	Inaccuracies in PPE balances and disclosure of intangible assets	24,755,117
4	Kirinyaga	Expenditure incurred after the end of the financial year	47,884,104

No	County Name	Inaccuracies Noted	Amount (Kshs)
5	Turkana	Non-recognition of prepaid staff medical insurance and inaccurate opening cash balance	70,555,000
6	Samburu	Unreconciled variances in cash balances, trade payables, and budget comparison statements	16,768,812
7	Nandi	Inaccuracies in transfers from County Government entities and misstatement of Property, Plant and Equipment	46,328,256
8	Baringo	Non-charging of depreciation on Property, Plant and Equipment	
9	Laikipia	Inaccuracies in statement of financial position balances, cash flows, and related disclosures	17,147,590
10	Narok	Inconsistencies in credit reserve balances between statements	1,395,562
11	Bomet	Inaccuracies in refundable deposits and prepayments and unsupported Property, Plant and Equipment balances	37,610,242
12	Bungoma	Inaccuracies in Statement of Cash Flows under operating and financing activities	474,971
13	Nairobi	Unreconciled variances in cash flows, Property, Plant and Equipment, intangible assets, and comparative balances	703,062,440
Total			1,709,098,824

Table 34: County Assemblies with Inaccuracies in the Financial Statements

The inaccuracies affected various components of the financial statements, as outlined below;

i) Statements of Financial Position

Inaccuracies in the statements of financial position were noted in nine (9) County Assemblies, relating to misstatement of accumulated surplus and net assets, inaccurate or unsupported balances of property, plant and equipment, inconsistencies in trade and other payables, and unexplained variances between current and comparative balances. For instance, in Kilifi County Assembly, accumulated surplus brought forward was misstated by Kshs.710,500,784.

ii) Statements of Financial Performance

Inaccuracies in the statements of financial performance were identified in four (4) County Assemblies, mainly involving misclassification of expenditure, non-recognition of prepaid expenses, recognition of expenditure incurred after the end of the financial year, and non-charging of depreciation. In Turkana County Assembly, for instance, prepaid staff medical insurance expenses amounting to Kshs.53,500,000 were not recognized.

iii) Statements of Cash Flows

Inaccuracies in the statements of cash flows were noted in six (6) County Assemblies, including misstatement of net cash flows from operating activities and unreconciled variances between cash balances reported in the statements of financial position and those reported in the statements of cash flows. For instance, in Nairobi County Assembly, an unexplained variance of Kshs.79,790,958 was reported under net cash flows from operating activities.

iv) Statement of Comparison of Budget and Actual Amounts

The audit noted an unexplained variance in the statement of comparison of budget and actual amounts in Samburu County Assembly, arising from a recast of budget payments, which resulted in a variance of Kshs.124,300.

v) Notes to the Financial Statements

Deficiencies in the notes to the financial statements were identified in six (6) County Assemblies, where disclosures did not agree with balances reported in the primary financial statements. In Nyandarua County Assembly, for instance, the statement of financial position reflected a nil balance for intangible assets while the notes disclosed intangible assets amounting to Kshs.13,477,756.

The identified inaccuracies across the financial statements affected the accuracy, completeness, and reliability of the financial statements presented by the County Assemblies.

5.2.4 Unsupported Expenditure

Review of the financial statements identified instances of unsupported expenditure amounting to Kshs.1,333,619,230 in eighteen (18) County Assemblies as detailed in **Appendix 26**. The unsupported expenditure arose from payments made without sufficient documentation to support the validity, purpose, or eligibility of the expenditures incurred which covered a wide range of spending areas, including allowances, domestic and foreign travel and subsistence, hospitality, public participation activities, routine maintenance, insurance cover, legal and compensation payments, acquisition of assets, and other operating expenses.

For instance, Nairobi County Assembly recorded unsupported expenditure amounting to Kshs.303,623,376, relating to an unexplained impairment allowance, representing the highest single instance of unsupported expenditure noted during the year under review.

In some cases, the unsupported expenditure related to cash payments made without adequate supporting vouchers, refundable deposits and prepayments that were not supported by contracts or reconciliations, and amounts charged to property, plant and equipment without evidence of acquisition, valuation, or confirmation of ownership. For example, in Isiolo County Assembly, recorded unsupported cash payments amounting to Kshs.38,332,500 which were made to the County Assembly account without adequate supporting documentation, which underscore significant deficiencies in financial documentation and controls.

5.2.5 Unreconciled Variances

During the year under review, the audit identified unreconciled variances totalling Kshs.14,455,894,403 in twelve (12) County Assemblies as detailed in **Appendix 27**. The variances were primarily attributable to differences between balances reported in the financial statements and corresponding records maintained in the Integrated Financial Management Information System (IFMIS) and other supporting systems, including IPPD, internet banking platforms, payment detail reports, and subsidiary ledgers. The affected balances related to employee costs, transfers between County Revenue Funds and County Assemblies, supplier payments, travel and subsistence expenditure, legal fees, and other transactional items, pointing to weaknesses in timely reconciliations and system alignment.

For instance, Kisii County Assembly recorded unreconciled variances amounting to Kshs.12,929,793,123 between the financial statements and the IFMIS trial balance, representing the most significant unreconciled variance noted during the year under review. These discrepancies significantly undermine the accuracy of financial reporting and reveal major weaknesses in financial management.

5.2.6 Unsupported Balances

During the year under review, the audit revealed instances of unsupported balances amounting to Kshs.3,176,372,020 in seventeen (17) County Assemblies as detailed in **Appendix 28**. The unsupported balances arose where amounts reported in the statements of financial position could not be adequately supported by underlying schedules, confirmations, reconciliations, or other relevant documentation. The affected balances mainly related to property, plant and equipment, trade and other payables, refundable deposits and prepayments, inventories, receivables, capital funds, work in progress, and opening balances, indicating weaknesses in balance verification, record maintenance, and year-end closure processes.

For instance, Migori County Assembly reported unsupported balances amounting to Kshs.737,000,544, comprising unsupported adjustments to liabilities opening balances, unconfirmed property, plant and equipment balances, and unsupported refundable deposits and prepayments. The absence of source documentation for the items raise concerns about the reliability of the financial records.

5.2.7 Voided Transactions

The audit revealed that thirteen (13) County Assemblies voided transactions amounting to Kshs.1,426,427,617 without prior approval from The National Treasury and Exchequer requisitions from the Controller of Budget (COB) as detailed in **Table 35** below;

No	County Name	Voided Amounts (Kshs)
1	Kiambu County Assembly	327,180,045
2	Busia County Assembly	179,381,922
3	Garissa County Assembly	156,429,248
4	Kilifi County Assembly	147,966,871
5	Bungoma County Assembly	138,415,629
6	Samburu County Assembly	108,144,320
7	Kisii County Assembly	107,972,137
8	Turkana County Assembly	105,454,920
9	Kisumu County Assembly	68,521,002
10	Nakuru County Assembly	54,430,235
11	Lamu County Assembly	11,831,602
12	Mandera County Assembly	10,552,961
13	Vihiga County Assembly	10,146,725
	Total	1,426,427,617

Table 35: Voided Transactions in County Assemblies

Kiambu County Assembly had the highest value of voided transactions amounting to Kshs.327,180,045.

5.2.8 Unresolved Prior Year Issues

The audit revealed that out of the forty-seven (47) County Assemblies, forty-four (44) County Assemblies had a total of four hundred and seventy-eight (478) unresolved prior year issues that were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance as detailed in **Appendix 29**. However, Management had not resolved the issues or given explanations for failure to adhere to the reporting format as prescribed by the Public Sector Accounting Standards Board.

5.3 Compliance Issues

As required by Article 229(6) of the Constitution, audit procedures are applied to determine whether each County Assembly operated within the law and whether public resources have been applied lawfully and effectively.

The graph below summarizes the issues relating to compliance in the County Assemblies that were observed:

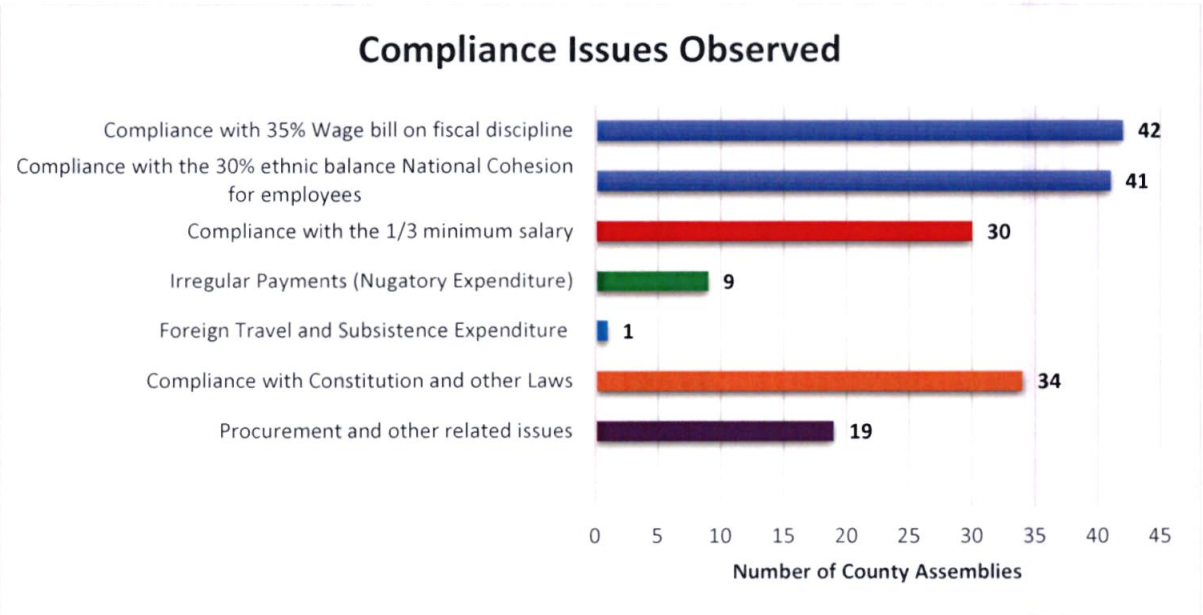


Figure 20: Issues related to Compliance in County Assemblies

5.3.1 Non-Compliance with Fiscal Responsibility Principles on Wage Bill

The audit revealed that forty-two (42) County Assemblies exceeded the statutory limit of 35% for personnel emoluments as shown in **Appendix 30**. On average, wage bills reached 47% of total revenue, with some counties recording figures as high as 72% in Wajir County Assembly and 70% in Isiolo County Assembly. These excesses constitute non-compliance with Regulation 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015 which states that the County Government's expenditure on wages and benefits for its public officers shall not exceed 35% of the County Government's total revenue.

5.3.2 Non-Adherence to One-Third Basic Salary Requirement

Review of the County Assemblies' payrolls for the year ended 30 June, 2025, revealed that in twenty-nine (29) County Assemblies, more than one thousand, four hundred and twenty-one (1,421) employees received net salaries which were less than a third of their respective basic pay as detailed in **Appendix 31**. Management has attributed this to the introduction of the new deductions under Social Health Insurance Fund (SHIF), National Social Security Fund (NSSF) and Housing Levy. However, this is contrary to Section 19 (3) of the Employment Act, 2007 which states that the total amount of deductions under the provisions of Sub Section (1), may be made by an employer from the wages of his employee at any one time, shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

5.3.3 Non-Compliance with the 30% Ethnic Balance

The audit of County Assemblies' human resource records revealed significant non-compliance with the statutory requirement on ethnic diversity as shown in **Appendix 32**. During the year under review, thirty-nine (39) County Assemblies had more than one-third of their staff drawn from the same ethnic community. The County Assemblies with the highest levels of non-compliance include Bomet, Elgeyo/Marakwet, Kakamega, and Nyamira, each reporting 99% of staff drawn from the dominant communities within their respective counties. No county operated in compliance with the 30%. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which provides that no public establishment shall have more than one-third of its staff from the same ethnic community.

5.3.4 Procurement and Other Related Issues

During the year under review, procurement irregularities amounting to Kshs.982,048,439 were identified across nineteen (19) County Assemblies as detailed in **Appendix 33**,

involving non-compliance with statutory levy requirements, direct procurement without justification, uncompetitive supplier engagements, and failure to adhere to planning and reservation thresholds as detailed in the ensuing paragraphs

5.3.4.1 Non-Compliance with the 0.03% Public Procurement Capacity Building Levy

The audit revealed that twelve (12) County Assemblies of the nineteen (19) County Assemblies failed to deduct, remit and/or file returns for the mandatory 0.03% Public Procurement Capacity Building Levy on procurement contracts.

The non-compliance manifested in failure to deduct the levy from suppliers at the point of payment, failure to remit the deducted amounts to the Authority by the 20th day of the subsequent month, failure to file mandatory monthly returns, or failure to provide documentary evidence to confirm compliance at the time of audit. For instance, in West Pokot County Assembly, contracts amounting to Kshs.158,904,566 were issued during the year under review. However, only Kshs.14,406 was deducted and remitted, resulting in an unremitted balance of Kshs.35,079.

In Tana River, Kiambu, Kisumu and Trans Nzoia County Assemblies, payments and contracts were not subjected to the levy, while in Tharaka-Nithi, Meru, Embu, Kirinyaga, Vihiga, Siaya and Kisii County Assemblies, Management did not provide documentary evidence to confirm deduction, remittance and filing of returns.

This is contrary to Paragraph 3(1) of the Public Procurement Capacity Building Levy Order, 2023 (Legal Notice No. 206 of 6 November, 2023) issued pursuant to the Public Procurement and Asset Disposal Act, 2015, which requires payment of a levy at the rate of 0.03% of the value of all signed procurement contracts, exclusive of applicable taxes, and related circulars issued by the Public Procurement Regulatory Authority requiring remittance and submission of monthly returns by the 20th day of the subsequent month.

5.3.4.2 Irregular Commitments Beyond the Statutory Deadline

The audit revealed that Samburu County Assembly entered into procurement commitments totalling Kshs.51,506,951 after the statutory cut-off date of 31 May without obtaining written approval from the Accounting Officer. This is contrary to Regulation 50(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires that all commitments for the supply of goods, works or services shall be made not later than the 31st May of each financial year, unless the Accounting Officer gives express approval in writing.

5.3.4.3 Use of Non-Prequalified Suppliers

Review of procurement records noted that Migori County Assembly made payments amounting to Kshs.2,237,580 to a company and an individual who were not included in the approved list of prequalified suppliers and contractors for the period 2024–2026. This is contrary to Section 57(1) and (2) of the Public Procurement and Asset Disposal Act, 2015, which require the head of the procurement function to maintain and periodically update lists of prequalified suppliers and to procure goods and services only from such approved lists.

5.3.4.4 Use of Direct Procurement

The audit revealed that Nyeri County Assembly incurred expenditure amounting to Kshs.5,643,000 on Ward Office rentals through direct procurement without providing justification or documentary evidence demonstrating that the circumstances met the statutory conditions for use of this procurement method. This was contrary to Section 103(2) of the Public Procurement and Asset Disposal Act, 2015, which provides guidelines on the circumstances under which direct procurement may be used.

5.3.4.5 Failure to Reserve thirty percent (30%) of Procurement Opportunities for Disadvantaged Groups

The audit revealed that Nyamira County Assembly did not reserve the mandatory 30% of its procurement opportunities, amounting to Kshs.134,946,338, for enterprises owned by youth, women and persons with disabilities. This is contrary to Section 157(5) of the Public Procurement and Asset Disposal Act, 2015, which provides that at least thirty per cent of the value of procurement opportunities shall be allocated to enterprises owned by disadvantaged groups. This undermined inclusivity and equitable access to public procurement opportunities.

5.3.4.6 Uncompetitive Procurement Practices

The audit revealed that Migori County Assembly incurred expenditure on catering services amounting to Kshs.45,132,502, which was not equitably distributed among suppliers. Out of seventeen (17) suppliers, five (5) suppliers were paid a total of Kshs.16,100,000, representing approximately 35% of the total expenditure, while the single largest supplier received Kshs.7,400,000, accounting for about 16% of the total catering costs. In contrast, several other suppliers were awarded contracts valued at less than Kshs.100,000 each. This is contrary to Section 58(2) of the Public Procurement and Asset Disposal Act, 2015, which requires procurement processes to promote fairness, equity, transparency, cost-effectiveness and competition.

5.3.4.7 Irregular Procurement of Services

The audit established that Tharaka-Nithi County Assembly incurred legal expenditure amounting to Kshs.30,465,493 through the engagement of private legal consultants despite having in-house legal counsel whose mandate includes representing the County Assembly in civil disputes and matters of public interest. Management did not provide evidence of approval or justification to support the outsourcing of legal services. This is contrary to Section 149 of the Public Finance Management Act, 2012, which requires Accounting Officers to ensure that public resources are used in a lawful, efficient, economical and transparent manner, and to the principles of economy, efficiency and value for money underpinning the Public Procurement and Asset Disposal Act, 2015.

5.3.4.8 Expenditure Outside the Approved Procurement Plan

The audit revealed that Nandi County Assembly incurred training expenditure amounting to Kshs.12,868,934 which had not been provided for in the approved Annual Procurement Plan. This is contrary to Regulation 51(2) of the Public Finance Management (County Governments) Regulations, 2015, which requires that expenditure commitments for goods and services be controlled against approved spending and procurement plans based on allocations from approved budgets. This indicated weaknesses in procurement planning and control of expenditure against approved plans.

