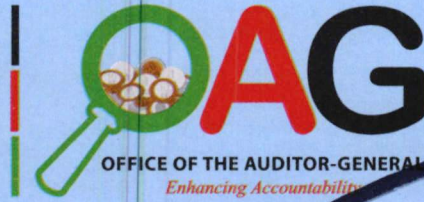


REPUBLIC OF KENYA



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THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF NAROK

FOR THE YEAR ENDED
30 JUNE, 2025

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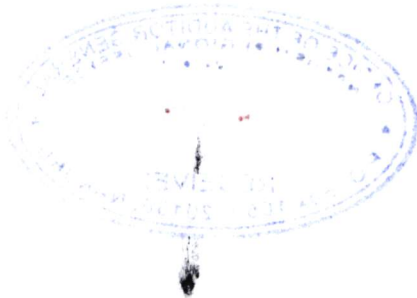


Narok County Executive

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

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

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

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**Narok County Executive
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1. Acronyms, Abbreviations and Definition of Key Terms

A. Acronyms and Abbreviations

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

B. Definition of Key Terms

Example

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

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

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

2. Key Entity Information and Management

a) Background information

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

No.	Department	Major Responsibility
1.	Finance and Economic Planning	Management of County Financial Resources including but not limited to Treasury Management, Revenue Management, Audit and Compliance, Economic Planning and Procurement
2.	Agriculture and Livestock and Fisheries	Overseeing County Crop and Animal production, Agriculture, animal husbandry and Fish farming
3.	Public Health and Sanitation	Ensure Universal access to quality health services consisting of promotive, preventive, curative, and rehabilitative service to all people of the County.
4.	Land, Housing and Urban Development	County planning development including land survey, mapping boundaries, fencing, and urban development
5.	Education, Sports, Culture and Social Services	Promotion and exploitation of the County's diverse culture, Early Childhood Development (ECD) education, youth polytechnics, nurturing sports and preserving the culture.
6.	Public Service Management and Labour	Leadership and policy direction in resource mobilization, disaster management, and accountability for quality public service delivery.
7.	Information Communication and Technology (ICT) and E-Government	Provides and support ICT Infrastructure, Digitization, and network connectivity.
8.	Trade, Cooperative development, Tourism and Wildlife.	Enhances and expand trade and industrialisation in the county by coming up with strategies and policies that promote cordial partnerships with various stakeholders. Promoting both the local and international tourism by promoting Mara Ecosystem as a filming destination, reducing poaching, and promotion cultural tourism and women empowerment through the Ushanga Initiative.
9	Resources Water, Energy, Forestry, Environment and Natural	Conservation and protection of national resources within Narok County.
10	Public Works, Roads and Transport	Development, maintenance and provision of efficient transport infrastructure and services.

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

b) Key Management team

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

- **Office of the Governor**

NO.	Designation	Name
1	Governor	H.E Patrick Ole Ntutu
2	Deputy Governor	H.E Tamalinye Koech

- **County Government of Narok Departments**

No.	Departments	Name of Office Holder
1	Finance and Economic Planning	CPA Peter N. Naing'isa
2	Agriculture and Livestock and Fisheries	Mr. Livingstone Chepukel
3	Public Health and Sanitation	Mrs. Jane Cheptarus Kiok
4	Land, Housing and Urban Planning	Mr. David Naisho
5	Education, Sports, Culture and Social Services	Mr. Simon Peter Kuraru
6	Administration, Coordination of Decentralized Services, Disaster Management	Mr. Paul Ninah Karbuali
7	Information Technology and E-Government	Mrs. Martha Nadupoi
8	Tourism and Wildlife	Mr. Samuel Leposo Ndorko
9	Resources Water, Energy, Forestry, Environment and Natural	Mr. William Tumanka Olooihero
10	Public Works, Roads and Transport	Mr. Kibet Rop Weldon
11	County Attorney	Mr. Allan Meingati
12	Trade and cooperatives	Francis Kudate

- **County government of Narok Board/Agencies**

- a. Narok County Public Service Board
- b. Municipal Board
- c. Education Board
- d. Bursary Board

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

- e. Maasai Mara Community Fund Board
- f. Narok Water & Sewerage Company Ltd (NARWASSCO)

c) Fiduciary Management

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

No.	Designation	Name
1.	CECM Finance and Economic Planning	Mr. David Muntet
2.	Accounting Officer- Finance and Economic Planning Department	CPA. Peter N. Naingisa
3.	Accounting Officer- Roads, Transport and Public Works Department	Mr. Kibet Rop Weldon
4.	Accounting Officer-Education, Sports, Youth, Culture and Social services Department	Mr. Simon Peter Kuraru
5.	Accounting Officer-Environment, water and natural resources Department	Mr. William Tumanka Ololoigero
6.	CEO- County Public service Board	Ms. Zipporah Sintoyia Gad
7.	Accounting Officer-Agriculture, Livestock and Fisheries Department	Mr. Livingstone Chepukel
8.	Accounting Officer-Health and Sanitation Department	Mrs. Jane Cheptarus Kiok
9.	Accounting Officer-Lands, Physical Planning and Urban Development Department	Mr. David Naisho
10.	Accounting Officer- Tourism and Wildlife Department	Mr. Samuel Leposo Ndorko
11.	Accounting Officer-Public Service Management and Coordination of Decentralised functions Department	Mr. Paul Ninah Karbuali
12.	Accounting Officer- ICT & E-Government Department	Mrs. Martha Nadupoi
13.	Trade and Industrialization	Francis Kudate

d) Fiduciary Oversight Arrangements

The key fiduciary oversight arrangements at the County as of 30th June, 2025 were:

- ***Audit committee***

This committee is responsible for overseeing the financial reporting and auditing processes of the County government of Narok to ensure their accuracy, integrity, and compliance with regulatory requirements. The key activities of Audit and Finance Committee are to Review the County's Financial Statements to ensure they accurately reflect the true financial performance of the County Government and Overseeing audit process by reviewing internal audit reports and giving recommendations for strengthening of internal control systems to avert errors and fraud. In addition, the Committee Manages risks by identifying and assessing the risk profile of the County government of Narok and its entities and preparing risk management policy and implementation framework.