5.3.4.9 Receipt of Goods and Services Beyond Validity of LPOs/LSOs

The audit established that Uasin Gishu County Assembly received goods and services valued at Kshs.3,033,305 beyond the validity period specified in the respective Local Purchase Orders and Local Service Orders. This is contrary to Regulation 53(1) of the Public Finance Management (County Governments) Regulations, 2015, which provides that a Local Purchase Order or Local Service Order is valid for thirty (30) days from the date of issue.

5.3.4.10 Partial Implementation of the e-Procurement System

The audit revealed that Migori County Assembly conducted some procurement activities outside the Integrated Financial Management Information System (IFMIS) and the State e-Procurement platform. This is contrary to Regulation 49(2) of the Public Procurement and Asset Disposal Regulations, 2020, which requires procuring entities to conduct procurement of goods, works and services through an electronic procurement system that is integrated with the State portal.

5.3.4.11 Failure to Conduct and Document Inventory Stock-Taking

The audit revealed that Migori County Assembly did not conduct and document periodic inventory stock-taking despite holding inventories of undisclosed value. Further, stores records and inventory stock-taking reports were not provided for audit review. This is contrary to Section 162(2) of the Public Procurement and Asset Disposal Act, 2015, which requires the head of the procurement function to arrange for regular inspection of stores and to conduct quarterly and annual inventory stock-taking.

5.3.4.12 Failure to Submit Mandatory Procurement Reports

The audit established that Kisumu County Assembly failed to submit mandatory procurement reports to the Public Procurement Regulatory Authority, including reports on direct procurement, contract awards, contract variations and implementation of preference and reservation schemes. This is contrary to the requirements of PPRA Circular No. 01/2016, which requires procuring entities to submit periodic procurement reports to facilitate regulatory oversight. This limited regulatory oversight and reduced transparency in procurement operations.

5.3.5 Irregular Payments

During the year under review, the audit revealed that nine (9) County Assemblies had incurred avoidable expenditure amounting to Kshs.178,436,488 arising from payments made without proper authority, justification, or adherence to applicable laws and regulations, resulting in no commensurate value to the public.

Other notable cases included wasteful expenditure on hire of office space for Members of County Assembly, irregular sponsorship to international trainings, unsupported and irregular payments during oversight and public participation activities, unauthorized compensation of employees, irregular payment of allowances, avoidable legal fees and related expenses, and expenditure on non-operational ward offices, as detailed in **Table 36** below;

No	County Assembly	Nugatory Expenditure	Amount (Kshs)
1	Embu County Assembly	Wasteful expenditure on hire of office space for Members of County Assembly	17,620,319
2	Machakos County Assembly	Irregular sponsorship of officers to an international training	1,601,300

No	County Assembly	Nugatory Expenditure	Amount (Kshs)
3	Makueni County Assembly	Irregular and unsupported payments during oversight and public participation activities	31,548,700
4	Kiambu County Assembly	Irregular payment of allowances to two (2) external members of the County Assembly Service Board	18,157,910
5	Samburu County Assembly	Unauthorized expenditure on compensation of employees	29,286,726
6	Laikipia County Assembly	Irregular payment of house allowance to the Speaker	15,063,926
7	Narok County Assembly	Irregular payment of transport allowance to Members of the County Assembly	2,470,000
8	Homa Bay County Assembly	Avoidable legal fees and related legal expenses	21,048,574
9	Migori County Assembly	Irregular expenditure on non-operational ward offices	41,639,033
	Total		178,436,488

Table 36: Irregular Payments in County Assemblies

5.3.6 Irregular Contributions and Subscriptions

During the year under review, records revealed that eighteen (18) County Assemblies made contributions amounting to Kshs.15,215,379 to The Society of Clerks at The Table (SOCCAT), while the County Assemblies Forum (CAF) received an amount of Kshs.57,307,377 from twenty (20) counties, as detailed in **Appendix 34** and **Appendix 35** respectively. This is contrary to Section 37 of the Intergovernmental Relations Act, 2012 which states that the operational expenses in respect of the structures and institutions established in the Act shall be provided for in the annual estimates of the revenue and expenditure of the National Government.

5.3.7 Irregular Foreign Travel and Subsistence Expenditure

During the year under review, the audit identified irregular foreign travel and subsistence expenditure amounting to Kshs.1,178,398 at Samburu County Assembly, paid to an officer to attend an overseas training. The expenditure was incurred without a documented training needs assessment to justify the relevance of the training. Further,

adequate supporting documentation including air tickets, boarding passes, passport stamps, attendance registers, certificates of participation, and a back-to-office report was not provided to confirm attendance and document the outcomes and benefits derived, contrary to the Human Resource Policies and Procedure Manuals for the Public Service, 2016.

5.3.8 Non-Compliance with the Persons with Disabilities Act, 2025

Review of human resource records revealed that ten (10) County Assemblies did not comply with the statutory requirement that at least five percent (5%) of employees be persons with disabilities as detailed in **Table 37**.

No	County Name	Total Staff	No. of Persons with Disabilities
1	Tana River County Assembly	Not stated	0
2	Isiolo County Assembly	205	2
3	Murang'a County Assembly	88	2
4	Uasin Gishu County Assembly	Not stated	4
5	Narok County Assembly	Not stated	5
6	Kajiado County Assembly	Not stated	6
7	Kericho County Assembly	286	3
8	Vihiga County Assembly	236	3
9	Busia County Assembly	341	3
10	Siaya County Assembly	Not stated	4

Table 37: Non-Compliance with the Persons with Disabilities Act, 2025

In the affected County Assemblies, engagement of persons with disabilities was significantly below the prescribed threshold, with some Assemblies having no employee categorized as a person with disability.

For instance, Tana River County Assembly had not engaged any employee with a disability, while Isiolo County Assembly had only two (2) employees out of a total of two hundred and five (205). Similarly, analysis of HRIS records for Busia County Assembly showed that three (3) employees out of three hundred and forty-one (341) were persons with disabilities. This was contrary to Section 5(1)(e) of the Persons with Disabilities Act, 2025, which states that every county government shall promote the inclusion of persons with disabilities in the county public service by putting in place measures to ensure that at least five percent (5%) of employment positions are filled by persons with disabilities.

5.3.9 Non-Compliance with Remittance of Statutory Deductions

Review of payroll, payment vouchers and related financial records revealed that three (3) County Assemblies did not comply with statutory requirements on the remittance of employee-related deductions amounting to Kshs.93,353,242 as detailed in **Table 38** below;

No	County Name	Amount (Kshs)
1	Samburu County Assembly	4,883,598
2	Laikipia County Assembly	14,048,189
3	Kisumu County Assembly	74,421,455
	Total	93,353,242

Table 38: Non-compliance with Remittance of Statutory Deductions in County Assemblies

At Samburu County Assembly, unremitted statutory deductions amounting to Kshs.4,883,598 relating to LAPFUND, LAPTRUST and NHIF/SHA were identified, while Laikipia County Assembly failed to remit LAPFUND and LAPTRUST deductions amounting to Kshs.14,048,189 for various months. Similarly, at Kisumu County Assembly, statutory deductions amounting to Kshs.74,421,455 comprising Pay As You Earn (PAYE), pension contributions, and car loan and mortgage deductions were not remitted within the prescribed timelines. This is contrary to Section 19 of the Employment Act, 2007, and Regulation 22(2)(a) of the Public Finance Management (County Governments) Regulations, 2015, which require employers and Accounting Officers to remit all lawful deductions and comply with statutory obligations within the prescribed timelines.

5.3.10 Non-Compliance with the Data Protection Act, 2019

Review of governance and information management practices revealed that three (3) County Assemblies did not comply with the requirements of the Data Protection Act, 2019 as summarized in **Table 39** below;

No	County Name
1	Embu County Assembly
2	Nyeri County Assembly
3	Kakamega County Assembly

Table 39: Non-compliance with the Data Protection Act, 2019

The audit noted cases where County Assemblies had not registered as data controllers or processors, lacked formal data processing agreements with third parties, or had not appointed Data Protection Officers as required. These weaknesses exposed personal

and sensitive information held by the County Assemblies to the risk of unauthorized access, misuse, or loss, contrary to the provisions of the Data Protection Act, 2019, which require data controllers and data processors to register with the Office of the Data Protection Commissioner, appoint Data Protection Officers where applicable, and put in place appropriate technical and organisational measures to safeguard personal data.

5.3.11 Non-Compliance with the Constitution and Other Laws

i) Budget Variations Above the Set Thresholds

The audit identified instances where approved budget estimates were varied beyond the allowable ten percent (10%) threshold without justification based on unforeseen and unavoidable needs. For instance, at Lamu County Assembly, several expenditure items were adjusted through a supplementary budget in excess of the permissible variation limit. This is contrary to Regulation 39(9) of the Public Finance Management (County Governments) Regulations, 2015, which limits approval of revised estimates by County Assemblies to ten percent (10%) of the approved budget unless arising from unforeseen and unavoidable circumstances.

ii) Excess Allocation to County Assemblies

The audit noted cases where allocations to County Assemblies exceeded the prescribed ceiling as a proportion of total County Government revenue. For instance, Elgeyo/Marakwet County Assembly's allocation exceeded the allowable seven percent (7%) of total County Government revenue. This is contrary to Regulation 25(1)(f) of the Public Finance Management (County Governments) Regulations, 2015, which provides that the approved expenditure of a County Assembly shall not exceed seven percent (7%) of the total County Government revenue or twice the personnel emoluments, whichever is lower.

iii) Breach of Statutory Debt and Fiscal Responsibility Principles

The audit identified instances where trade and other payables exceeded the statutory ceiling of twenty percent (20%) of total County Government revenue. For instance, at Kiambu County Assembly, outstanding payables exceeded the prescribed debt threshold. This is contrary to Regulation 25(1)(d) of the Public Finance Management (County Governments) Regulations, 2015, which requires that County public debt shall not exceed twenty percent (20%) of the County Government's total revenue.

iv) Failure to Publish and Publicise Budget Documents

The audit noted instances where County Assemblies failed to publish and publicise budget documents within the prescribed timelines, thereby undermining

transparency and public participation. For instance, Trans Nzoia County Assembly did not publish and publicise budget documents as required. This is contrary to Regulation 129(4) of the Public Finance Management (County Governments) Regulations, 2015, which requires publication and publicisation of budget documents within seven (7) days after submission to the County Executive Committee.

v) Non-Compliance with Guidelines on Housing Benefits for County Assembly Speakers

The audit identified cases where expenditure on housing benefits for County Assembly Speakers exceeded approved limits or did not comply with prescribed guidelines on land size and cost ceilings. For instance, at Nyandarua County Assembly, expenditure on land acquisition and construction of the Speaker's residence exceeded approved limits. This is contrary to the Salaries and Remuneration Commission (SRC) guidelines issued vide circulars dated 20 May 2019 and 27 June 2022.

5.4 Management of Imprest

5.4.1 Unsupported Imprests

During the year under review, three (3) County Assemblies had unsupported imprests amounting to Kshs.421,103,985 as detailed in **Table 40** below;

No	County Name	Unsupported Amount (Kshs)
1	Migori County Assembly	335,218,817
2	Tana River County Assembly	85,285,168
3	Nyandarua County Assembly	600,000
	Total	421,103,985

Table 40: Unsupported Imprests in County Assemblies

At Migori County Assembly, unsupported travel imprests amounted to Kshs.335,218,817 due to lack of prior approvals and absence of the prescribed Financial Order Form 22 (FO22). At Tana River County Assembly, unsupported and unapproved safari imprests and related claims totalled Kshs.85,285,168. Further, at Nyandarua County Assembly, an imprest amounting to Kshs.600,000 had been outstanding for over two years and supporting surrender documents were not provided for audit.

5.4.2 Irregular Use of Imprests

During the year under review, six (6) County Assemblies were cited for irregular use of imprests, with irregular imprest payments totalling Kshs.22,346,287, as shown in **Table 41** below;

No	County Name	Amount (Kshs)
1	Isiolo County Assembly	5,670,000
2	Nyandarua County Assembly	11,752,687
3	Murang'a County Assembly	Not Indicated
4	Samburu County Assembly	1,323,600
5	Vihiga County Assembly	3,600,000
6	Nairobi County Assembly	Not Indicated
	Total	22,346,287

Table 41: Irregular Use of Imprests in the County Assemblies

The irregularities included direct payment of subsistence allowances without use of imprest warrants, procurement of goods and services through imprests contrary to established procedures, doubtful payments during public participation, retrospective processing of imprests as reimbursement claims, exceeding approved standing imprest ceilings, and failure to maintain imprest registers, individual imprest ledgers and memorandum cash books.

These weaknesses indicate systemic deficiencies in imprest controls, documentation, authorization procedures and compliance with financial management regulations across the affected County Assemblies.

5.5 Cash Management

5.5.1 Unreconciled Balances (Cash Book with Bank Statements)

Audit review revealed that Migori County Assembly had unreconciled balances between the cash book and bank statements. The cash book entries were incomplete and lacked key details such as transaction dates, voucher references, descriptions and cheque numbers, rendering the records unreliable.

Further, monthly bank reconciliations were not prepared, reviewed and approved on a timely basis. The cash book was maintained manually and was not regularly updated, thereby increasing the risk of errors, inaccuracies and possible manipulation of financial records.

5.5.2 Bank Overdraft Irregularities

Audit review revealed that two (2) County Assemblies reported issues relating to bank overdrafts. At Kisumu County Assembly, a bank overdraft facility was not supported with evidence of approval while at Nyamira County Assembly, avoidable interest amounting to Kshs.643,524 was incurred on a bank overdraft.

5.5.3 Other Issues related to Cash Management

Audit review revealed that Migori County Assembly reported additional weaknesses in cash management controls. Signature specimens of bank signatories were not provided for audit review limiting verification of authorized signatories. Further, although the Assembly applied a standing imprest system in some cases, there was no evidence of approved cash floats being applied.

5.6 Project Implementation Status

As noted in the County Executives section, County Assemblies continued to incur substantial expenditure on projects that have stalled or remain incomplete long past their scheduled completion dates. Several projects are attracting penalties due to delayed issuance of completion certificates for milestones already reached, while others have experienced cost escalations following contract sum revisions. Moreover, payments for projects that appear to have completely stalled raise serious concerns regarding value for money. The status of projects undertaken by various counties are illustrated in **Figure 21** below;

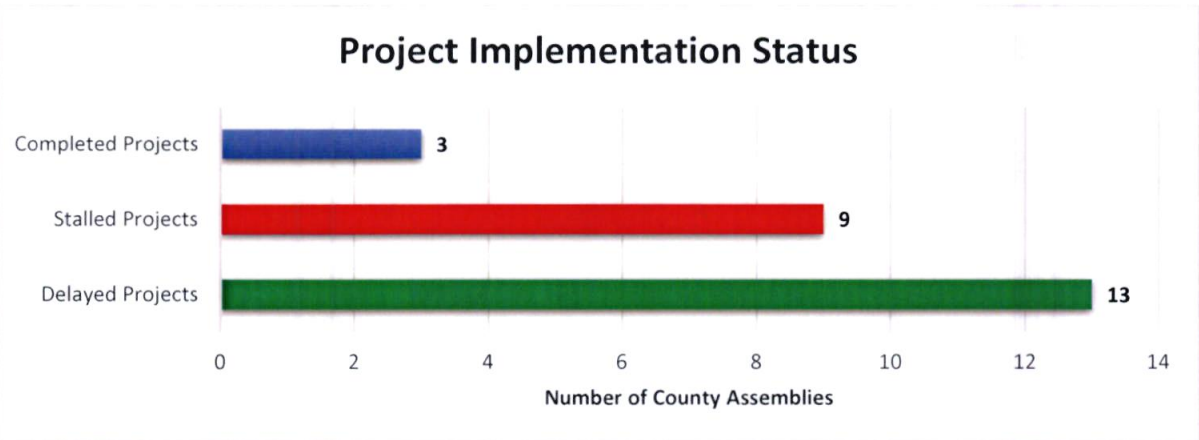


Figure 21: Issues related to Project Implementation in the County Assemblies

5.6.1 Delayed Projects

During the year under review, twenty-three (23) projects across thirteen (13) County Assemblies whose contract sum totalled approximately Kshs.3,070,984,821 had delayed and could not be completed within the stipulated time as shown in **Table 42** below;

No	County Name	No. of Projects	Contract Sum (Kshs)
1	Kilifi County Assembly	1	288,582,700
2	Taita/Taveta County Assembly	1	91,268,251
3	Marsabit County Assembly	3	486,044,445
4	Isiolo County Assembly	2	314,000,768
5	Tharaka-Nithi County Assembly	2	205,846,982
6	Kitui County Assembly	1	249,507,369
7	Uasin Gishu County Assembly	1	26,075,127
8	Kericho County Assembly	2	54,215,580
9	Bomet County Assembly	2	500,092,717
10	Busia County Assembly	1	27,000,000
11	Kisumu County Assembly	1	418,356,349
12	Homa Bay County Assembly	5	42,994,533
13	Nyamira County Assembly	1	367,000,000
	Total	23	3,070,984,821

Table 42: County Assemblies with Delayed Projects

5.6.2 Stalled/Abandoned Projects

The audit revealed that nine (9) County Assemblies had stalled projects with a contract sum totalling Kshs.2,574,067,765 as listed in **Table 43** below;

No	County Name	No of Projects	Contract Sum (Kshs)
1	Isiolo County Assembly	1	24,995,000
2	Kiambu County Assembly	7	83,168,650
3	Turkana County Assembly	14	385,355,779
4	West Pokot County Assembly	1	36,685,718
5	Trans Nzoia County Assembly	1	464,359,150
6	Uasin Gishu County Assembly	2	526,785,207
7	Nandi County Assembly	1	469,469,934
8	Kajiado County Assembly	1	577,973,400
9	Kisii County Assembly	3	5,274,927
	Total	31	2,574,067,765

Table 43: County Assemblies with Stalled Projects

Stalled projects deny public benefits and compromise the value for money of public investments.

5.6.3 Weaknesses in Implementation of Completed Projects

Audit review revealed that three (3) County Assemblies reported weaknesses in the implementation and utilization of completed projects involving a total expenditure of Kshs.30,615,087 as shown in **Table 44** below.

No	County Name	Amounts (Kshs)
1	Nyandarua County Assembly	23,508,958
2	Nakuru County Assembly	1,101,840
3	Kisii County Assembly	6,004,289
	TOTAL	30,615,087

Table 44: County Assemblies with Weaknesses in Implementation of Completed Projects

At Nyandarua County Assembly, construction of boundary walls and a guard house for the Speaker’s residence costing Kshs.23,508,958 was reported as unsatisfactory, while at Nakuru County Assembly, ward office projects in Mai Mahiu and Dundori wards amounting to Kshs.1,101,840 did not demonstrate value for money. Further, at Kisii County Assembly, ward offices constructed at a cost of Kshs.6,004,289 were not occupied.

These issues raise concerns regarding quality assurance, project supervision, value for money and optimal utilization of public resources.

5.7 Asset Management

The Public Finance Management Act, 2012 and the Public Finance (County Governments) Management Regulations, 2015 provide that each County should maintain and verify the existence of assets administered by the entity and ensure that there are proper safeguards for the protection of the assets.

Figure 22 below summarizes the issues highlighted and the number of County Assemblies affected.

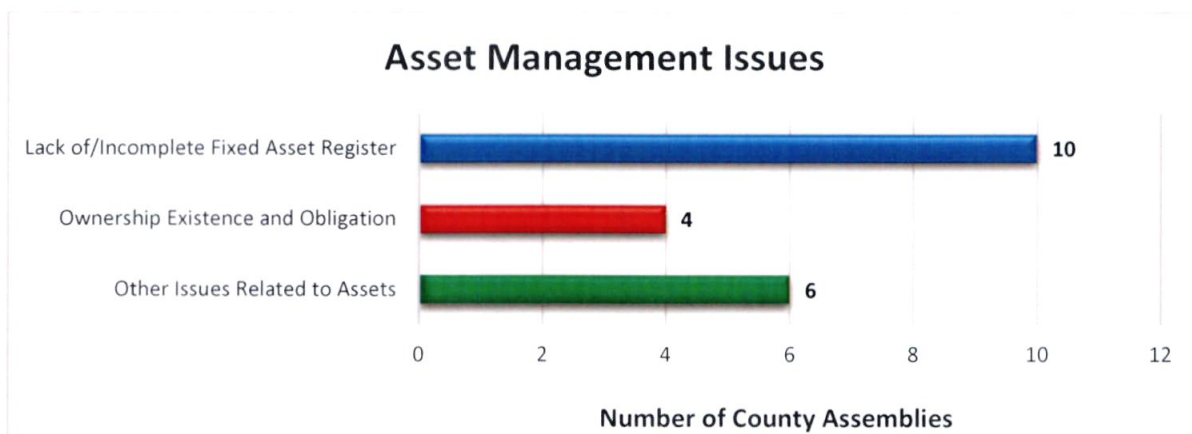


Figure 22: Issues related to Asset Management in County Assemblies

5.7.1 Lack of Ownership Documents

Review of County Assemblies' records revealed that four (4) County Assemblies did not have ownership documents for some of their assets as detailed in **Table 45** below;

No	County Name	Assets without Ownership Documents
1	Kwale County Assembly	Lack of ownership documents of the land on which the County Assembly Chambers was constructed.
2	Garissa County Assembly	Unconfirmed Ownership of Land on which the County Assembly Chambers, Office Block and other buildings is situated.
3	Busia County Assembly	i) Lack of Land Ownership Documents where the Assembly headquarter ii) Lack of Land Ownership Documents on procured twenty-two (22) parcels of land, valued at Kshs.21,787,000
4	Kisumu County Assembly	The title deed and the cost of the land where the County Assembly's Ultra - Modern Assembly is under Construction was not provided

Table 45: County Assemblies that Lack Ownership Documents

5.7.2 Failure to Maintain Fixed Assets Registers

Review of records revealed that ten (10) County Assemblies did not maintain and update their fixed asset registers as listed in **Table 46** below;

No	County Name
1	Kwale County
2	Lamu County
3	Taita/Taveta County
4	Kirinyaga County
5	Uasin Gishu County

No	County Name
6	Elgeyo/Marakwet County
7	Baringo County
8	Kisumu County
9	Kakamega County
10	Homa Bay County

Table 46: County Assemblies that Failed to Maintain a Fixed Asset Register

5.7.3 Other Issues related to Assets Management

The audit identified several significant issues in asset management in six (6) County Assemblies detailed in **Table 47** below;

No	County Name	Exception Noted
1	Kwale County Assembly	Seven (7) motor vehicles which includes one purchased at a cost of Kshs.2,854,368 have been grounded since financial year 2022/2023
2	Marsabit County Assembly	Failure to insure assembly buildings
3	Murang'a County Assembly	Land and buildings valued at Kshs.127,000,000 and Kshs.297,584,169 respectively which were inherited from the defunct Murang'a County Council do not have ownership documents
4	Kiambu County Assembly	Inaccessibility of Ndumberi Ward Office to Persons with Disabilities as they lacked essential accessibility features such as ramps, elevators and assistive devices
5	Siaya County Assembly	Lack of a Register for Repairs and Maintenance and Replacement
6	Migori County Assembly	Unconfirmed stock take of inventories as there was there were no reliable stores ledger, items or stores issuance records, goods received notes.

Table 47: County Assemblies with Other Issues related to Asset Management

The issues highlight weaknesses in asset custody, maintenance, and overall management.

5.8 Human Resource Management

5.8.1 Staff Salary Payments Outside Integrated Payroll and Personnel Database

Review of County Assembly records revealed that salaries amounting to Kshs.214,010,842 in twelve (12) County Assemblies were processed manually outside the Integrated Personnel and Payroll Database (IPPD) system as detailed in **Table 48** below;

No	County Name	Amount (Kshs)
1	Garissa County Assembly	Not specified
2	Marsabit County Assembly	3,545,821
3	Isiolo County Assembly	28,653,220
4	Nyeri County Assembly	29,623,460
5	Samburu County Assembly	Not specified
6	Uasin Gishu County Assembly	74,810,277
7	Baringo County Assembly	6,320,419
8	Laikipia County Assembly	22,100,474
9	Narok County Assembly	5,297,719
10	Kajiado County Assembly	8,770,375
11	Kericho County Assembly	Not specified
12	Homa Bay County Assembly	34,889,077
	TOTAL	214,010,842

Table 48: Personnel Emoluments paid manually in the County Assemblies

The use of the manual system requires manual calculation of deductions, net pay, and constant monthly and/or annual updates of the data manually which is prone to error or manipulations without any audit trail.

5.9 Internal Controls and Governance

As required by Section 7(1)(a) of the Public Audit Act, 2015, the Office conducted and performed audit procedures to confirm whether the internal controls, risk management and overall governance were effective.

The **Figure 23** below identifies the major issues identified and the number of counties affected.

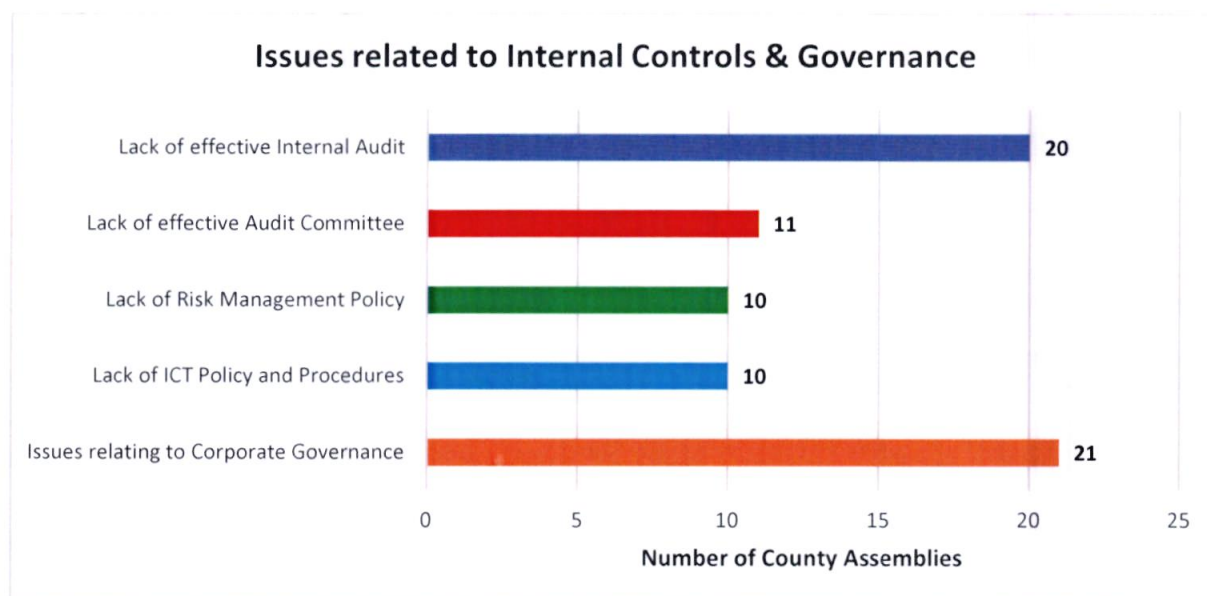


Figure 23: Issues related to Internal Controls in the County Assemblies

5.9.1 Failure to Establish Audit Committees

During the year under review, eleven (11) County Assemblies failed to establish Audit Committees, in violation of Regulations 175-182 of the Public Finance Management (County Governments) Regulations, 2015. Audit Committees are vital for assessing county risks, reviewing internal controls, ensuring compliance with legal requirements, and following up on audit recommendations shown in **Table 49** below;

No	County Name
1	Kilifi County
2	Tana River County
3	Marsabit County
4	Isiolo County
5	Tharaka-Nithi County
6	Embu County

No	County Name
7	Nyeri County
8	Murang'a County
9	West Pokot County
10	Uasin Gishu County
11	Kisii County

Table 49: County Assemblies that Failed to Establish Audit Committees

5.9.2 Ineffective Internal Audit Functions

During the year under review, twenty (20) County Assemblies failed to maintain effective Internal Audit Units, violating Regulation 153(1) of the Public Finance Management (County Governments) Regulations, 2015 as shown in **Table 50** below;

No	County Name
1	Kilifi County
2	Tana River County
3	Garissa County
4	Marsabit County
5	Isiolo County
6	Tharaka-Nithi County
7	Nyeri County
8	Murang'a County
9	Turkana County
10	West Pokot County

11	Samburu County
12	Trans Nzoia County
13	Uasin Gishu County
14	Laikipia County
15	Bomet County
16	Kakamega County
17	Vihiga County
18	Busia County
19	Kisumu County
20	Kisii County

Table 50: County Assemblies that lack a Risk Management Policy

Key deficiencies included:

i) Non-Operational and Understaffed Internal Audit Functions

Several County Assemblies operated without fully functional internal audit units or were significantly understaffed, with some having only one auditor against approved staff establishments, thereby limiting audit coverage and effectiveness.

ii) Absence of Key Governance and Planning Documents

Many County Assemblies lacked approved Internal Audit Charters, Annual Work Plans, Risk Assessments, Risk Registers, Strategic Plans, and Internal Audit Procedures Manuals, undermining structured and risk-based audit execution.

iii) Failure to Execute Audit Plans and Conduct Regular Audits

Internal audit functions did not conduct quarterly audits, failed to implement approved work plans, and in some cases covered only a small fraction of planned audit areas.

iv) Inadequate Reporting and Oversight Mechanisms

Quarterly and annual internal audit reports were not prepared or submitted to Audit Committees, management responses were not documented, and Audit Committees failed to meet or review audit activities as required.

v) Weak Independence, Resourcing and Performance Management

Internal audit units lacked operational independence, dedicated budgets, access to IFMIS and essential audit tools, and in some cases had irregular appointments of the Head of Internal Audit and no performance appraisal mechanisms.

These deficiencies hinder the County Assemblies' ability to effectively monitor financial management, assess risks, and ensure compliance, thereby weakening overall governance and accountability.

5.9.3 Lack of Risk Management Policies

During the year under review, ten (10) County Assemblies failed to maintain adequate Risk Management Policies, violating Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 as listed in **Table 51** below;

No	County Name	No	County Name
1	Garissa County Assembly	6	West Pokot County Assembly
2	Marsabit County Assembly	7	Samburu County Assembly
3	Embu County Assembly	8	Uasin Gishu County Assembly
4	Nyeri County Assembly	9	Laikipia County Assembly
5	Kiambu County Assembly	10	Kakamega County Assembly

Table 51: County Assemblies that lacked Risk Management Policies

Management lacked comprehensive risk management frameworks including approved policies, Disaster Recovery Plans, Business Continuity Plans, and risk registers or developed necessary risk and fire management strategies. This hindered effective risk identification and mitigation, thereby compromising integrity and regulatory compliance.

5.9.4 Lack of ICT Policy and Procedures

During the year under review, ten (10) County Assemblies failed to establish adequate ICT Policies, violating Regulation 175-182 of the Public Finance Management (County Governments) Regulations, 2015 as shown in **Table 52** below;

No	County Name	No	County Name
1	Marsabit County Assembly	6	Samburu County Assembly
2	Isiolo County Assembly	7	Uasin Gishu County Assembly
3	Embu County Assembly	8	Nandi County Assembly
4	Kirinyaga County Assembly	9	Baringo County Assembly
5	Kiambu County Assembly	10	Laikipia County Assembly

Table 52: County Assemblies that lack ICT Policies and Procedures

Key deficiencies included:

- i) **Absence of Approved ICT Policies:** County Assemblies lacked approved policies for IT governance, security management, program change management, physical and logical access controls, and environmental controls.
- ii) **Missing Strategic Plans and Committees:** There were no ICT Strategic Plans or ICT Steering Committees in place, and existing committees did not meet during the financial year.
- iii) **Lack of Disaster Recovery and Business Continuity Plans:** County Assemblies operated without Information System Disaster Recovery Plans and Business Continuity Plans, compromising their ability to respond to service disruptions.
- iv) **Operational Inefficiencies:** Issues such as the use of personal emails for official business and inadequate training for ICT staff were prevalent. This undermines data confidentiality and integrity.

The deficiencies hinder effective management, security, and optimization of technology resources, increasing cyber risks and compromising sustained service delivery to citizens.

5.9.5 Other Issues Relating to Corporate Governance

During the year under review, twenty-one (21) County Assemblies demonstrated significant weaknesses in corporate governance, as detailed in **Table 53** below;

No	County Name	No	County Name
1	Kilifi County Assembly	12	Samburu County Assembly
2	Tana River County Assembly	13	Elgeyo/Marakwet County Assembly
3	Wajir County Assembly	14	Nandi County Assembly
4	Marsabit County Assembly	15	Laikipia County Assembly
5	Meru County Assembly	16	Narok County Assembly
6	Embu County Assembly	17	Kakamega County Assembly
7	Kitui County Assembly	18	Busia County Assembly
8	Nyandarua County Assembly	19	Siaya County Assembly
9	Nyeri County Assembly	20	Migori County Assembly
10	Kiambu County Assembly	21	Nairobi County Assembly
11	Turkana County Assembly		

Table 53: County Assemblies with other issues related to Corporate Governance

The issues identified include:

i) Weak Institutionalization of Internal Audit Functions

Several County Assemblies had non-operational or severely understaffed internal audit units, limiting effective oversight of financial management, procurement, and compliance activities.

ii) Absence of Approved Governance Frameworks

Many Assemblies lacked approved Internal Audit Charters, Annual Work Plans, Risk Registers, and Procedures Manuals, undermining structured, risk-based audit execution.

iii) Failure to Conduct Audits and Report

Quarterly and annual internal audits were either not conducted or not reported to Audit Committees, and management responses to audit findings were not documented.

iv) Inadequate Oversight by Audit Committees

In several cases, Audit Committees did not meet regularly, review audit reports, or provide strategic direction to the internal audit function.

v) Limited Independence and Resources: Internal audit units lacked operational independence, dedicated budgets, access to IFMIS, and essential audit tools, constraining their ability to provide objective assurance.

The governance shortcomings undermine the County Assemblies' ability to ensure effective management, accountability, and service delivery to the public.