- ***Senate Committee***

This committee play an important role in ensuring that county government is accountable and responsive to the needs of their citizens. This is done by providing oversight and guidance on county governance issues, the Senate committees help to ensure that the county government is able to effectively deliver services and promote economic growth and development. For, an instance, reviewing the County's budget to ensure that it is realistic and aligned with the County's needs and monitoring County's projects to ensure that public funds are utilized in a transparent and accountable manner.

- ***County Assembly***

The Narok County Assembly offers overall oversight of all the fiduciary functions of the County Government of Narok. The County Assembly is mandated to represent the public, prepare and pass legislations that are to ensure that there is satisfactory service delivery by the county executive and its entities. Further the Narok County Assembly provides oversight to ensure that the County Executive and its entities comply with the law and regulations in all its financial and non-financial operations.

- ***Development partner oversight***

The development partners are instrumental in providing funding and technical assistance to support development projects within the county. They require that the county has rigorous financial management and accounting procedures to ensure that funds are being used in a transparent and accountable manner. In addition, they conduct regular monitoring and evaluation activities to

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

assess the progress of development projects within the County and ensure that they are meeting their intended objectives. This may involve site visits, data analysis, and stakeholder consultations.

- ***Controller of Budget***

The office of the Controller of Budget (COB) in Kenya is critical to ensuring that public resources are managed in a responsible and accountable manner. This is done by providing oversight and guidance on public financial management, the COB helps to promote good governance and accountability in the management of public resources at the County Level. For an instance, through budget control, the COB ensures that the county budget is implemented in a manner that is consistent with the law and the approved budget estimates. This involves reviewing budgetary allocations and expenditures of the County to ensure that they are in line with the priorities set out in the budget.

- ***Office of the Auditor General***

Office of the Auditor General (OAG) is critical to ensuring that county's public resources are managed in a responsible and accountable manner. This is done by providing independent and objective audits of public accounts. The OAG helps to promote good governance, transparency, and accountability in the management of public resources. This includes auditing and reporting on the audit findings by providing an opinion as to whether the audited financial statement of the County presents a true and fair view in accordance with the applicable financial reporting framework.

e) County Executive Headquarters

P.O. Box 898 - 20500
Narok County Building/House/Plaza
Narok-Nakuru Road
Narok, Kenya

f) County Executive Contacts

Telephone: (+254) 20 268 8929 /03

E-mail: info@narok.go.ke

Website: www.narok.go.ke

g) County Executive Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200

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

NAIROBI, KENYA

2. Other Commercial Banks

KCB

Narok

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

h) Independent Auditor

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

i) Principal Legal Adviser

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

j) County Attorney

Allan Meing'ati
P.O. Box 898-20500
Mau-Narok Road
Narok, Kenya


3. Governance Statement

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

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

The County Executive

(a). Cabinet/County Executive Governance Structure

 A portrait of H.E. Patrick Keturet Ole Ntutu, the Governor of Narok County. He is a middle-aged man with short dark hair, smiling, wearing a light-colored pinstriped suit jacket, a white shirt, and a red tie.	<p><u>H.E. Patrick Keturet Ole Ntutu, EGH, – Governor</u></p> <p>H.E. Patrick Keturet Ole Ntutu, EGH was elected the second Governor of Narok County on 9th August 2022 and assumed office on 25th of August 2022. The governor was elected on an agenda of uplifting the living standards of the Narok County residents, improving the county roads, boosting agricultural output, improving the health sector, and uplifting the people of Narok County from poverty. It is on these key pillars that the government of H.E. Patrick Ntutu has been focussing on since his assumption to office.</p> <p>Prior to his election as the Governor, Mr. Ntutu was the Chief Administrative Secretary Ministry of Interior and Coordination of National Government.</p> <p>Governor Ntutu holds a Master’s degree in Business Administration-Finance and a bachelor’s in business administration from Roosevelt University at Chicago Illinois in USA.</p>
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**Narok County Executive
Annual Report and Financial Statements for the year ended June 30, 2025.**

H.E. Kiprono K. Tamalinye – Deputy Governor

H.E. Kiprono K. Tamalinye was elected as the second Deputy Governor of Narok County on 9th August 2022. He holds a bachelor’s degree in commerce finance option from Jomo Kenyatta University of Agriculture and Technology.

The Deputy Governor is passionate about Youth empowerment, and he is keen on enhancing such programs throughout the County.



Mr. David Parsalunye Muntet- CECM, Finance and Economic Planning

Mr. David Muntet was appointed as the CECM Finance and Economic Planning on 28th October 2022. Prior to his appointment he served in various positions such as Director Revenue in Kajiado County, Treasurer former Transmara County Council, former Narok County Council, Chief Licencing Officer Nairobi City, Internal Auditor Narok County Council among others. Mr. Muntet Holds a master’s degree in strategic management from Moi University, Degree in Accounting from Jabarpur University and a Higher Diploma in Sustainable Management from Israel.



Mr. Anthony Senchura Namunkuk - CECM, Health and Sanitation

Mr. Anthony Senchura Namunguk was appointed as the CECM, Health and Sanitation Services on 28th October 2022. Prior to his appointment he served for a 5-year period at Narok county referral hospital as a public health officer in charge of health sanitation.

Mr Antony is a graduate of Moi university with a BSc. Environment health science degree.