APPENDICES

Appendix 1: Audit Opinion on the County Governments, 2024/2025

(A): Audit Opinion on the County Executives

(i) Unqualified Opinion

No	County Executive	Opinion
1	Makueni County Executive	Unmodified

(ii) Qualified Opinion

No	County Executive	Opinion
1	Mombasa County Executive	Qualified
2	Kwale County Executive	Qualified
3	Kilifi County Executive	Qualified
4	Lamu County Executive	Qualified
5	Taita/Taveta County Executive	Qualified
6	Garissa County Executive	Qualified
7	Wajir County Executive	Qualified
8	Mandera County Executive	Qualified
9	Marsabit County Executive	Qualified
10	Isiolo County Executive	Qualified
11	Meru County Executive	Qualified
12	Tharaka-Nithi County Executive	Qualified
13	Embu County Executive	Qualified
14	Kitui County Executive	Qualified
15	Machakos County Executive	Qualified
16	Makueni County Executive	Qualified
17	Nyandarua County Executive	Qualified
18	Nyeri County Executive	Qualified

No	County Executive	Opinion
19	Kirinyaga County Executive	Qualified
20	Murang'a County Executive	Qualified
21	Turkana County Executive	Qualified
22	West Pokot County Executive	Qualified
23	Samburu County Executive	Qualified
24	Trans Nzoia County Executive	Qualified
25	Uasin Gishu County Executive	Qualified
26	Elgeyo/Marakwet County Executive	Qualified
27	Nandi County Executive	Qualified
28	Laikipia County Executive	Qualified
29	Nakuru County Executive	Qualified
30	Kajiado County Executive	Qualified
32	Bomet County Executive	Qualified
33	Kakamega County Executive	Qualified
34	Vihiga County Executive	Qualified
35	Bungoma County Executive	Qualified
36	Busia County Executive	Qualified
37	Siaya County Executive	Qualified
38	Kisumu County Executive	Qualified
39	Homa Bay County Executive	Qualified
40	Migori County Executive	Qualified
41	Kisii County Executive	Qualified
43	Kiambu County Executive	Qualified
44	Baringo County Executive	Qualified
45	Narok County Executive	Qualified
46	Nyamira County Executive	Qualified
47	Nairobi City County Executive	Qualified

(iii) Adverse Opinion

No	County Executive	Opinion
1	Kericho County Executive	Adverse
2	Tana River County Executive	Adverse

(iv) Disclaimer of Opinion: None

(B): Audit Opinion on the County Assemblies, 2024/2025

(i) Unqualified Opinion

No	County Assembly	Opinion
1	Mombasa County Assembly	Unmodified
2	Kwale County Assembly	Unmodified
3	Taita/Taveta County Assembly	Unmodified
4	Embu County Assembly	Unmodified
5	Kitui County Assembly	Unmodified
6	Machakos County Assembly	Unmodified
7	Trans Nzoia County Assembly	Unmodified
8	Kajiado County Assembly	Unmodified
9	Homabay County Assembly	Unmodified

(ii) Qualified Opinion

No	County Assembly	Opinion
1	Kilifi County Assembly	Qualified
2	Tana River County Assembly	Qualified
3	Lamu County Assembly	Qualified
4	Garissa County Assembly	Qualified
5	Wajir County Assembly	Qualified
6	Mandera County Assembly	Qualified
7	Marsabit County Assembly	Qualified
8	Isiolo County Assembly	Qualified
9	Meru County Assembly	Qualified
10	Tharaka-Nithi County Assembly	Qualified
11	Makueni County Assembly	Qualified
12	Nyandarua County Assembly	Qualified
13	Nyeri County Assembly	Qualified

14	Kirinyaga County Assembly	Qualified
15	Murang'a County Assembly	Qualified
16	Kiambu County Assembly	Qualified
17	Turkana County Assembly	Qualified
18	West Pokot County Assembly	Qualified
19	Samburu County Assembly	Qualified
20	Uasin Gishu County Assembly	Qualified
21	Elgeyo/Marakwet County Assembly	Qualified
22	Nandi County Assembly	Qualified
23	Baringo County Assembly	Qualified
24	Laikipia County Assembly	Qualified
25	Nakuru County Assembly	Qualified
26	Narok County Assembly	Qualified
27	Kericho County Assembly	Qualified
28	Bomet County Assembly	Qualified
29	Kakamega County Assembly	Qualified
30	Vihiga County Assembly	Qualified
31	Bungoma County Assembly	Qualified
32	Busia County Assembly	Qualified
33	Siaya County Assembly	Qualified
34	Kisumu County Assembly	Qualified
35	Migori County Assembly	Qualified
36	Kisii County Assembly	Qualified
37	Nyamira County Assembly	Qualified
38	Nairobi City County Assembly	Qualified

(iii) Adverse Opinion: None

(iv) Disclaimer of Opinion: None

Appendix 2: County Government Budgets for the year ended 30 June, 2025

No	County Name	County Executive (Kshs)	County Assembly (Kshs)	Total (Kshs)
1	Nairobi County	43,564,266,834	2,615,068,628	46,179,335,462
2	Nakuru County	23,980,402,312	1,342,828,080	25,323,230,392
3	Kiambu County	22,111,444,560	1,368,932,748	23,480,377,308
4	Kilifi County	20,628,457,366	1,266,827,989	21,895,285,355
5	Narok County	17,490,542,593	1,137,909,078	18,628,451,671
6	Kakamega County	16,172,021,545	1,500,110,359	17,672,131,904
7	Mombasa County	16,539,154,106	820,845,894	17,360,000,000
8	Turkana County	15,758,953,939	1,044,367,989	16,803,321,928
9	Machakos County	15,622,164,354	1,118,556,126	16,740,720,480
10	Uasin Gishu County	15,179,791,110	917,739,545	16,097,530,655
11	Mandera County	14,567,547,952	956,332,517	15,523,880,469
12	Kisumu County	14,214,711,871	1,102,091,672	15,316,803,543
13	Kisii County	13,953,991,832	1,041,299,171	14,995,291,003
14	Bungoma County	13,633,044,511	1,359,030,420	14,992,074,931
15	Kwale County	13,530,153,955	1,345,909,649	14,876,063,604
16	Kwale County	13,034,324,197	1,271,031,113	14,305,355,310
17	Kajiado County	13,018,989,469	1,038,439,476	14,057,428,945
18	Meru County	12,452,916,563	1,144,423,853	13,597,340,416
19	Wajir County	12,733,180,597	784,444,072	13,517,624,669
20	Homa Bay County	11,933,375,716	1,197,198,902	13,130,574,618
21	Garissa County	10,835,570,111	1,168,235,453	12,003,805,564
22	Makueni County	10,742,471,512	837,740,866	11,580,212,378
23	Trans Nzoia County	10,455,020,040	834,803,000	11,289,823,040
24	Migori County	9,994,922,213	1,071,650,180	11,066,572,393
25	Busia County	9,923,694,532	846,454,206	10,770,148,738
26	Murang'a County	9,877,836,251	865,814,834	10,743,651,085

No	County Name	County Executive (Kshs)	County Assembly (Kshs)	Total (Kshs)
27	Siaya County	9,602,122,988	1,028,110,490	10,630,233,478
28	Marsabit County	9,036,122,480	1,282,483,146	10,318,605,626
29	Nandi County	9,186,409,526	787,658,319	9,974,067,845
30	Bomet County	8,853,029,233	984,677,768	9,837,707,001
31	Kericho County	8,769,871,719	987,067,517	9,756,939,236
32	Nyandarua County	8,779,773,471	872,918,248	9,652,691,719
33	Tana River County	8,170,325,023	1,007,398,670	9,177,723,693
34	Nyeri County	8,207,408,969	796,625,715	9,004,034,684
35	Nyamira County	8,102,897,542	797,762,663	8,900,660,205
36	Baringo County	7,820,657,918	786,500,602	8,607,158,520
37	Taita/Taveta County	7,552,431,465	829,520,871	8,381,952,336
38	Samburu County	7,382,117,765	625,249,021	8,007,366,786
39	West Pokot County	7,204,252,695	758,539,596	7,962,792,291
40	Kirinyaga County	7,118,221,601	807,492,795	7,925,714,396
41	Laikipia County	6,911,880,714	641,667,000	7,553,547,714
42	Embu County	6,534,262,282	759,083,672	7,293,345,954
43	Vihiga County	6,390,648,472	715,248,406	7,105,896,878
44	Tharaka-Nithi County	6,466,615,529	539,067,456	7,005,682,985
45	Isiolo County	6,235,553,233	569,851,471	6,805,404,704
46	Elgeyo/Marakwet County	6,043,895,538	642,494,863	6,686,390,401
47	Lamu County	4,415,440,207	571,368,427	4,986,808,634
	Total	560,732,888,411	46,788,872,536	607,521,760,947

Appendix 3: County Governments' Actual Revenue for the year ended 30 June, 2025

No	County Name	County Executive (Kshs)	County Assembly (Kshs)	Total (Kshs)
1	Nairobi County	32,546,363,019	1,552,088,714	34,098,451,733
2	Nakuru County	19,534,080,837	1,168,495,070	20,702,575,907
3	Kiambu County	17,586,323,328	1,083,381,683	18,669,705,011
4	Kilifi County	15,363,111,418	1,225,673,772	16,588,785,190
5	Narok County	14,907,575,149	931,683,159	15,839,258,308
6	Machakos County	13,340,945,013	969,588,406	14,310,533,419
7	Mombasa County	13,061,111,499	820,496,907	13,881,608,406
8	Turkana County	12,712,800,011	936,034,196	13,648,834,207
9	Kitui County	12,168,733,022	1,008,108,759	13,176,841,781
10	Kakamega County	11,857,449,274	1,263,782,976	13,121,232,250
11	Mandera County	11,780,595,216	951,077,499	12,731,672,715
12	Bungoma County	11,188,343,410	1,233,030,611	12,421,374,021
13	Uasin Gishu County	11,355,195,626	838,562,473	12,193,758,099
14	Wajir County	10,719,507,094	784,727,611	11,504,234,705
15	Homa Bay County	10,187,773,187	1,044,999,999	11,232,773,186
16	Kisii County	9,320,328,103	1,027,411,099	10,347,739,202
17	Kisumu County	9,241,631,510	1,015,692,620	10,257,324,130
18	Trans Nzoia County	9,271,085,823	833,568,895	10,104,654,718
19	Meru County	9,054,751,662	1,034,156,883	10,088,908,545
20	Garissa County	8,947,779,967	1,028,333,260	9,976,113,227
21	Migori County	8,725,237,886	1,005,379,343	9,730,617,229
22	Makueni County	8,872,507,510	835,333,568	9,707,841,078
23	Murang'a County	8,494,766,810	853,123,458	9,347,890,268
24	Marsabit County	7,742,021,252	1,110,860,951	8,852,882,203
25	Nandi County	7,813,219,349	731,630,547	8,544,849,896
26	Siaya County	7,458,918,285	928,442,195	8,387,360,480

No	County Name	County Executive (Kshs)	County Assembly (Kshs)	Total (Kshs)
27	Kwale County	7,390,741,758	982,188,197	8,372,929,955
28	Kajiado County	7,345,726,037	849,788,236	8,195,514,273
29	Nyeri County	7,486,210,205	657,341,136	8,143,551,341
30	Busia County	6,949,989,950	846,262,218	7,796,252,168
31	West Pokot County	6,552,285,097	768,930,979	7,321,216,076
32	Bomet County	6,314,611,926	959,677,768	7,274,289,694
33	Baringo County	6,424,471,364	788,459,023	7,212,930,387
34	Tana River County	,281,398,848	866,080,189	7,147,479,037
35	Kericho County	6,042,824,075	933,153,761	6,975,977,836
36	Taita/Taveta County	6,082,507,237	808,904,160	6,891,411,397
37	Laikipia County	6,103,450,954	594,637,245	6,698,088,199
38	Kirinyaga County	5,873,579,553	798,687,262	6,672,266,815
39	Samburu County	5,935,052,203	608,738,137	6,543,790,340
40	Vihiga County	5,751,275,738	699,349,264	6,450,625,002
41	Nyamira County	5,648,166,753	692,528,311	6,340,695,064
42	Embu County	5,259,463,775	753,412,694	6,012,876,469
43	Nyandarua County	4,790,756,342	868,102,738	5,658,859,080
44	Elgeyo/Marakwet County	5,013,283,841	619,407,879	5,632,691,720
45	Tharaka-Nithi County	4,955,540,851	483,246,288	5,438,787,139
46	Isiolo County	4,843,949,289	569,809,817	5,413,759,106
47	Lamu County	3,506,109,354	426,911,860	3,933,021,214
	Total	437,803,550,410	41,791,281,816	479,594,832,226

Appendix 4: County Own Source Revenue for the year ended 30 June, 2025

No	County Name	Budgeted (Kshs)	Actual (Kshs)	%-age Achievement
Exceeded or Met Expected OSR Target				
1	Tana River County	153,108,800	203,711,731	133%
2	Kirinyaga County	668,000,000	850,866,920	127%
3	Wajir County	270,000,000	329,217,959	122%
4	Samburu County	281,630,140	312,976,992	111%
5	Tharaka-Nithi County	485,000,000	534,770,584	110%
6	Elgeyo/Marakwet County	357,429,871	368,933,238	103%
7	West Pokot County	97,200,000	97,142,824	100%
Failed to Meet Expected OSR Target				
1	Nyeri County	800,000,000	766,386,661	96%
2	Narok County	6,076,000,000	5,660,813,326	93%
3	Nandi County	844,173,452	771,534,969	91%
4	Kericho County	1,222,599,309	1,072,372,746	88%
5	Makueni County	1,471,433,323	1,290,552,746	88%
6	Nyamira County	850,000,000	740,246,759	87%
7	Kitui County	1,145,025,058	996,252,347	87%
8	Migori County	800,000,000	691,555,585	86%
9	Marsabit County	110,000,000	94,876,068	86%
10	Kwale County	350,000,000	287,591,212	82%
11	Nyandarua County	850,000,000	653,584,835	77%
12	Uasin Gishu County	1,395,000,000	1,044,975,709	75%
13	Nakuru County	2,381,881,659	1,781,672,497	75%
14	Siaya County	1,044,061,306	757,633,212	73%
15	Meru County	547,000,000	393,747,778	72%
16	Kiambu County	7,250,940,717	5,057,425,232	70%
17	Nairobi County	17,002,380,988	11,790,746,945	69%

No	County Name	Budgeted (Kshs)	Actual (Kshs)	%-age Achievement
18	Kilifi County	1,071,168,595	716,896,034	67%
19	Kisii County	870,000,000	566,752,946	65%
20	Taita/Taveta County	850,000,000	548,034,968	64%
21	Laikipia County	872,500,000	543,320,683	62%
22	Isiolo County	250,088,180	154,454,210	62%
23	Bomet County	255,750,929	155,388,792	61%
24	Mandera County	350,000,000	212,066,352	61%
25	Embu County	1,546,792,241	919,736,263	59%
26	Kajiado County	1,710,000,000	1,015,513,995	59%
27	Garissa County	160,000,000	94,258,815	59%
28	Vihiga County	340,000,000	189,706,363	56%
29	Mombasa County	6,930,655,697	3,566,355,334	51%
30	Machakos County	3,021,915,198	1,469,668,976	49%
31	Murang'a County	1,600,000,000	733,539,284	46%
32	Trans Nzoia County	680,000,000	284,844,330	42%
33	Turkana County	400,000,000	167,274,130	42%
34	Bungoma County	1,042,461,543	414,556,229	40%
35	Busia County	697,006,996	269,144,952	39%
36	Lamu County	252,500,000	91,996,754	36%
37	Baringo County	600,097,396	203,122,190	34%
38	Homa Bay County	1,482,806,657	394,542,809	27%
39	Kakamega County	2,200,000,000	558,020,166	25%
40	Kisumu County	3,804,073,100	777,043,331	20%
	Total	77,440,681,155	50,595,826,781	65%

Appendix 5: Exchequer Releases from National Government Vs Exchequer Receipts Recorded in County Governments for the year ended 30 June, 2025

No	County Name	Exchequer Releases (Kshs)	Exchequer Receipts (Kshs)	Variances (Kshs)
Counties that Recorded Less Exchequer Receipts Than Treasury Disbursements Records				
1	Nairobi City County	21,784,477,445	20,178,712,719	1,605,764,726
2	Nakuru County	14,754,472,473	13,666,998,494	1,087,473,979
3	Turkana County	14,264,799,101	13,229,147,271	1,035,651,830
4	Machakos County	10,361,006,562	9,597,222,939	763,783,623
5	Makueni County	9,173,745,326	8,497,308,448	676,436,878
6	Nandi County	7,930,493,763	7,362,609,427	567,884,336
7	Baringo County	7,215,693,926	6,683,872,231	531,821,695
8	Elgeyo/Marakwet County	5,210,848,408	4,826,732,152	384,116,256
9	Wajir County	10,691,090,724	10,674,873,934	16,216,790
10	Nyeri County	7,037,436,120	7,026,454,186	10,981,934
11	Vihiga County	5,714,284,578	5,714,284,568	10
Counties whose Exchequer Agreed with Treasury Disbursements Records				
No	County Name	Exchequer Releases (Kshs)	Exchequer Receipts (Kshs)	Variances (Kshs)
1	Bomet County	7,573,354,888	7,573,354,888	-
2	Bungoma County	12,059,631,451	12,059,631,451	-
3	Busia County	8,112,982,999	8,112,982,999	-
4	Embu County	5,797,242,036	5,797,242,036	-
5	Garissa County	8,950,347,059	8,950,347,059	-
6	Homa Bay County	8,820,550,663	8,820,550,663	-
7	Isiolo County	5,315,430,193	5,315,430,193	-
8	Kajiado County	9,009,031,165	9,009,031,165	-
9	Kakamega County	14,013,515,558	14,013,515,558	-
10	Kericho County	7,274,716,308	7,274,716,308	-

No	County Name	Exchequer Releases (Kshs)	Exchequer Receipts (Kshs)	Variances (Kshs)
11	Kiambu County	13,271,899,667	13,271,899,667	-
12	Kilifi County	13,138,579,633	13,138,579,633	-
13	Kirinyaga County	5,882,890,697	5,882,890,697	-
14	Kisii County	10,046,523,652	10,046,523,652	-
15	Kisumu County	9,074,271,364	9,074,271,364	-
16	Kitui County	11,752,326,679	11,752,326,679	-
17	Kwale County	9,312,139,711	9,312,139,711	-
18	Laikipia County	5,815,695,031	5,815,695,031	-
19	Lamu County	3,513,418,983	3,513,418,983	-
20	Marsabit County	8,201,982,024	8,201,982,024	-
21	Meru County	10,735,750,187	10,735,750,187	-
22	Migori County	9,052,392,398	9,052,392,398	-
23	Mombasa County	8,528,596,411	8,528,596,411	-
24	Murang'a County	8,109,770,075	8,109,770,075	-
25	Narok County	9,977,563,666	9,977,563,666	-
26	Nyamira County	5,786,724,115	5,786,724,115	-
27	Nyandarua County	6,409,000,509	6,409,000,509	-
28	Samburu County	6,070,774,588	6,070,774,588	-
29	Siaya County	7,882,514,002	7,882,514,002	-
30	Taita/Taveta County	5,469,372,732	5,469,372,732	-
31	Tana River County	7,367,974,537	7,367,974,537	-
32	Tharaka-Nithi County	4,749,766,134	4,749,766,134	-
33	Trans Nzoia County	8,140,487,291	8,140,487,291	-
34	Uasin Gishu County	9,146,485,411	9,146,485,411	-
35	West Pokot County	7,135,644,331	7,135,644,331	-
36	Mandera County	12,621,274,707	12,621,274,707	-
	Total	418,258,969,281	411,578,837,224	6,680,132,057

Appendix 6: County Governments Expenditure for the year ended 30 June, 2025

No	County	County Executive (Kshs)	County Assembly (Kshs)	Total Expenditure (Kshs)
1	Nairobi County	31,952,309,888	1,629,022,534	33,581,332,422
2	Kiambu County	17,410,829,925	1,083,382,746	18,494,212,671
3	Kilifi County	16,054,661,204	1,079,129,523	17,133,790,727
4	Turkana County	15,332,641,532	926,918,376	16,259,559,908
5	Narok County	15,059,541,029	931,672,771	15,991,213,800
6	Mombasa County	12,947,457,782	816,315,292	13,763,773,074
7	Nakuru County	12,116,116,256	1,121,002,500	13,237,118,756
8	Kakamega County	11,913,264,879	1,191,151,384	13,104,416,263
9	Kitui County	11,954,253,847	1,007,708,119	12,961,961,966
10	Mandera County	11,783,897,636	929,902,944	12,713,800,580
11	Bungoma County	10,928,162,004	1,105,256,621	12,033,418,625
12	Machakos County	10,617,940,332	967,646,190	11,585,586,522
13	Wajir County	10,465,936,544	784,434,618	11,250,371,162
14	Uasin Gishu County	10,058,548,112	948,185,829	11,006,733,941
15	Homa Bay County	9,373,258,136	1,044,780,562	10,418,038,698
16	Trans Nzoia County	9,280,182,373	807,706,427	10,087,888,800
17	Kisii County	9,011,203,736	1,026,489,646	10,037,693,382
18	Migori County	8,663,687,035	1,000,130,970	9,663,818,005
19	Kisumu County	8,569,136,546	1,009,723,834	9,578,860,380
20	Makueni County	8,710,124,639	830,421,952	9,540,546,591
21	Garissa County	8,504,279,014	1,028,325,425	9,532,604,439
22	Meru County	8,241,985,042	1,033,333,596	9,275,318,638
23	Murang'a County	8,243,969,936	853,122,125	9,097,092,061
24	Marsabit County	7,673,354,995	1,109,568,958	8,782,923,953
25	Siaya County	7,486,087,487	928,420,680	8,414,508,167
26	Nandi County	7,579,385,582	733,503,208	8,312,888,790

No	County	County Executive (Kshs)	County Assembly (Kshs)	Total Expenditure (Kshs)
27	Kwale County	7,187,995,276	980,091,223	8,168,086,499
28	Nyeri County	7,251,269,505	657,228,813	7,908,498,318
29	Busia County	6,830,609,339	852,325,847	7,682,935,186
30	West Pokot County	6,443,896,242	768,732,160	7,212,628,402
31	Baringo County	6,276,518,849	787,820,252	7,064,339,101
32	Tana River County	6,082,268,227	870,303,318	6,952,571,545
33	Bomet County	5,958,510,543	959,593,595	6,918,104,138
34	Kericho County	5,932,300,322	958,937,465	6,891,237,787
35	Taita/Taveta County	5,885,189,041	804,261,088	6,689,450,129
36	Nyamira County	5,989,553,374	663,184,196	6,652,737,570
37	Kajiado County	5,744,336,832	849,752,821	6,594,089,653
38	Kirinyaga County	5,793,955,419	793,585,241	6,587,540,660
39	Laikipia County	5,722,126,550	594,630,117	6,316,756,667
40	Samburu County	5,689,501,085	604,715,166	6,294,216,251
41	Vihiga County	5,459,386,518	702,781,383	6,162,167,901
42	Embu County	5,093,307,106	753,410,324	5,846,717,430
43	Nyandarua County	4,592,860,887	868,058,779	5,460,919,666
44	Tharaka-Nithi County	4,950,137,528	442,912,397	5,393,049,925
45	Elgeyo/Marakwet County	4,748,941,101	619,408,401	5,368,349,502
46	Isiolo County	4,068,100,314	569,545,397	4,637,645,711
47	Lamu County	3,375,750,430	423,803,983	3,799,554,413
	Total	419,008,729,979	41,452,338,796	460,461,068,775

Appendix 7: Personnel Emoluments Versus Total Revenue for County Executives for the year ended 30 June, 2025

No	County Executive	Personnel Emoluments(Kshs)	Total Revenue (Kshs)	% Total Revenue
1	Kajiado County	4,650,645,574	7,345,726,037	63%
2	Nyeri County	4,421,645,222	7,486,210,205	59%
3	Bomet County	3,610,032,465	6,314,611,926	57%
4	Nairobi County	18,252,861,362	32,546,363,019	56%
5	Homa Bay County	5,697,166,766	10,187,773,187	56%
6	Kisumu County	5,158,711,439	9,241,631,510	56%
7	Baringo County	3,577,481,386	6,424,471,364	56%
8	Bungoma County	6,072,209,028	11,188,343,410	54%
9	Laikipia County	3,306,021,821	6,103,450,954	54%
10	Taita/Taveta County	3,259,590,837	6,082,507,237	54%
11	Nyamira County	3,013,312,447	5,648,166,753	53%
12	Meru County	4,828,067,299	9,054,751,662	53%
13	Kisii County	4,954,112,404	9,320,328,103	53%
14	Tharaka-Nithi County	2,611,087,605	4,955,540,851	53%
15	Elgeyo/Marakwet County	2,635,956,505	5,013,283,841	53%
16	Kwale County	3,848,754,534	7,390,741,758	52%
17	Mombasa County	6,797,801,508	13,061,111,499	52%
18	Busia County	3,580,098,039	6,949,989,950	52%
19	Kericho County	3,095,200,341	6,042,824,075	51%
20	Lamu County	1,755,407,073	3,506,109,354	50%
21	Makueni County	4,439,299,679	8,872,507,510	50%
22	Kakamega County	5,890,969,457	11,857,449,274	50%
23	Murang'a County	4,101,036,692	8,494,766,810	48%
24	Marsabit County	3,653,972,362	7,742,021,252	47%
25	Garissa County	4,221,902,295	8,947,779,967	47%
26	Kiambu County	8,253,993,337	17,586,323,328	47%
27	Vihiga County	2,691,009,836	5,751,275,738	47%
28	Machakos County	6,219,864,833	13,340,945,013	47%
29	West Pokot County	3,011,654,291	6,552,285,097	46%
30	Turkana County	5,659,171,913	12,712,800,011	45%
31	Samburu County	2,608,722,506	5,935,052,203	44%

No	County Executive	Personnel Emoluments(Kshs)	Total Revenue (Kshs)	% Total Revenue
32	Nandi County	3,372,701,751	7,813,219,349	43%
33	Nyandarua County	2,056,882,715	4,790,756,342	43%
34	Kitui County	5,210,532,440	12,168,733,022	43%
35	Kirinyaga County	2,506,567,819	5,873,579,553	43%
36	Isiolo County	2,003,131,850	4,843,949,289	41%
37	Siaya County	3,008,852,595	7,458,918,285	40%
38	Mandera County	4,663,614,050	11,780,595,216	40%
39	Wajir County	4,148,678,570	10,719,507,094	39%
40	Trans Nzoia County	3,513,808,452	9,271,085,823	38%
41	Uasin Gishu County	4,276,416,909	11,355,195,626	38%
42	Migori County	3,205,373,599	8,725,237,886	37%
43	Tana River County	2,118,544,548	6,281,398,848	34%
44	Kilifi County	4,979,294,985	15,363,111,418	32%
45	Nakuru County	6,036,527,900	19,534,080,837	31%
46	Narok County	4,597,131,309	14,907,575,149	31%
47	Embu County	1,435,656,225	5,259,463,775	27%
	Total	203,011,476,573	437,803,550,410	46%

Appendix 8: Personnel Emoluments Versus Total Revenue for County Assemblies for the year ended 30 June, 2025

No	County Assembly	Personnel Emolument (Kshs)	Total Revenue (Kshs)	% Total Revenue
1	Wajir County	561,358,671	784,727,611	72%
2	Isiolo County	399,089,595	569,809,817	70%
3	Nandi County	468,894,853	731,630,547	64%
4	Kisii County	647,297,696	1,027,411,099	63%
5	Narok County	563,816,795	931,683,159	61%
6	Turkana County	566,415,643	936,034,196	61%
7	Garissa County	606,853,447	1,028,333,260	59%
8	Elgeyo/Marakwet County	354,065,704	619,407,879	57%
9	West Pokot County	419,466,646	768,930,979	55%
10	Baringo County	426,879,842	788,459,023	54%
11	Machakos County	524,916,863	969,588,406	54%
12	Samburu County	328,783,340	608,738,137	54%
13	Kiambu County	578,535,389	1,083,381,683	53%
14	Makueni County	426,381,674	835,333,568	51%
15	Murang'a County	433,934,191	853,123,458	51%
16	Nairobi County	785,454,167	1,552,088,714	51%
17	Embu County	379,791,038	753,412,694	50%
18	Vihiga County	351,702,189	699,349,264	50%
19	Nyamira County	344,255,915	692,528,311	50%
20	Meru County	508,820,311	1,034,156,883	49%
21	Kakamega County	612,133,091	1,263,782,976	48%
22	Tharaka-Nithi County	231,761,422	483,246,288	48%
23	Mandera County	455,691,457	951,077,499	48%
24	Uasin Gishu County	399,384,899	838,562,473	48%
25	Mombasa County	390,022,910	820,496,907	48%
26	Migori County	476,425,329	1,005,379,343	47%
27	Kericho County	441,932,778	933,153,761	47%
28	Busia County	383,683,392	846,262,218	45%
29	Laikipia County	268,842,357	594,637,245	45%
30	Nyandarua County	392,244,598	868,102,738	45%

No	County Assembly	Personnel Emolument (Kshs)	Total Revenue (Kshs)	% Total Revenue
31	Homa Bay County	448,051,592	1,044,999,999	43%
32	Kitui County	431,744,124	1,008,108,759	43%
33	Lamu County	182,629,024	426,911,860	43%
34	Kirinyaga County	336,764,608	798,687,262	42%
35	Bomet County	394,067,231	959,677,768	41%
36	Bungoma County	491,940,480	1,233,030,611	40%
37	Trans Nzoia County	330,867,902	833,568,895	40%
38	Taita/Taveta County	309,949,302	808,904,160	38%
39	Nakuru County	431,357,578	1,168,495,070	37%
40	Kisumu County	371,298,006	1,015,692,620	37%
41	Kilifi County	442,428,056	1,225,673,772	36%
42	Siaya County	330,320,412	928,442,195	36%
43	Nyeri County	221,173,376	657,341,136	34%
44	Kajiado County	273,999,528	849,788,236	32%
45	Tana River County	263,781,607	866,080,189	30%
46	Kwale County	268,781,098	982,188,197	27%
47	Marsabit County	270,334,645	1,110,860,951	24%
	Total	19,528,324,771	41,791,281,816	47%

Appendix 9: Accounts Payables as at 30 June, 2025

No	County Name	County Executive (Kshs)	County Assembly (Kshs)	Total (Kshs)
1	Nairobi County	87,240,740,804	767,696,223	88,008,437,027
2	Kilifi County	11,928,765,229	296,732,964	12,225,498,193
3	Kiambu County	8,160,039,953	279,590,485	8,439,630,438
4	Nakuru County	6,486,082,857	662,657,870	7,148,740,727
5	Narok County	6,659,641,072	19,307,527	6,678,948,599
6	Kisumu County	5,944,565,372	49,385,844	5,993,951,216
7	Nyandarua County	5,024,674,774	164,318,549	5,188,993,323
8	Machakos County	4,821,580,528	274,423,191	5,096,003,719
9	Tana River County	4,190,370,273	328,682,282	4,519,052,555
10	Bungoma County	4,469,304,080	16,282,956	4,485,587,036
11	Kajiado County	4,174,866,983	246,913,494	4,421,780,477
12	Wajir County	3,789,304,713	233,512,399	4,022,817,112
13	Mombasa County	3,803,407,106	168,763,543	3,972,170,649
14	Mandera County	3,523,524,213	6,073,972	3,529,598,185
15	Busia County	3,085,696,422	333,929,626	3,419,626,048
16	Meru County	3,415,572,399	-	3,415,572,399
17	Turkana County	3,304,644,604	-	3,304,644,604
18	Murang'a County	3,228,256,309	72,444,485	3,300,700,794
19	Kakamega County	2,514,353,924	685,388,204	3,199,742,128
20	Kwale County	2,956,470,310	2,625,517	2,959,095,827
21	Kisii County	2,742,365,197		2,742,365,197
22	Trans Nzoia County	2,569,999,530	50,886,646	2,620,886,176
23	Taita/Taveta County	2,226,102,979	49,592,309	2,275,695,288
24	Laikipia County	1,935,664,584	114,685,723	2,050,350,307
25	Marsabit County	1,805,275,078	216,803,829	2,022,078,907
26	Siaya County	1,889,967,165	39,285,727	1,929,252,892

No	County Name	County Executive (Kshs)	County Assembly (Kshs)	Total (Kshs)
27	Kericho County	1,884,953,574	38,206,912	1,923,160,486
28	Embu County	1,704,536,825	91,763,623	1,796,300,448
29	Vihiga County	1,710,935,140	4,035,595	1,714,970,735
30	Homa Bay County	1,524,513,380	123,989,691	1,648,503,071
31	Bomet County	1,538,084,971	65,871,577	1,603,956,548
32	Garissa County	1,422,048,728	139,910,028	1,561,958,756
33	Uasin Gishu County	1,438,182,484	107,129,246	1,545,311,730
34	Migori County	866,572,632	657,359,933	1,523,932,565
35	Tharaka-Nithi County	882,571,678	224,503,523	1,107,075,201
36	Isiolo County	985,147,345	99,140,893	1,084,288,238
37	Nandi County	782,535,628	19,292,884	801,828,512
38	Makueni County	640,369,741	120,030,246	760,399,987
39	Kitui County	626,406,908	100,104,089	726,510,997
40	Nyamira County	583,338,021	30,405,009	613,743,030
41	Kirinyaga County	589,845,766	23,270,960	613,116,726
42	Samburu County	431,831,736	16,644,512	448,476,248
43	Baringo County	395,618,422	48,956,363	444,574,785
44	Nyeri County	342,359,627	93,053,482	435,413,109
45	West Pokot County	180,498,414	28,760,032	209,258,446
46	Elgeyo/Marakwet County	111,147,207	-	111,147,207
47	Lamu County	31,529,691	148,965	31,678,656
	Total	210,564,264,376	7,112,560,928	217,676,825,304

Appendix 10: Financing Locally-Led Climate Change Action (FLLOCCA) Funding and Expenditure in the Counties for the year ended 30 June, 2025