**Ms Vivian Mpeti Sereti - CECM, Lands,
Housing and Urban Development**

Ms Vivian was appointed the CECM Lands and Housing on 28th October 2022. She previously served as the CECM in the same docket and earlier as CECM Health and Medical services as from February 2015. Ms Vivian graduated from the University of Nairobi in 2011 with a Bachelor of Arts with a double major in Geography and Tourism. Until her appointment as a CECM, she served as the Reservation manager in the hotel industry.



**Mrs. Robert Simotwo K. Rotich - CECM,
Education, Sports, Culture and Social Services**

Mrs. Robert Simotwo K. Rotich was appointed CECM Education, Sports, Culture and Social Services on 28th October 2022. Prior to his appointment, Mr. Rotich served as a high school teacher. He also served as the chairperson KNUT Narok branch.

He holds a bachelor's degree in education from University of Nairobi, a diploma in education management from Kenya education management institute.



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

**Mrs. Josphine Chepngetich Ngeno - CECM,
Administration, Coordination of Decentralized
Services, Disaster Management**

Mrs. Josphine Chepngetich Ngeno was appointed as the CECM Administration, Coordination of Decentralized Services, Disaster Management on 28th October 2022. Prior to her appointment, Mrs Ngeno was working in the County government of Narok as a Senior Clinical officer at the department of health.

She holds a bachelor's degree in public health and diploma in Clinical Medicine. She is also a registered clinical officer.





**Mrs Joyce T. Keshe - CECM, Agriculture,
Livestock and Fisheries**

Mrs Joyce T. Keshe was appointed CECM for Agriculture Livestock and Fisheries on 28th October 2022.

Joyce Keshe was working with the State Bank of Mauritius until the date of her appointment as CEC.

She holds a degree in business Management-Finance and Banking option. She's also a certified public accountant.



<p>Mr. Linus Yiamboi Nairumo-CECM Information Technology and E-Government</p> <p>Mr. Linus Nairumo was appointed CECM, Information Technology and E-government on 28th October 2022. Prior to his appointment, Mr. Nairimo was a Chief officer at the county in charge of Public Service Management and Administration.</p>	
	<p>Mr. Johnson Saruni Sipitiek –CECM Trade, Cooperative development, Tourism and Wildlife.</p> <p>Mr. Johnson Saruni Sipitiek was appointed CECM, Trade, Cooperative development, Tourism and Wildlife on 28th October 2022. Prior to his appointment, Mr. Sipitiek worked with a non-governmental organization named Africa Conservation Centre. He has vast knowledge in environmental programs and activities. Mr. Sipitiek holds a Master’s degree in Environmental studies specializing in community development. Earlier in his career, he taught as high school teacher.</p>

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

**Mr. Rotich Kiplagat Johana -CECM Resources
Water, Energy, Forestry, Environment and
Natural**

Mr. Rotich Kiplagat Johana was appointed CECM for Water, Energy, Forestry, Environment and Natural on 28th October 2022.

Mr. Rotich holds a bachelor's degree in education majoring in arts.

Prior to his appointment, Mr. Rotich was a high school teacher.



**Mr. John Gatua - CECM, Public Works, Roads and
Transport**

Mr. John Gatua was appointed CECM of the Department of Public Works, Roads and Transport on 28th October 2022.

Mr. Gatua holds a bachelor of Arts degree in education. Prior to his appointment Mr. Gatua worked as a teacher.



John Mayiani Ole Tuya -County Secretary Narok County Government.

Mr Mayiani Ole Tuya was appointed as the County Secretary on 24th April 2023.

Prior to his appointment he served as the Clerk of the Narok County Assembly and Principal Legal Counsel of Narok County Assembly. He holds a Master of Law (LLM) degree in Constitutional and Administrative law from the University of Cape Town, a Bachelor of Law (LLB) degree from Moi University and he is an advocate of the High Court of Kenya and a Certified Professional Mediator.



Francis W. Wanyeki -Chief of Staff Narok County Government

Mr. Francis Wanyeki is currently serving as a Chief of Staff

Prior to his appointment he worked in the Ministry of Labour for the last 15 years in various capacities, his last posting was Technical Advisor to the Cabinet Secretary for Labour. He also served as a System Administrator for the Kenya Labour Market Information System.

He holds a master's degree in business administration, Strategic Management option, a bachelor's degree in arts majoring Public Administration, Economics and Literature and is a trained Productivity Practitioner and a Certified Mediator.

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

The County Government is keen to ensure that it gets a broader view on its development activities and hence is committed to ensure that its stakeholders views are taken into account. For an instance, the County Government of Narok has been seeking the views and perspectives of the locals on which projects to prioritized within their locality. For this reason, the Narok County executive carries out public participation exercises every time there are major decisions to be made such as the annual budget, county fiscal strategy papers, legislations among many other governance policies.

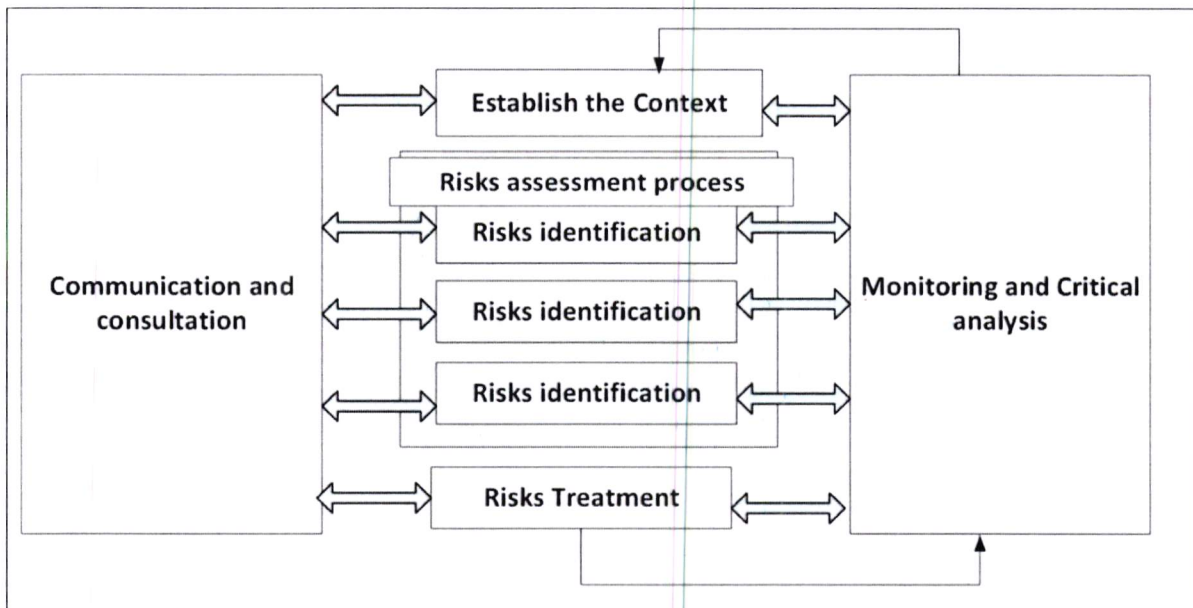
The County Government is committed to ensure that it is a Corruption Free environment and thus it has put measures like having suggestion box within its vicinity whereby members of the public can report malpractice and other forms of vices that are not in conformity with the already established and laid down code of conduct.

Risk management

There are effective arrangements for risk management and internal controls laid down by the County government of Narok. For example, the section of Internal Audit and Controls is mandated to have a risk profile matrix of the county and propose mitigation measures against those risks. This in turn, ensures the County Government is conscious of the risks it faces and makes informed decisions in managing the risks and identifies and harnesses potential opportunities. The County has adopted the generic approach to risk identification, i.e PESTLE model, whereby it identifies Political, Economic, Social, Technological, Legal and Environmental risks.

Formal processes to identify and assess risk.

Narok County Governments Risk is based on assessing hazards and Intervening factors that can hinder the achievement of the set objectives. Below is a diagram to show the risk process.



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

The County Government of Narok is committed to continuously enhance wide range of risk management by ensuring there is a risk management system at both strategic and operational levels by

- i. Recording and reporting of risks -Department heads shall report departmental risks which will be subjected to a quality review process approach across all department and presented to the CECM.
- ii. Visible focus on emerging risk and certainty
- iii. Identifying mitigation measures that would best assure the cost-effective attainment of county government objective under unfavourable circumstances.
- iv. By quantifying and qualifying the consequence level should risk occur.

Audit Committee;

The County Government has in place an Audit Committee with five members. The Committee's role is to ensure that risk management is implemented in the County Government as per Regulations 168 (a), and (b) of the Public Finance Management Regulations, 2015 by:

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

The Audit Committee also ensures that risk management is implemented in the County Government as per Guidelines 3.1 (d) (iii) and (iv), 3.2 (a) and (b), (i), 3.3.4 (a), (b) and (c) of the

Audit Committee Guidelines for County Governments (Kenya Gazette Notice No. 2690 of 15th April 2016).

There is also in place, an Internal Audit Charter

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

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

The functions of the county government as per the county governments act section 5 include:

- 1) Narok county government shall be responsible for any function assigned to it under the Constitution or by an Act of Parliament.

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

- 2) Without prejudice to the generality of subsection (1), Narok county government shall be responsible for—
- a) county legislation in accordance with Article 185 of the Constitution;
 - b) exercising executive functions in accordance with Article 183 of the Constitution;
 - c) functions provided for in Article 186 and assigned in the Fourth Schedule of the Constitution;
 - d) any other function that may be transferred to county governments from the national government under Article 187 of the Constitution;
 - e) any functions agreed upon with other county governments under Article 189(2) of the Constitution; and
 - f) establishment and staffing of its public service as contemplated under Article 235 of the Constitution.

Compliance

The County Government relies heavily on the 2010 Constitution of Kenya and County Government Act on laws and regulations that govern it. The Narok County Government operates under the Constitution of Kenya 2010, The County Government Act 2012, The Public Finance Management Act, 2012 and the Public Finance Management Regulations (County Government) 2015.

4. Foreword by CECM Finance and Economic Planning

This document provides a reflection on our strategic implementation, budget execution, and development achievements in accordance with the County Government Act and our long-term vision. As guided by the County Government Act, 2012, the County Government of Narok continues to discharge its devolved functions which include: agriculture, health services, tourism and trade development, county transport, early childhood education, gender, youth, sports activities, water, environment, natural resource and land management, public works, public administration among others. These functions are exercised in a manner that promotes participatory governance, equity in resource distribution, and effective service delivery to our residents.

During financial year 2024/2025, Narok County had an approved budget of KES 17.6 billion. As of the end of the reporting period, the actual revenue receipts stood at KES 16.4 billion, representing 93.38% performance on target. On the other hand, expenditure stood at KES 15.84 billion representing 90.16% rate of absorption when compared against the budget estimates and 96.55% rate of absorption against actual revenue receipt in the year. Recurrent expenditure accounted for 74.99%, while development share of total expenditure stood at 25.01%.

The County Government's FY 2024/2025 budget places strong emphasis on infrastructure, health, education, and environmental sustainability, while also making targeted investments in agriculture, social protection, and tourism promotion. As regards flagship projects, the partnership discussions with the national government ministries, department and agencies are ongoing to fast-track the implementation of Narok County Referral Hospital, Narok county abattoir, Narok county Airport and the aggregation and industrial park. Six level four hospitals are also ongoing with completion expected in FY 2025/2026. These projects reflect our determination to uplift livelihoods and build a resilient, inclusive county.

Our focus on procurement reforms, project monitoring, and community engagement has ensured value for every public shilling spent. Independent assessments by the County Assembly and external auditors confirm that projects were implemented within cost, time, and scope. Furthermore, the introduction of e-procurement and performance-based contracts has minimized wastage and enhanced efficiency.