No	County Name	County Allocation (Kshs)	County Expenditure (Kshs)	Unutilized Funds (Kshs)
1	Migori County	782,933,186	408,837,971	374,095,215
2	Homa Bay County	735,687,741	260,363,406	475,324,335
3	Vihiga County	715,248,406	699,517,022	15,731,384
4	Kakamega County	670,800,367	165,482,767	505,317,600
5	Bungoma County	659,602,369	313,220,767	346,381,602
6	Bomet County	613,709,900	290,367,241	323,342,659
7	Kisii County	525,900,074	240,005,540	285,894,534
8	Mandera County	458,522,025	239,652,056	218,869,969
9	Busia County	453,233,404	245,014,785	208,218,619
10	Wajir County	433,129,062	262,812,772	170,316,290
11	Marsabit County	422,279,160	299,642,047	122,637,113
12	Baringo County	408,955,782	198,116,311	210,839,471
13	Turkana County	370,423,798	228,360,903	142,062,895
14	Trans Nzoia County	360,289,277	202,523,105	157,766,172
15	West Pokot County	328,967,694	108,355,797	220,611,897
16	Nakuru County	307,418,262	56,440,127	250,978,135
17	Makueni County	306,905,079	182,627,861	124,277,218
18	Meru County	302,365,756	117,857,035	184,508,721
19	Kericho County	278,721,805	205,581,659	73,140,146
20	Garissa County	275,580,354	244,171,112	31,409,242
21	Kilifi County	268,234,806	203,000,000	65,234,806
22	Kitui County	259,509,957	108,780,074	150,729,883
23	Narok County	241,840,186	19,289,910	222,550,276
24	Tharaka-Nithi County	231,778,228	87,918,927	143,859,301
25	Nyeri County	230,879,400	212,335,554	18,543,846

No	County Name	County Allocation (Kshs)	County Expenditure (Kshs)	Unutilized Funds (Kshs)
26	Siaya County	214,000,000	132,573,505	81,426,495
27	Tana River County	213,338,593	204,408,016	8,930,577
28	Kwale County	207,991,357	139,400,553	68,590,804
29	Kirinyaga County	187,225,785	99,834,086	87,391,699
30	Samburu County	186,632,523	165,781,345	20,851,178
31	Kisumu County	166,457,500	127,965,738	38,491,762
32	Kiambu County	150,855,741	11,785,268	139,070,473
33	Kajiado County	148,511,546	11,000,000	137,511,546
34	Machakos County	137,523,558	128,789,642	8,733,916
35	Isiolo County	136,000,000	136,240,205	(240,205)
36	Taita/Taveta County	130,937,810	81,765,034	49,172,776
37	Nyamira County	107,385,353	11,000,000	96,385,353
38	Laikipia County	104,000,000	105,670,254	(1,670,254)
39	Lamu County	90,830,229	89,951,229	879,000
40	Embu County	58,624,145	130,238,583	(71,614,438)
41	Uasin Gishu County	11,000,000	192,269,408	(181,269,408)
	Total	12,894,230,218	7,368,947,615	5,525,282,603

Appendix 11: Scholarship and Bursary Funding in the Counties for the year ended 30 June 2025

No	County Name	Transfer From County (Kshs)	Bursary Fund Expenditure (Kshs)	Fund Balances (Kshs)
1	Bungoma County	-	219,345,121	(219,345,121)
2	Kitui County	-	120,000,000	(120,000,000)
3	Embu County	-	93,821,789	(93,821,789)
4	Wajir County	130,000	84,971,201	(84,841,201)
5	Tana River County	88,000,000	144,049,382	(56,049,382)
6	Kwale County	198,000,000	252,968,788	(54,968,788)
7	Nyamira County	46,500,000	90,260,346	(43,760,346)
8	Tharaka-Nithi County	-	33,727,720	(33,727,720)
9	Homa Bay County	215,000,000	224,969,857	(9,969,857)
10	Baringo County	98,500,000	107,760,725	(9,260,725)
11	Migori County	-	8,971,332	(8,971,332)
12	Kakamega County	-	3,800,680	(3,800,680)
13	Narok County	490,351,400	493,876,857	(3,525,457)
14	Kirinyaga County	4,450,000	7,747,413	(3,297,413)
15	Laikipia County	75,000,000	77,967,541	(2,967,541)
16	Makueni County	138,870,839	141,116,209	(2,245,370)
17	Murang'a County	275,000,000	277,163,823	(2,163,823)
18	Nyeri County	10,000,000	11,724,789	(1,724,789)
19	Uasin Gishu County	-	1,191,082	(1,191,082)
20	Elgeyo/Marakwet County	119,052,936	120,220,507	(1,167,571)
21	Kericho County	-	645,000	(645,000)
22	Lamu County	79,422,308	79,969,154	(546,846)
23	Garissa County	50,000,000	50,469,780	(469,780)
24	Isiolo County	35,000,000	35,396,669	(396,669)
25	Meru County	136,000,000	136,000,000	-

No	County Name	Transfer From County (Kshs)	Bursary Fund Expenditure (Kshs)	Fund Balances (Kshs)
26	Vihiga County	Readily Available	Readily Available	-
27	Siaya County	Readily Available	Readily Available	-
28	Kisumu County	Readily Available	Readily Available	-
29	Nairobi City County	270,434,062	270,434,062	-
30	Kajiado County	181,000,000	180,138,026	861,974
31	Nandi County	90,000,000	88,531,209	1,468,791
32	Kisii County	252,350,000	250,802,754	1,547,246
33	Nyandarua County	137,450,000	135,258,483	2,191,517
34	Machakos County	120,000,000	116,453,200	3,546,800
35	Marsabit County	155,000,000	150,702,122	4,297,878
36	Bomet County	65,000,000	60,211,081	4,788,919
37	Busia County	25,100,000	19,718,445	5,381,555
38	Mandera County	460,000,000	447,495,319	12,504,681
39	Taita/Taveta County	113,083,333	94,412,215	18,671,118
40	Nakuru County	452,807,481	413,035,449	39,772,032
41	Turkana County	248,000,000	207,267,861	40,732,139
42	Trans Nzoia County	104,451,795	42,545,431	61,906,364
43	Samburu County	123,400,000	30,566,741	92,833,259
44	Kiambu County	200,000,000	100,297,772	99,702,228
45	Mombasa County	339,500,000	221,344,791	118,155,209
46	Kilifi County	500,000,000	372,490,975	127,509,025
47	West Pokot County	350,000,000	150,000,000	200,000,000
	Total	6,246,854,154	6,169,841,701	77,012,453

Appendix 12: Delay in Construction and Commissioning of County Aggregation and Industrial Parks for the year ended 30 June, 2025

No.	County	Approved 3rd Schedule	Contract Sum (Kshs)	GOK - Amount- 2023/2024 (Kshs)	GOK- Amount - 2024/2025 (Kshs)	GOK- Total Receipts from National Government (Kshs)	County Payments 2024 (Kshs)	County Payments 2025 (Kshs)	Total Payments (Kshs)
1	Meru	Yes	492,212,741	64,000,000	186,000,000	250,000,000	243,645,516	234,854,483	478,499,999
2	Garissa	Yes	-	64,000,000	186,000,000	250,000,000	102,500,000	368,450,039	470,950,039
3	Embu	Yes	489,042,713	64,000,000	186,000,000	250,000,000	170,794,573	245,802,178	416,596,751
4	Migori	Yes	499,380,603	64,000,000	186,000,000	250,000,000	-	358,337,493	358,337,493
5	Wajir	Yes	601,000,973	-	122,105,258	122,105,258	136,194,772	189,974,783	326,169,555
6	Machakos	Yes	476,634,987	64,000,000	186,000,000	250,000,000	250,000,000	-	250,000,000
7	Uasin	Yes	535,317,419	64,000,000	186,000,000	250,000,000	159,850,889	78,601,490	238,452,379
8	Bungoma	Yes	474,153,714	64,000,000	186,000,000	250,000,000	81,018,114	87,430,000	168,448,114
9	Trans	Yes	499,166,766	64,000,000	52,631,579	116,631,579	-	164,420,562	164,420,562
10	Kwale	Yes	497,431,884	-	174,736,842	174,736,842	61,266,147	101,070,000	162,336,147
11	Tana	No	489,957,899	-	-	-	113,470,968	36,524,897	149,995,865
12	Kakamega	Yes	481,255,920	-	200,000,000	200,000,000	-	140,004,640	140,004,640
13	Homa	Yes	498,338,151	64,000,000	186,000,000	250,000,000	-	130,564,927	130,564,927
14	Nyamira	Yes	498,545,945	64,000,000	52,631,579	116,631,579	50,459,526	75,580,271	126,039,797
15	Nakuru	Yes	464,221,150	64,000,000	52,631,579	116,631,579	45,926,329	74,454,411	120,380,740

No.	County	Approved 3rd Schedule	Contract Sum (Kshs)	GOK - Amount- 2023/2024 (Kshs)	GOK- Amount - 2024/2025 (Kshs)	GOK- Total Receipts from National Government (Kshs)	County Payments 2024 (Kshs)	County Payments 2025 (Kshs)	Total Payments (Kshs)
16	Kiambu	Yes	498,082,815	64,000,000	52,631,579	116,631,579	-	112,833,603	112,833,603
17	Kisii	Yes	477,941,470	-	122,105,258	122,105,258	-	95,588,294	95,588,294
18	Nandi	Yes	559,550,628	64,000,000	52,631,579	116,631,579	-	77,751,287	77,751,287
19	Kericho	No	541,000,000	Not Available	Not Available	Not Available	Not Available	72,872,621	72,872,621
20	Mombasa	Yes	461,219,071	64,000,000	52,631,579	116,631,579	-	68,098,539	68,098,539
21	Siaya	Yes	483,688,922	64,000,000	52,631,579	116,631,579	-	21,970,927	21,970,927
22	Busia	Yes	448,960,875	64,000,000	186,000,000	250,000,000	158,565,992	171,590,892	330,156,884
23	Kirinyaga	Yes	499,988,904	64,000,000	186,000,000	250,000,000	4,700,000	391,826,012	396,526,012
24	Muranga	Yes	-	64,000,000	52,631,579	116,631,579	-	-	-
	Total		10,927,546,050	1,152,000,000	2,899,999,990	4,051,999,990	1,578,392,826	3,298,602,349	4,876,995,175

Appendix 13: Irregularities in the Management of Facility Improvement Fund in the Counties for the year ended 30 June 2025

No.	County Name	Amounts collected Through CRF (Kshs)	Transferred Amounts to FIF (Kshs)	Outstanding Balance (Kshs)
1	Kilifi County	-	850,306,997	
2	Lamu County	-	140,181,850	
3	Embu County	-	660,320,946	
4	Kiambu County	-	2,013,507,264	
5	Nakuru County	-	1,960,729,790	
6	Narok County	-	187,933,868	
7	Bomet County	-	117,522,000	
8	Bungoma County	-	723,783,145	
9	Busia County	-	244,518,006	
10	Nyamira County	-	606,790,259	
11	Tana River County	2,276,063	2,276,063	
12	Kitui County	732,139,464	357,935,612	374,203,852
13	Homa Bay County	915,941,725	687,007,504	228,934,220
14	Tharaka-Nithi County	235,535,466	-	235,535,466
15	Kisii County	173,444,017	-	173,444,017
16	Migori County	321,376,360	175,085,960	146,290,400
17	Machakos County	192,379,722	100,618,500	91,761,222
18	Kakamega County	873,502,133	788,383,867	85,118,266
19	West Pokot County	141,727,701	117,356,910	24,370,791
20	Kajiado County	190,325,503	177,163,167	13,162,336
21	Samburu County	9,410,585	-	9,410,585
22	Nyeri County	769,201,876	727,793,310	8,839,776
23	Baringo County	261,068,892	259,161,101	1,907,791
24	Trans Nzoia County	249,520,277	249,690,277	(170,000)

No.	County Name	Amounts collected Through CRF (Kshs)	Transferred Amounts to FIF (Kshs)	Outstanding Balance (Kshs)
25	Meru County	758,499,168	758,499,168	
26	Makueni County	778,335,657	778,335,657	
27	Turkana County	229,687,791	229,687,791	-

Appendix 14: Inaccuracies in the Financial Statements for County Executives for the year ended 30 June, 2025

No	County Name	Amounts (Kshs)
1	Mombasa County Executive	112,940,542
2	Kilifi County Executive	7,630,994,215
3	Lamu County Executive	675,122,501
4	Taita/Taveta County Executive	497,135,954
5	Garissa County Executive	36,540,758
6	Wajir County Executive	202,671,592
7	Mandera County Executive	2,836,135,325
8	Isiolo County Executive	1,276,570,120
9	Meru County Executive	110,355,790
10	Tharaka-Nithi County Executive	114,893,200
11	Embu County Executive	20,305,089
12	Kitui County Executive	289,433,014
13	Kirinyaga County Executive	235,690,806
14	Turkana County Executive	1,454,272,551
15	Samburu County Executive	74,227,000
16	Trans Nzoia County Executive	493,447,240
17	Elgeyo/Marakwet County Executive	534,484,647
18	Baringo County Executive	18,835,574,228
19	Laikipia County Executive	2,610,951
20	Nakuru County Executive	1,480,086,627
21	Kajiado County Executive	448,509,106
22	Kericho County Executive	328,363,324
23	Bomet County Executive	3,807,886,122
24	Busia County Executive	2,749,029,425
25	Siaya County Executive	422,763,685

No	County Name	Amounts (Kshs)
26	Kisumu County Executive	202,030,674
27	Migori County Executive	58,168,251
28	Nyamira County Executive	948,610,415
	Total	45,878,853,152

Appendix 15: Unsupported Expenditure in County Executives for the year ended 30 June, 2025

No	County Name	Amount (Kshs)
1	Kilifi County Executive	16,745,792,005
2	Kericho County Executive	8,189,617,459
3	Nakuru County Executive	1,960,729,790
4	Kakamega County Executive	1,408,838,925
5	Isiolo County Executive	1,286,395,120
6	Busia County Executive	679,883,991
7	Mombasa County Executive	414,333,189
8	Bungoma County Executive	337,960,475
9	Turkana County Executive	284,332,935
10	Samburu County Executive	263,985,373
11	Embu County Executive	239,612,999
12	Wajir County Executive	224,370,227
13	Taita/Taveta County Executive	190,633,873
14	Nandi County Executive	185,847,165
15	Nyamira County Executive	172,890,000
16	Migori County Executive	167,969,706
17	Narok County Executive	165,901,225
18	Meru County Executive	138,143,147
19	Siaya County Executive	129,964,941
20	Kiambu County Executive	92,416,877
21	Marsabit County Executive	72,843,573
22	Kwale County Executive	61,254,004
23	Kisii County Executive	40,789,069
24	Garissa County Executive	37,686,405
25	Mandera County Executive	34,879,433

No	County Name	Amount (Kshs)
26	Kisumu County Executive	23,848,817
27	Baringo County Executive	17,664,640
28	Kajiado County Executive	9,650,000
	Total	33,578,235,363

Appendix 16: Unsupported Balances in County Executives for the year ended 30 June, 2025

No	County Name	Amount (Kshs)
1	Kilifi County Executive	84,736,863
2	Taita/Taveta County Executive	2,226,102,979
3	Garissa County Executive	581,049,297
4	Wajir County Executive	199,460,538
5	Mandera County Executive	71,842,536
6	Meru County Executive	1,673,638,621
7	Tharaka-Nithi County Executive	424,809,084
8	Machakos County Executive	4,152,090,231
9	Kirinyaga County Executive	70,296,409
10	Kiambu County Executive	1,245,358,363
11	Turkana County Executive	233,882,708
12	West Pokot County Executive	1,407,398,580
13	Samburu County Executive	251,689,366
14	Trans Nzoia County Executive	38,643,463
15	Nandi County Executive	1,231,842,604
16	Baringo County Executive	3,988,100
17	Laikipia County Executive	1,154,508,149
18	Nakuru County Executive	1,015,949,533
19	Kajiado County Executive	2,501,193,082
20	Kericho County Executive	1,488,929,052
21	Bomet County Executive	337,083,155
22	Kakamega County Executive	675,934,192
23	Bungoma County Executive	4,979,107,878
24	Busia County Executive	3,085,464,048
25	Siaya County Executive	14,925,862

No	County Name	Amount (Kshs)
26	Kisumu County Executive	1,870,363,993
27	Migori County Executive	2,499,050,465
28	Kisii County Executive	2,623,281,983
29	Nyamira County Executive	583,338,021
	Total	36,725,959,155

Appendix 17: Unresolved Prior Year Matters in County Executives for the year ended 30 June, 2025

No	County Name	Qualification Issues	Lawfulness Issues	Internal Controls	Total Issues
1	Nandi County	9	44	4	57
2	Kisii County	1	33	13	47
3	Busia County	6	29	5	40
4	Nakuru County	12	27	1	40
5	Kisumu County	6	25	8	39
6	Uasin Gishu County	8	24	7	39
7	Nairobi City County	1	32	5	38
8	Samburu County		37		37
9	Bomet County	4	30	2	36
10	Tana River County	9	23	4	36
11	Embu County	4	27	4	35
12	Meru County	3	29	3	35
13	Garissa County	2	27	2	31
14	Siaya County	6	22	2	30
15	Kakamega County	8	20	1	29
16	Narok County	5	19	5	29
17	Nyamira County	3	22	4	29
18	Vihiga County	4	18	7	29
19	Kericho County	8	17	3	28
20	Bungoma County	7	14	6	27
21	Migori County	4	20	3	27
22	Trans Nzoia County	4	23		27
23	Kiambu County	1	15	9	25
24	Baringo County	6	16	1	23
25	Lamu County	5	16	2	23