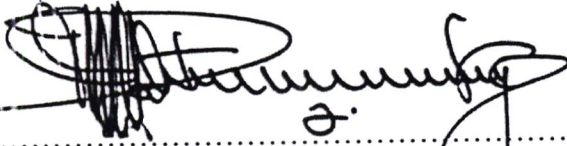
Despite the progress, we continue to face several challenges, including: delays in exchequer releases, Inadequate own-source revenue mobilization, Climate change impacts on agriculture and infrastructure and Staffing gaps in key departments

Looking ahead, the County has proposed a budget of KES 17.23 billion for the upcoming financial year, with KES 6.21 billion earmarked for development projects. The provisions for development prioritizes completion of strategic ongoing projects, expansion, improvement and maintenance of existing infrastructure in all sectors including expansion of the health, education and roads infrastructures, youth and women empowerment programs, climate resilience and environmental conservation initiatives. These investments are aligned with the County's Strategic Plan (2023–2027) and the Bottom-Up Economic Transformation Agenda (BETA).

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

The County Executive has implemented proactive risk management strategies, including: establishment of an Internal Audit committee, public expenditure tracking, adoption of electronic government procurement and human resources information system.

In conclusion, Narok County remains committed to the principles of good governance, public participation, and sustainable development. I extend my gratitude to our stakeholders, including the County Assembly, development partners, civil society, and the people of Narok, whose input continues to shape our journey towards a prosperous and equitable future.



.....
HON DAVID MUNTET
CECM FINANCE AND ECONOMIC PLANNING
COUNTY GOVERNMENT OF NAROK

5. Statement of Performance against Predetermined Objectives

Introduction

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

Strategic Development Objectives

The County's 2023-2027 CIDP identified six key strategic development objectives. Broadly, these objectives were identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "BETA", NIUPLAN, SDGs and the MTP III. The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives in the Narok County's 2023-2027 CIDP were to:

- (i) Attain economic empowerment through value-adding production, food security, and resource-based industrialization, sustainable environment and land management.
- (ii) Improve the management, rebranding and marketing of Maasai Mara Game Reserve, diversifying tourism products and upgrading Narok town to a resort city.
- (iii) Achieve social wellbeing by improving healthcare, education and social welfare.
- (iv) Increase access to water in both rural and urban areas beyond present levels in a sustainable way for socio-economic development.
- (v) Provide land resources, infrastructure and frameworks for physical planning, housing and urban development in Narok County.

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(vi) Build strong, high quality and resilient infrastructure and legal framework in support of economic empowerment, social development, tourism promotion, urban development & water resource management.

Below we present the progress made in attaining the objectives of the CIDP (2023-2027) for Narok County.

<i>S/No</i>	<i>Strategic Objective as per CIDP (present the objectives on a high and strategic level)</i>	<i>Targeted Outcome</i>	<i>Performance/Progress made up since inception from the latest CIDP</i>	<i>Remarks (Explain the reasons underperformance/ Overperformance)</i>
1	Provide quality physical infrastructure in the County.	Roads	1,045km of roads opened, graded, and gravelled	Budget constraints
2	Provide quality physical infrastructure in the County.	Roads maintenance /Earth moving Equipment	Earth Moving Equipment (EME) purchased	Budget constraints
3	Provide quality health through construction of health facilities	Constructed Health facilities	66 health facilities constructed and improved	Budget constraint
4	Provide quality education	Construction of educational facilities	Over 250 classrooms initiated and 52 competed and in use	Budget constraints
5	Provide clean sustainable drinking water	Drilling of bore holes and extension of piped water	Over 36 boreholes dug and commissioned.	Budget constraints

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6	Provide clean sustainable drinking water	Drilling of bore holes and extension of piped water	More than 300 households within Suswa ward have clean water in use.	Budget constraints
7	Provision of trading space	Construction of markets and sale yards	Two markets fully done and five sale yards constructed and commissioned.	Budget constraints
8	Proper planning of urban centres	Surveying of urban centres	done	Budget constraints Political challenges
9	Agricultural Value chain Development	Develop value chain stores	ongoing	Budget constraints
10	Environmental protection activities	Climate related sensitization programs and activities	progressing	Budget constraints
11	Asset management and administration	Quality Asset Management system	Not yet	Budget constraint

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

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

1. PUBLIC WORKS ROADS AND TRANSPORT

Objective	Outcome	Indicator	Performance
To develop and maintain roads and storm water drainage to global standards	Increased efficient transportation of people, goods and services	% Of motorable and passable roads within the city	In FY 2024/2025 we increased motorable and passable roads
To develop and maintain street and security lighting infrastructure	Increased public safety and security	5% Reduction of crime	Street lighting was undertaken in township and keekonyokie ward and there has been 5% reduction in crime

2.PUBLIC HEALTH AND SANITATION

<i>OBJECTIVE</i>	<i>OUCOME</i>	<i>INDICATOR</i>	<i>PERFOMANCE</i>
To reduce incidences of preventable illnesses and mortality at the County level	Reduction of HIV related mortality and new infections	% Reduction of HIV-related mortality <i>And infections</i>	90% of cases responded to on time through ARVs and sensitization, Condoms
To improve health status of the individual, household and the community at the County	Increased access to specialised curative diagnostic interventions	% Increase of access to specialised diagnostic services	Free medical camps
Modernization of selected public hospital facilities	Increased access to specialised curative diagnostic interventions	% Increase of access to specialised diagnostic services	dispensaries and health centres done and some are ongoing.