No	County Name	Qualification Issues	Lawfulness Issues	Internal Controls	Total Issues
26	Elgeyo/Marakwet County	4	15	3	22
27	Nyandarua County	5	12	5	22
28	Nyeri County		22		22
29	Kilifi County	7	13	1	21
30	Mandera County	5	16		21
31	Marsabit County	3	16	2	21
32	Homa Bay County	2	18		20
33	Taita/Taveta County	14	5	1	20
34	Isiolo County		15	4	19
35	Turkana County	1	18		19
36	Mombasa County	4	11	3	18
37	Wajir County		16	1	17
38	Murang'a County	3	11	1	15
39	Kwale County	3	8	3	14
40	Tharaka-Nithi	5	8		13
41	Kitui County		11		11
42	Laikipia County		6	5	11
43	Machakos County	4	6	1	11
44	West Pokot County		7		7
45	Kajiado County		5	1	6
46	Kirinyaga County		6		6
47	Makueni County		4	1	5
	Total	186	858	133	1177

Appendix 18: Non-Compliance with Fiscal Responsibility Principles on Wage Bill in County Executives During the year ended 30 June, 2025

No	County Executive	Personnel Emoluments (Kshs)	Total Revenue (Kshs)	% of Total Revenue
1	Nyeri County	4,421,645,222	8,207,408,969	54%
2	Laikipia County	3,306,021,821	6,911,880,714	48%
3	Homa Bay County	5,697,166,766	11,933,375,716	48%
4	Baringo County	3,577,481,386	7,820,657,918	46%
5	Bungoma County	6,072,209,028	13,633,044,511	45%
6	Elgeyo/Marakwet County	2,635,956,505	6,043,895,538	44%
7	Taita/Taveta County	3,259,590,837	7,552,431,465	43%
8	Vihiga County	2,691,009,836	6,390,648,472	42%
9	Nairobi County	18,252,861,362	43,564,266,834	42%
10	West Pokot County	3,011,654,291	7,204,252,695	42%
11	Murang'a County	4,101,036,692	9,877,836,251	42%
12	Makueni County	4,439,299,679	10,742,471,512	41%
13	Mombasa County	6,797,801,508	16,539,154,106	41%
14	Bomet County	3,610,032,465	8,853,029,233	41%
15	Marsabit County	3,653,972,362	9,036,122,480	40%
16	Tharaka-Nithi County	2,611,087,605	6,466,615,529	40%
17	Machakos County	6,219,864,833	15,622,164,354	40%
18	Lamu County	1,755,407,073	4,415,440,207	40%
19	Garissa County	4,221,902,295	10,835,570,111	39%
20	Meru County	4,828,067,299	12,452,916,563	39%
21	Kitui County	5,210,532,440	13,530,153,955	39%
22	Kiambu County	8,253,993,337	22,111,444,560	37%
23	Nyamira County	3,013,312,447	8,102,897,542	37%
24	Nandi County	3,372,701,751	9,186,409,526	37%

No	County Executive	Personnel Emoluments (Kshs)	Total Revenue (Kshs)	% of Total Revenue
25	Kakamega County	5,890,969,457	16,172,021,545	36%
26	Kisumu County	5,158,711,439	14,214,711,871	36%
27	Busia County	3,580,098,039	9,923,694,531	36%
28	Turkana County	5,659,171,913	15,758,953,939	36%
29	Kajiado County	4,650,645,574	13,018,989,469	36%
30	Kisii County	4,954,112,404	13,953,991,832	36%

Appendix 19: Non-Adherence to One-Third Basic Salary Requirement in County Executives for the year ended 30 June, 2025

No	County Name	Employees Earning Less than One-Third of Basic Pay
1	West Pokot County Executive	5052
2	Turkana County Executive	4830
3	Embu County Executive	1374
4	Bomet County Executive	1282
5	Nakuru County Executive	1166
6	Homa Bay County Executive	808
7	Nairobi County Executive	625
8	Kakamega County Executive	467
9	Migori County Executive	429
10	Nyandarua County Executive	414
11	Kericho County Executive	389
12	Nyamira County Executive	352
13	Kisii County Executive	335
14	Kiambu County Executive	287
15	Trans Nzoia County Executive	212
16	Nandi County Executive	201
17	Murang'a County Executive	115
18	Samburu County Executive	81
19	Tharaka-Nithi County Executive	76
20	Wajir County Executive	67
21	Kitui County Executive	66
22	Vihiga County Executive	56
23	Baringo County Executive	44
24	Kilifi County Executive	33
25	Laikipia County Executive	26

26	Marsabit County Executive	25
27	Garissa County Executive	4
28	Kwale County Executive	Not Indicated
29	Elgeyo/Marakwet County Executive	Not Indicated
30	Narok County Executive	Not Indicated
31	Bungoma County Executive	Not Indicated
	Total	18,816

Appendix 20: Non-Compliance with the 30% Ethnic Balance in County Executives During the year ended 30 June, 2025

No	County Name	Employees from Dominant Community
1	Bomet County Executive	99%
2	Nyandarua County Executive	96%
3	Elgeyo/Marakwet County Executive	95%
4	Nyamira County Executive	95%
5	Nyeri County Executive	94%
6	Murang'a County Executive	94%
7	Kakamega County Executive	94%
8	Vihiga County Executive	94%
9	Kisii County Executive	94%
10	Makueni County Executive	93%
11	Kirinyaga County Executive	92%
12	Uasin Gishu County Executive	92%
13	Kitui County Executive	91%
14	Siaya County Executive	90%
15	Meru County Executive	89%
16	Kisumu County Executive	88%
17	Turkana County Executive	86%
18	Kiambu County Executive	85%
19	Samburu County Executive	82%
20	Kilifi County Executive	78%
21	Homa Bay County Executive	77%
22	Wajir County Executive	75%
23	Migori County Executive	71%
24	Laikipia County Executive	70%
25	Narok County Executive	70%

No	County Name	Employees from Dominant Community
26	Tharaka-Nithi County Executive	66%
27	Nandi County Executive	63%
28	Busia County Executive	58%
29	Embu County Executive	55%
30	Mombasa County Executive	41%
31	Lamu County Executive	36%

Appendix 21: Procurement Irregularities in County Executives for the year ended 30 June, 2025

No	County Name	Amount (Kshs)
1	Kericho County Executive	5,764,665,083
2	Nairobi County Executive	2,772,693,197
3	Kiambu County Executive	1,642,507,887
4	Machakos County Executive	1,164,700,905
5	Samburu County Executive	827,813,782
6	Meru County Executive	716,777,736
7	Nyamira County Executive	452,151,511
8	Isiolo County Executive	336,944,977
9	Nandi County Executive	119,399,065
10	Mandera County Executive	114,075,742
11	Mombasa County Executive	95,127,712
12	Kilifi County Executive	83,433,000
13	Lamu County Executive	67,560,295
14	Garissa County Executive	50,749,655
15	Kitui County Executive	50,390,369
16	West Pokot County Executive	40,395,834
17	Laikipia County Executive	27,551,545
18	Busia County Executive	25,366,080
19	Uasin Gishu County Executive	24,160,750
20	Homa Bay County Executive	22,778,238
21	Kisumu County Executive	20,125,788
22	Marsabit County Executive	11,808,880
23	Siaya County Executive	11,197,367
24	Nyandarua County Executive	7,685,896
25	Embu County Executive	3,000,000
	TOTAL	14,453,061,294

Appendix 22: Irregular Contributions to the Council of Governors for the year ended 30 June, 2025

No	County Name	Amount (Kshs)
1	Mombasa County	4,000,000
2	Tana River County	5,000,000
3	Lamu County	3,000,000
4	Garissa County	5,000,000
5	Wajir County	5,000,000
6	Mandera County	6,000,000
7	Isiolo County	4,000,000
8	Meru County	6,000,000
9	Tharaka-Nithi County	2,000,000
10	Embu County	5,000,000
11	Kitui County	2,000,000
12	Nyeri County	1,300,000
13	Kiambu County	3,000,000
14	Uasin Gishu County	3,000,000
15	Nandi County	5,000,000
16	Kajiado County	1,000,000
17	Bomet County	4,000,000
18	Kakamega County	5,000,000
19	Homa Bay County	3,000,000
20	Kisii County	3,000,000
21	Nyamira County	3,000,000
	Total	78,300,000

Appendix 23: Delayed Projects in County Executives for the year ended 30 June, 2025

No	County Name	Number of Delayed Projects	Contract Sum (Kshs)
1	Mombasa County Executive	4	594,586,760
2	Kwale County Executive	3	1,384,788,061
3	Kilifi County Executive	1	62,990,880
4	Lamu County Executive	3	141,402,137
5	Garissa County Executive	1	43,149,655
6	Wajir County Executive	3	602,576,184
7	Marsabit County Executive	Not Indicated	1,142,850,062
8	Isiolo County Executive	3	396,947,059
9	Meru County Executive	1	492,212,741
10	Tharaka-Nithi County Executive	Not Indicated	320,500,191
11	Makueni County Executive	1	34,470,879
12	Nyandarua County Executive	2	2,354,100,108
13	Nyeri County Executive	1	93,164,980
14	Kiambu County Executive	5	99,040,042
15	Turkana County Executive	1	740,724,014
16	West Pokot County Executive	3	332,679,345
17	Samburu County Executive	2	15,950,834
18	Trans Nzoia County Executive	2	589,728,442
19	Uasin Gishu County Executive	12	1,653,530,440
20	Nandi County Executive	2	119,289,508
21	Baringo County Executive	5	68,448,663
22	Nakuru County Executive	Not Indicated	2,799,737,978
23	Narok County Executive	13	1,187,944,751
24	Kajiado County Executive	5	110,988,761
25	Kericho County Executive	4	380,277,436

No	County Name	Number of Delayed Projects	Contract Sum (Kshs)
26	Bomet County Executive	5	426,069,539
27	Kakamega County Executive	9	562,564,098
28	Vihiga County Executive	1	891,200,719
29	Bungoma County Executive	3	1,592,427,288
30	Busia County Executive	12	56,533,523
31	Siaya County Executive	4	141,797,887
32	Homa Bay County Executive	2	2,994,101,210
33	Migori County Executive	4	365,615,223
34	Kisii County Executive	3	605,819,750
35	Nyamira County Executive	2	533,411,485
36	Nairobi County Executive	2	764,203,561
		124	24,695,824,194

Appendix 24: Stalled/Abandoned Projects in County Executives for the year ended 30 June, 2025

No	County Name	Number of Stalled Projects	Contract Sum (Kshs)
1	Kwale County Executive	7	130,884,336
2	Lamu County Executive	12	219,207,350
3	Taita/Taveta County Executive	9	219,207,350
4	Garissa County Executive	17	509,485,588
5	Isiolo County Executive	3	778,649,075
6	Tharaka-Nithi County Executive	1	21,004,700
7	Embu County Executive	4	73,008,592
8	Machakos County Executive	2	17,393,550
9	Makueni County Executive	1	500,000
10	Nyandarua County Executive	5	66,428,315
11	Nyeri County Executive	1	93,164,980
12	Kiambu County Executive	1	51,670,660
13	Turkana County Executive	6	141,238,906
14	West Pokot County Executive	3	136,081,319
15	Samburu County Executive	1	4,968,300
16	Trans Nzoia County Executive	3	2,462,771,550
17	Uasin Gishu County Executive	Various	1,036,115,802
18	Nandi County Executive	1	9,954,900
19	Baringo County Executive	24	131,056,053
20	Nakuru County Executive	10	421,569,917
21	Narok County Executive	12	557,684,155
22	Kajiado County Executive	5	5,118,200
23	Kericho County Executive	1	14,135,859
24	Bomet County Executive	1	14,013,380
25	Kakamega County Executive	4	7,096,778,485

No	County Name	Number of Stalled Projects	Contract Sum (Kshs)
26	Bungoma County Executive	8	140,122,657
27	Busia County Executive	7	59,424,779
28	Siaya County Executive	1	4,307,957
29	Kisumu County Executive	2	11, 751,638
30	Homa Bay County Executive	1	2,211,900
31	Kisii County Executive	1	53,696,806
32	Nyamira County Executive	7	106,108,145
	Total	161	14,577,963,566

Appendix 25: Un-utilized Projects during the year ended 30 June, 2025

No	County Name	Completed but not use Projects	Amounts (Kshs)
1	Garissa County Executive	i) Five projects completed but had not been put into use ii) 56-Kilometer Baraki–Maalim pipeline which was fully paid but underutilized	212,027,912
2	Wajir County Executive	i) Borehole located at Garseykhofu in Wajir West. drilled but was yet to be equipped and thus not in use for the benefit of the local communities ii) Various development projects complete but not equipped/furnished and remained unutilized iii) Unutilized Wajir County International Abattoir	835,983,735
3	Mandera County Executive	Non-Utilization of Completed Projects	8,847,567
4	Marsabit County Executive	i) Complete but Unutilized various Projects ii) Equipment purchased at a cost of Kshs.3,200,000 but not put into use since the dispensary was not operational.	22,868,295
5	Isiolo County Executive	Non-Operational Hatchery Equipment	2,498,917
6	Meru County Executive	i) Ablution Block and Laboratory at KMTC Miathene Campus ii) Kiguchwa Dispensary iii) Modern Roof Shed at Kinoro Market iv) Timau Market	8,893,027
7	Tharaka-Nithi County Executive	Unoccupied Deputy Governor's Residence	26,742,335
8	Embu County Executive	Unutilized Health Facilities	11,474,068
9	Kitui County Executive	i) Failure to operationalize various health facilities including Maternity, Dispensaries and Mortuary ii) Non-operationalization of Amenity ward at Mwingi sub-county Hospital	53,517,066
10	Machakos County Executive	Non-Operationalization of a Twin Workshop at Kamwanyani Vocational Training Centre	12,556,200
11	Kirinyaga County Executive	Unutilized Gender-Based Violence Rehabilitation (GBVR) Center - Kirinyaga which was abandoned, not labeled with notable broken windows and neglected grounds.	

No	County Name	Completed but not use Projects	Amounts (Kshs)
12	Kiambu County Executive	i) Kianjau ECDE Centre in Thika Town Ward with offices and ablution block complete but not in use ii) ECDE Centre with offices and toilet block at Athena in Thika Town Ward iii) Delay in Handing Over the Gatundu Level 5 Funeral Home in Gatundu South Sub-Location completed on 9 June, 2024	59,556,112
13	Turkana County Executive	i) Kalokol Resource Centre complete but not in use ii) Equipping of Agricultural Mechanization done but not in use	19,557,790
14	West Pokot County Executive	i) Unused Elevated Tank and Plumbing at Paraywa Dispensary in Siyoi Ward ii) Unused Kruru Dispensary in Riwo Ward	8,498,728
15	Samburu County Executive	i) Non-Functional Floodlights ii) Short deliveries in the contract for for Leirr Borehole solarization	24,487,333
16	Trans Nzoia County Executive	Unutilized Alakara Health Facility	2,949,996
17	Nandi County Executive	Unutilized Office Furniture for Governor's Office	165,416,310
18	Baringo County Executive	Several dispensaries in the County including Korelach, Sugut, Ngaina, Chewara, Loyeya and Seretion dispensaries were reported as completed but not utilised	20,654,214
19	Narok County Executive	i) Lolgorian Level 4 had a fully equipped theatre and three fully furnished wards with a bed capacity of one hundred and fifty (150) beds were commissioned in June, 2022, the facilities remained unutilised. ii) County Executive purchased six (6) concrete mixer 400L and two (2) reversing drum concrete mixers. However, the equipment has not been put into any meaningful use as the equipment are left idling and decaying in the yard	
20	Kajiado County Executive	i) Ewauso Market ii) Supply of Medical Equipment to a Non-Operational Dispensary	4,435,600

No	County Name	Completed but not use Projects	Amounts (Kshs)
21	Bomet County Executive	i) Unutilized 9 ECDE Classrooms rendered not fit for accupation ii) Unutilized Gender Desk Office and Children Holding Ground in Bomet Central Police Station iii) Unutilized Fresh Produce Market Sheds at Ndanai, Kembu and Kapkwen	14,784,706
22	Kakamega County Executive	i) Idle County Public Participation Web Portal ii) Idle projects in Department of Health Services	105,896,176
23	Bungoma County Executive	Renovation of Cattle Dips for County Empowerment Fund (CEF) Projects	2,915,954
24	Siaya County Executive	Maternity ward at Malunga and Borehole at Ligose Primary school	10,219,000
25	Migori County Executive	i) Non-operational fish cold storages at Uririr and Isebania ii) 2.Idle Maternity Ward at Nyamotembe Dispensary iii) 3. Idle Laboratory in Getabwanga Health Centre iv) 4.Idle Market Shades at Gupimo v) 5. Idle Land Purchased for the Construction of a Market vi) Idle Car/Lorry Park at Kehancha Municipality	25,264,324
26	Kisii County Executive	i) Reticulation of Eronge Borehole in Monyerero Ward ii) Construction and Reticularition of Manga Hills Water project underutilized by the by the community iii) Construction of Daraja Mbili Secondary School Back street drainage iv) Installation of solars system at Nyamache level 4 Hospital v) Drilling and reticulation of Riyabu borehole in Bokimonge ward underutilized vi) Drilling and equiping of a borehole at Nyabera Market with Hand Pump in Moticho Ward - pump broke down	21,543,724
27	Nyamira County Executive	i) Two (2) projects with a total contract sum of Kshs.107,084,482 were completed but were not commissioned and officially handed over to the respective user departments or beneficiaries ii) Nyamira Bus Park Modern Ablution Block	111,912,928
	Total		1,793,502,017