3.AGRICULTURE, LIVESTOCK AND FISHERIES

<i>OBJECTIVE</i>	<i>OUCOME</i>	<i>INDICATOR</i>	<i>PERFOMANCE</i>
Attain economic empowerment through value-adding production, food security, and resource-based industrialization, sustainable environment and land management.	Increased productivity and profitability	% increase farm productivity % growth in savings in select group of farmers	Attained a95% increase in yield of Irish potatoes in some sampled farms Some dairy farmers achieved an increase in milk production by 120% Realised a growth of 30% in saving by co-operatives in some select wards

4.WATER ENVIRONMENT AND NATURAL RESOURCES

<i>OBJECTIVE</i>	<i>OUCOME</i>	<i>INDICATOR</i>	<i>PERFOMANCE</i>
Increase access to clean safe drinking water	Increase in households with access to watering point located within 3 km from their residences	Proportion of households with functioning watering points located within 3 km from their residences	An increase by 7% of households with functioning watering points located within 3 km from their residences

5.LAND, HOUSING, PHYSICAL PLANNING AND URBAN DEVELOPMENT

<i>OBJECTIVE</i>	<i>OUTCOME</i>	<i>INDICATOR</i>	<i>PERFOMANCE</i>
Provide land resources, infrastructure and frameworks for physical planning, housing and urban development in Narok County	Simplification in land transaction	Level of digitization of land records	Automation is ongoing with some of the records fully digitized.

6. Environmental and Sustainability Reporting

Narok County Government exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver on our development plan(s): putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence to ensure the County's sustainability. Below is a brief highlight of our achievements in each pillar

a) Sustainability strategy and profile

The CECM under the leadership of his Excellency the Governor has put lots of focus and emphasized on long-term planning especially matters development projects. This has been achieved by increased allocation to development projects, private sector support programmes and a robust infrastructure network aimed at enhancing private and public sector growth.

The administration has maintained a system of paying for the services offered based on percentage completion enhancing accountability and prime use of resources based on the retention mechanism as per international prudent accounting policies and standards.

b) Environmental performance

The administration has been very specific on matters environment facilitating field patrols and eviction of persons who encroach into the gazetted forest areas especially the Mau complex. Deliberate reforestation in the Mau has also been a priority for the government to reclaim the deforested zones. Logging menace has also been largely curbed following establishment of several Kenya Forest camps within the complex. The administration has also put focus on Naimina enkiyio forest protection and the Nyakweri forest rehabilitation conservation. The community has been sensitized on the need for and importance of planting more trees and opting for alternative fuel instead of destroying trees.

c) Employee welfare

The gender ratio remains a key consideration in the hiring process by the CPSB. The hiring process is a qualification merit process based on advertisement of open vacancies and vigorous shortlisting by the CPSB. Employee training constitutes a key component of skills enhancement. Occupational Safety and Health Act of 2007 is enhanced by adherence to the guidelines e.g. provision of fire extinguishers in strategic positions. Information security is enhanced through ICT safety training, as well as proper filing and secure storage of both financial and non-financial information.

d) Market place practices

The county government remains committed to responsible and professional competition practices whilst providing certain services provided by its competition. This is in line with the fact that it also has a responsibility to provide growth facilitation of its private competition by providing a conducive business environment. All the tenders are considered in a fair and just process with all the necessary tendering processes and controls considered.

e) Community Engagements

The County government has been on the forefront in ensuring access to education to its populace is easily available by issuing bursary funds to the needy but deserving students. Narok County is reckoned amongst the leading in bursary issuance. The county government has also taken initiative to stop Female Genital Mutilation (FGM) across the entire county by providing necessary community awareness on the dangers of FGM. The government has also engaged the women across the county in economically viable skills such as beadwork (ushanga works) which is purely charitable. The women have thus become self-sustaining.

7. Management Discussion and Analysis

This section provides a detailed discussion and analysis of Narok County Government's operational and financial performance during the reporting period. It outlines the County's strategic investments, compliance efforts, key risks, financial obligations, economic outlook, and forward-looking developments.

Key Programs, Projects, and Investment Decisions

The County Government's FY 2024/2025 budget places strong emphasis on infrastructure, health, education, and environmental sustainability, while also making targeted investments in agriculture, social protection, and tourism promotion.

The health sector receives a substantial allocation, with KES. 4.3 billion for preventive and promotive health services, curative and referral services, and health policy, planning, and financing—making it the single largest investment sector. In education and human capital development, KES. 2.1 billion is committed to early childhood development and education (ECDE), gender, sports and social services underscoring the county's investment in foundational learning. This is complemented by manpower development and productivity programs.

In agriculture and livestock development, KES. 810 million has been dedicated to crop productivity improvement, alongside livestock disease control and fish production. The roads and infrastructure sector commands one of the largest investments, with KES. 1.9 billion allocated to road and bridge construction and maintenance of existing road infrastructure.

Within trade, tourism, and cooperatives, the budget allocates KES. 630 million to tourism promotion and marketing, infrastructure development, trade promotion and cooperative development. Finally, water, environment and natural resources management secures a major allocation of KES. 842 million for water infrastructures, climate change and environmental conservation and management, reflecting a commitment to sustainable resource use and climate resilience.

These investments directly contribute to improved service delivery, economic growth, and social well-being.

Compliance with Statutory Requirements

Narok County demonstrated commendable compliance with statutory requirements and regulatory frameworks reflected in the fact that

- All financial transactions processed through the IFMIS platform.
- Competitive bidding enforced across all departments.
- Ward-based forums conducted during budgeting and planning stages as per the law

These compliance levels reflect the County's commitment to good governance and transparency. Consequently, we are anticipating an unqualified audit report from the Office of the Auditor-General with respect to Fy 2024/2025

Major Risks Facing the County

The Narok County economy is exposed to several fiscal risks that may hinder the achievement of the County Government's fiscal targets for FY 2025/2026. These risks include:

- Delays or reductions in disbursements of equitable share and conditional grants from the National Treasury could disrupt budget implementation and service delivery. In FY 2024/2025, the County Government of Narok had budgeted and planned for a total of KES 885 million in grants as had been indicated in the County Government Additional Allocation Act. In the end the amount of grants received amounted to KES 245 million representing 72% reduction in disbursement.
- Rising public wage demands and pending bills on salary and contracted works and services may strain the county's budget, limiting resources available for development projects.
- Climate-induced disasters could increase emergency expenditures, diverting funds from planned programs.
- Over-reliance on tourism and agriculture, sectors highly susceptible to climate change, global market fluctuations, and unpredictable weather patterns, may lead to significant revenue shortfalls.
- Project cost variation might undermine fiscal sustainability
- Revenue systems administration and transition to the proposed Integrated County Revenue Management System (ICRMS) may lead to potential resistance to tax compliance which could result in lower-than-projected own-source revenue.
- Potential conflicts over resource allocation or land disputes could disrupt economic activities and increase security-related expenditures and undermine revenue collection
- Changes in foreign policy and international conflicts has serious risks on tourism and consequently own source revenue performance

The county government of Narok is rolling out proactive measures to mitigate these risks. This will be bolstered by enhanced revenue mobilization, prudent expenditure management, and robust contingency planning to safeguard the county's fiscal stability and ensure the achievement of its fiscal targets.

Material Arrears in Financial Obligations

The County continues to face legacy arrears and outstanding obligations, primarily in the areas of pensions, statutory deductions, and pending bills. Nonetheless, the County Government made significant progress in settling pending bills during FY 2024/2025. The outstanding pending bills as of 30th July 2025, were estimated at approximately KES 6,151,504,268. This amount comprises of historical pending bills totaling KES 1,405,694,147 and a cumulative KES 4,745,810,121 relating to salary arrears, contracted works and services -both finalized and ongoing.

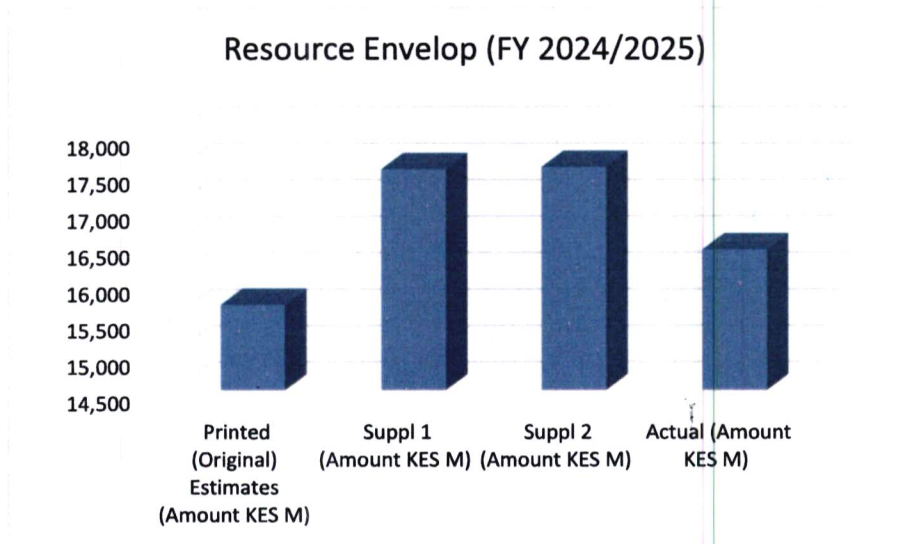
In recognition of this substantial financial obligation, and in anticipation of the upcoming rollout of the Electronic Government Procurement System (e-GP), we are undertaking a review of our budgetary allocations in relation to the pending bills portfolio. The objective is to identify and implement the necessary adjustments within the current financial year, thereby creating fiscal space to settle additional bills through a supplementary budget.

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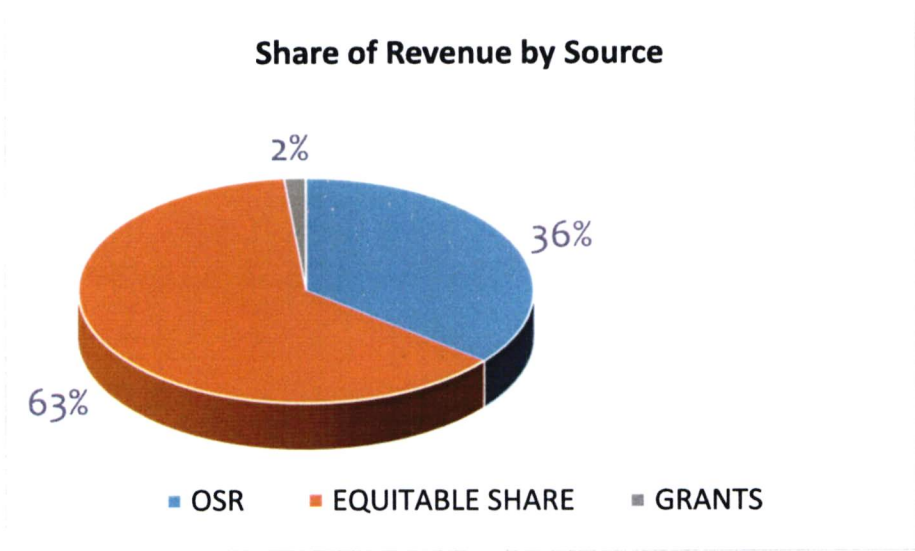
Economic and Sector Review

The revenue and expenditure targets for FY 2024/2025 were estimated in such a manner as to form a balanced budget at KES. 15,682,538,081 mark. The estimates were in the course of time revised to KES. 17,567,524,596. The controller of budget approved KES.14,907,575,149 as transfers to county executive and KES.931,683,159 as transfers to county assembly.

The figure below presents the revenue performance for the FY 2024/2025 and the deviations from the original and revised budget estimates.