Appendix 26: Unsupported Expenditure in County Assemblies for the year ended 30 June, 2025

No	County Assembly	Issue / Exception	Amount (Kshs)
1	Tana River	Unsupported expenditure on sitting allowances, domestic travel and subsistence, and routine maintenance	159,591,801
2	Garissa	Unsupported and irregular mileage allowances and unsupported domestic travel and subsistence allowances	30,804,752
3	Wajir	Overpayment and unsupported mileage allowances to Members of the County Assembly	52,290,590
4	Mandera	Unsupported domestic travel and subsistence allowances	2,088,800
5	Isiolo	Unsupported operating expenses, domestic travel and subsistence, retreats, cash payments, and staff medical insurance	79,753,902
6	Meru	Unsupported insurance cover for the County Assembly building	673,004
7	Kiambu	Unsupported rental expenditure for elected Members of the County Assembly	24,131,072
8	Turkana	Unsupported refundable deposits and prepayments (contractor retentions)	9,115,820
9	Samburu	Unsupported hospitality supplies and services and public participation expenditure	9,612,470
10	Uasin	Unsupported expenditure under use of goods and services	158,870,049
11	Elgeyo	Unsupported payment of personal allowances	134,694,757
12	Laikipia	Unsupported sitting and mileage allowances, IPPD allowances, non-staff payments, foreign travel, and legal dues	120,137,249
13	Bomet	Unsupported accommodation and catering allowances, routine	34,028,065

No	County Assembly	Issue / Exception	Amount (Kshs)
		maintenance, and property, plant and equipment	
14	Kakamega	Unsupported negative net assets balance, unreconciled trade and other payables, and County Assemblies Forum balances	140,638,814
15	Vihiga	Unsupported domestic travel and subsistence and unsupported foreign training expenditure	5,776,271
16	Busia	Unsupported acquisition of iPads and irregular disclosure in property, plant and equipment	8,390,000
17	Migori	Unsupported ward operations, transport expenses, fuel, per diems, participation fees, and staff costs	59,398,438
18	Nairobi	Unsupported impairment allowance	303,623,376
Total			1,333,619,230

Appendix 27: Unreconciled Variances for County Assemblies for the year ended 30 June, 2025

No	County Assembly	Issue / Exception	Amount (Kshs)
1	Kilifi	Unreconciled employee costs balances between IPPD and IFMIS	79,069,220
2	Lamu	Unreconciled variance between invoices and corresponding LPOs/LSOs	12,042,986
3	Nakuru	Unreconciled variances between financial statements, supporting ledgers, payment reports, and transfers	317,919,242
4	Narok	Variances between Internet Banking payment amounts and IFMIS records	933,066,750
5	Bomet	Unreconciled variances in CRF transfers and domestic and foreign travel and subsistence expenditure	27,879,646
6	Vihiga	Unreconciled employee costs balances	48,611,347
7	Busia	Unreconciled employee payables balances	17,205,754
8	Siaya	Unreconciled variances in transfers between County Revenue Fund and County Assembly	23,734,012
9	Kisumu	Unreconciled variances in transfers between County Assembly and County Revenue Fund	58,539,302
10	Migori	Unreconciled variances between IFMIS component balances and unexplained variance in legal fees	2,249,812
11	Kisii	Material unreconciled variances between financial statements and IFMIS trial balance	12,929,793,123
12	Nyamira	Unreconciled domestic subsistence allowance	5,783,209
Total			14,455,894,403

Appendix 28: Unsupported Balances in County Assemblies for the year ended 30 June, 2025

No.	County	Issue / Exception	Amount (Kshs)
1	Kilifi	Unsupported inventories, receivables, Property, Plant and Equipment, and trade and other payables	692,907,380
2	Tana River	Unsupported additions to Property, Plant and Equipment and unsupported trade and other payables	398,017,397
3	Marsabit	Unsupported trade and other payables balance	216,803,829
4	Tharaka-Nithi	Unsupported and unreconciled opening trade and other payables balance	74,323,343
5	Nyeri County	Unsupported trade and other payables	7,267,143
6	West Pokot	Unsupported receivables (retentions balance)	30,707,480
7	Baringo	Unsupported trade and other payables and refundable deposits from customers	30,342,824
8	Nakuru	Unconfirmed Property, Plant and Equipment balance	119,589,742
9	Narok	Undisclosed Property, Plant and Equipment balance	347,089,814
10	Kericho	Unsupported social benefits and understated retention balances	18,108,966
11	Bomet	Unsupported opening balances leading to credit net assets	12,683,979
12	Vihiga	Unsupported inventories balance	4,665,730
13	Bungoma	Unconfirmed capital fund balance	34,048,370
14	Siaya	Unsupported additions to Property, Plant and Equipment	61,671,808
15	Kisumu	Unsupported additions to work in progress	70,836,833
16	Migori	Unsupported opening liability adjustments, unconfirmed PPE, unsupported refundable deposits and prepayments	737,000,544
17	Nairobi	Unexplained paid creditors balance	320,306,838
Total			3,176,372,020

Appendix 29: Unresolved Prior Year Issues in County Assemblies for the year ended 30 June, 2025

No	County Assembly	No. of Unresolved Prior Year Issues
1	Mombasa County Assembly	6
2	Kwale County Assembly	3
3	Kilifi County Assembly	6
4	Tana River County Assembly	8
5	Lamu County Assembly	4
6	Taita/Taveta County Assembly	12
7	Garissa County Assembly	5
8	Wajir County Assembly	14
9	Mandera County Assembly	13
10	Marsabit County Assembly	9
11	Isiolo County Assembly	17
12	Meru County Assembly	4
13	Tharaka-Nithi County Assembly	11
14	Embu County Assembly	8
15	Machakos County Assembly	3
16	Nyandarua County Assembly	7
17	Nyeri County Assembly	15
18	Kirinyaga County Assembly	1
19	Murang'a County Assembly	7
20	Kiambu County Assembly	15
21	Turkana County Assembly	10
22	West Pokot County Assembly	9
23	Samburu County Assembly	20
24	Trans Nzoia County Assembly	7
25	Uasin Gishu County Assembly	14

No	County Assembly	No. of Unresolved Prior Year Issues
26	Elgeyo/Marakwet County Assembly	9
27	Nandi County Assembly	13
28	Baringo County Assembly	6
29	Laikipia County Assembly	20
30	Nakuru County Assembly	7
31	Narok County Assembly	16
32	Kericho County Assembly	6
33	Bomet County Assembly	10
34	Kakamega County Assembly	17
35	Vihiga County Assembly	32
36	Bungoma County Assembly	6
37	Busia County Assembly	13
38	Siaya County Assembly	13
39	Kisumu County Assembly	6
40	Homa Bay County Assembly	15
41	Migori County Assembly	16
42	Kisii County Assembly	22
43	Nyamira County Assembly	14
44	Nairobi County Assembly	9
	Total Unresolved Prior Year Issues	478

Appendix 30: Non-Compliance with Fiscal Responsibility Principles on Wage Bill for the year ended 30 June, 2025

No	County Assembly	Pers. Emolument (Kshs)	Total Revenue (Kshs)	% Wage to Total Revenue
1	Wajir County	561,358,671	784,727,611	72%
2	Isiolo County	399,089,595	569,809,817	70%
3	Nandi County	468,894,853	731,630,547	64%
4	Kisii County	647,297,696	1,027,411,099	63%
5	Narok County	563,816,795	931,683,159	61%
6	Turkana County	566,415,643	936,034,196	61%
7	Garissa County	606,853,447	1,028,333,260	59%
8	Elgeyo/Marakwet County	354,065,704	619,407,879	57%
9	West Pokot County	419,466,646	768,930,979	55%
10	Baringo County	426,879,842	788,459,023	54%
11	Machakos County	524,916,863	969,588,406	54%
12	Samburu County	328,783,340	608,738,137	54%
13	Kiambu County	578,535,389	1,083,381,683	53%
14	Makueni County	426,381,674	835,333,568	51%
15	Murang'a County	433,934,191	853,123,458	51%
16	Nairobi County	785,454,167	1,552,088,714	51%
17	Embu County	379,791,038	753,412,694	50%
18	Vihiga County	351,702,189	699,349,264	50%
19	Nyamira County	344,255,915	692,528,311	50%
20	Meru County	508,820,311	1,034,156,883	49%
21	Kakamega County	612,133,091	1,263,782,976	48%
22	Tharaka-Nithi County	231,761,422	483,246,288	48%
23	Mandera County	455,691,457	951,077,499	48%
24	Uasin Gishu County	399,384,899	838,562,473	48%
25	Mombasa County	390,022,910	820,496,907	48%

No	County Assembly	Pers. Emolument (Kshs)	Total Revenue (Kshs)	% Wage to Total Revenue
26	Migori County	476,425,329	1,005,379,343	47%
27	Kericho County	441,932,778	933,153,761	47%
28	Busia County	383,683,392	846,262,218	45%
29	Laikipia County	268,842,357	594,637,245	45%
30	Nyandarua County	392,244,598	868,102,738	45%
31	Homa Bay County	448,051,592	1,044,999,999	43%
32	Kitui County	431,744,124	1,008,108,759	43%
33	Lamu County	182,629,024	426,911,860	43%
34	Kirinyaga County	336,764,608	798,687,262	42%
35	Bomet County	394,067,231	959,677,768	41%
36	Bungoma County	491,940,480	1,233,030,611	40%
37	Trans Nzoia County	330,867,902	833,568,895	40%
38	Taita/Taveta County	309,949,302	808,904,160	38%
39	Nakuru County	431,357,578	1,168,495,070	37%
40	Kisumu County	371,298,006	1,015,692,620	37%
41	Kilifi County	442,428,056	1,225,673,772	36%
42	Siaya County	330,320,412	928,442,195	36%

Appendix 31: Non-Adherence to One-Third Basic Salary Requirement in County Assemblies for the year ended 30 June, 2025

No	County Name	Employees Earning Less than One-Third of Basic Pay
1	Kwale County Assembly	Not Indicated
2	Taita/Taveta County Assembly	10
3	Garissa County Assembly	7
4	Wajir County Assembly	3
5	Marsabit County Assembly	5
6	Meru County Assembly	26
7	Tharaka-Nithi County Assembly	12
8	Nyeri County Assembly	12
9	Kirinyaga County Assembly	19
10	Murang'a County Assembly	13
11	Kiambu County Assembly	Not Indicated
12	Turkana County Assembly	Not Indicated
13	West Pokot County Assembly	Not Indicated
14	Samburu County Assembly	15
15	Trans Nzoia County Assembly	Not Indicated
16	Uasin Gishu County Assembly	20
17	Elgeyo/Marakwet County Assembly	38
18	Nandi County Assembly	56
19	Baringo County Assembly	125
20	Nakuru County Assembly	Not Indicated
21	Narok County Assembly	Not Indicated
22	Kajiado County Assembly	30
23	Bomet County Assembly	76
24	Siaya County Assembly	Not Indicated
25	Kisumu County Assembly	64

No	County Name	Employees Earning Less than One-Third of Basic Pay
26	Homa Bay County Assembly	18
27	Migori County Assembly	816
28	Nyamira County Assembly	50
29	Nairobi County Assembly	6
	Total	1,421

Appendix 32: Non-Compliance with the 30% Ethnic Balance in County Assemblies for the year ended 30 June, 2025

No	County Name	Percentage of Staff from Dominant Ethnic Community
1	Elgeyo/Marakwet County Assembly	99%
2	Bomet County Assembly	99%
3	Kakamega County Assembly	99%
4	Nyamira County Assembly	99%
5	Kirinyaga County Assembly	98%
6	Kisii County Assembly	98%
7	Wajir County Assembly	97%
8	Turkana County Assembly	97%
9	West Pokot County Assembly	97%
10	Garissa County Assembly	96%
11	Meru County Assembly	96%
12	Vihiga County Assembly	96%
13	Nandi County Assembly	95%
14	Kitui County Assembly	94%
15	Nyeri County Assembly	94%
16	Kericho County Assembly	94%
17	Siaya County Assembly	93%
18	Machakos County Assembly	92%
19	Nyandarua County Assembly	92%
20	Murang'a County Assembly	92%
21	Uasin Gishu County Assembly	92%
22	Samburu County Assembly	88%
23	Kisumu County Assembly	87%
40	Kwale County Assembly	85%
24	Marsabit County Assembly	83%

No	County Name	Percentage of Staff from Dominant Ethnic Community
25	Baringo County Assembly	82%
26	Migori County Assembly	81%
27	Taita/Taveta County Assembly	80%
28	Tharaka-Nithi County Assembly	79%
29	Narok County Assembly	79%
30	Kiambu County Assembly	77%
31	Homa Bay County Assembly	76%
32	Laikipia County Assembly	75%
33	Busia County Assembly	73%
34	Isiolo County Assembly	61%
35	Nakuru County Assembly	55%
36	Mandera County Assembly	53%
37	Embu County Assembly	50%
38	Mombasa County Assembly	46%
39	Kajiado County Assembly	40%

Appendix 33: Procurement and Other Related Issues in County Assemblies for the year ended 30 June, 2025

No.	County Assembly	Procurement Irregularity	Amount (Kshs)
1	Tana River	Non-compliance with 0.03% Capacity Building Levy	47,174,338
2	Meru	Non-compliance with 0.03% Capacity Building Levy	Not indicated
3	Tharaka-Nithi	Non-compliance with 0.03% Capacity Building Levy; Irregular procurement of legal services	175,206,203
4	Embu	Non-compliance with 0.03% Capacity Building Levy	Not Indicated
5	Nyeri	Direct procurement without justification	5,643,000
6	Kirinyaga	Non-compliance with 0.03% Capacity Building Levy	Not Indicated
7	Kiambu	Non-compliance with 0.03% Capacity Building Levy	18,530,955
8	West Pokot	Partial remittance of 0.03% levy	158,904,566
9	Samburu	Commitments beyond statutory deadline	51,506,951
10	Trans Nzoia	Non-compliance with 0.03% Capacity Building Levy	266,053,988
11	Uasin Gishu	Receipt of goods/services beyond LPO validity	3,033,305
12	Nandi	Training expenditure outside procurement plan	12,868,934
13	Kakamega	Irregular procurement of ward office rentals	3,618,807
14	Vihiga	Non-compliance with 0.03% Capacity Building Levy	Not Indicated
15	Siaya	Non-compliance with 0.03% Capacity Building Levy	Not Indicated
16	Kisumu	Non-compliance with levy; failure to submit reports	57,190,972
17	Migori	Non-prequalified suppliers; Uncompetitive procurement	47,370,082
18	Kisii	Non-compliance with 0.03% Capacity Building Levy	Not Indicated
19	Nyamira	Failure to reserve 30% for disadvantaged groups	134,946,338
	Total		982,048,439

Appendix 34: Irregular Contributions to the SOCATT (Society of Clerks at the Table) in County Assemblies for the year ended 30 June, 2025

No	County Name	Amount (Kshs)
1	Kwale County Assembly	750,000
2	Mandera County Assembly	750,000
3	Marsabit County Assembly	750,000
4	Embu County Assembly	750,000
5	Kitui County Assembly	750,000
6	Makueni County Assembly	750,000
7	Nyandarua County Assembly	750,000
8	Nyeri County Assembly	750,000
9	Kirinyaga County Assembly	838,000
10	Murang'a County Assembly	500,000
11	Samburu County Assembly	1,500,000
12	Laikipia County Assembly	796,000
13	Nakuru County Assembly	750,000
14	Kajiado County Assembly	850,000
15	Kakamega County Assembly	981,379
16	Vihiga County Assembly	750,000
17	Busia County Assembly	1,500,000
18	Kisii County Assembly	750,000
	Total	15,215,379

Appendix 35: Irregular Contributions to the CAF (County Assemblies Forum) in County Assemblies for the year ended 30 June, 2025

No	County Name	Amount (Kshs)
1	Kwale County Assembly	2,500,000
2	Taita/Taveta County Assembly	1,000,000
3	Wajir County Assembly	500,000
4	Mandera County Assembly	5,500,000
5	Marsabit County Assembly	2,000,000
6	Isiolo County Assembly	1,000,000
7	Embu County Assembly	1,500,000
8	Kitui County Assembly	5,000,000
9	Machakos County Assembly	5,000,000
10	Makueni County Assembly	5,992,220
11	Nyandarua County Assembly	1,000,000
12	Murang'a County Assembly	1,400,000
13	Kiambu County Assembly	1,950,000
14	Laikipia County Assembly	2,500,000
15	Kajiado County Assembly	1,500,000
16	Kakamega County Assembly	1,965,157
17	Vihiga County Assembly	5,000,000
18	Bungoma County Assembly	5,000,000
19	Busia County Assembly	3,000,000
20	Kisii County Assembly	4,000,000
	Total	57,307,377