Total transfer from national government for equitable share was KES. 9,977,563,666, transfers from other government agencies was KES. 245,446,412 while collection from own source (swiping) amounted to KES 5,660,813,326. The total revenue realized in FY 2024/2025 represented a 93.9% performance on target. The short fall is attributed to reduction in disbursed grants and missed Own Source Revenue target. The figure below shows the revenue performance by source.



The FY 2024/2025 experienced a 19.1% growth in OSR compared to FY 2023/2024. However, a comparison of performance in OSR by streams shows that park fees recorded the highest revenue, KES 5,163,859,896.05 accounting for 90.7% of all OSR. This was attributed by increase of the number of tourists who visited the Maasai Mara National reserve, as well as the implementation of robust own source revenue enhancement strategies. The figure below shows the performance per OSR streams.

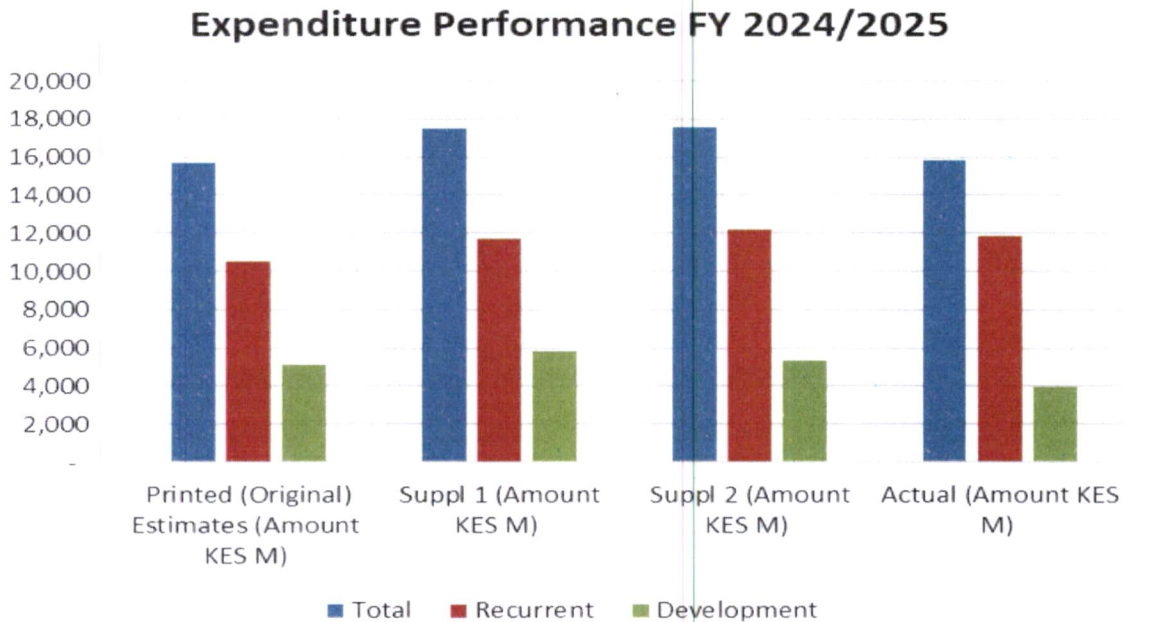


In terms of expenditure recurrent amounted to KES. 11,876,961,202 against a revised target of KES. 12,233,882,470. Thus, the total expenditure on recurrent at the close of FY 2024/2025 represents 74.99% of total expenditure. Development expenditure on the other hand amounted to KES.

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3,961,186,087 compared to a revised target of KES. 5,333,642,126. This represents 25.01% of total expenditure.

The figure below presents the expenditure performance for the FY 2024/2025 and the deviations from the original and revised budget estimates.



Future Developments

In the next financial year, Narok County has proposed a budget of KES 17.23 billion, with a strong focus on development expenditure. The County Government will continue to invest in agricultural infrastructure and equipment to increase productivity in the sector through promoting value addition. The government will continue investing in social-economic sectors of education, health and social protection. Expansion of road networks, and an increase in the access to clean and safe water will also be prioritized

A highlight of budget allocation in Fy 2025/2026 is as follows;

- Budgetary allocation of KES 100 million for construction of revenue collections kiosks, barriers, weigh bridges and procurement of OSR System
- An allocation of KES 50 million to cater for emergency occurrences.
- Budgetary allocation of KES 350 million to road construction and maintenance using county earth moving equipment.
- An allocation of KES 500 million for continuation of the Narok Airport project
- A further allocation of KES 466 for high-capacity road and bridges construction
- Budget provision of KES 530 million for educational projects including ECDE, Vocational Training, PWDs, Women and Youth Empowerment programmes.
- An allocation of KES 378 million to implement FLLoCA initiatives

Narok County Executive

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- A total of KES 280 for water, and environmental conservation programmes
- An allocation of KES 250 million for Narok abattoir, KES 162 million for NAVCDP and KES 197 million for other Agriculture, livestock and fisheries infrastructure projects.
- A budget provision of KES 974 million for continuation and completion of ongoing health care infrastructure
- The allocation of KES 259 million for the development of Narok and Kilgoris Municipalities
- An allocation of KES 175 million to promote technology in productivity in service delivery.
- Provision of KES 352 million for KDSP II investments
- Budget provision of KES 480 million to facilitate the establishment of Industrial Park in partnership with the National Government. The budget has an additional KES 80 million for Tourism and Wildlife infrastructure development.

In terms of fiscal responsibility principles, allocations for recurrent and development meets the 70% and 30% thresholds for recurrent and development respectively.

Risk Management Strategies

To manage current and emerging risks, the County Executive has implemented several mitigation strategies:

- Internal Audit and Risk Management involving operational and conducting of periodic reviews.
- Emergency Preparedness Plans including having drought and flood response protocols in place.
- Revenue Diversification through improved enforcement and automation of revenue collection.
- Capacity Building through continuous training for staff in financial and project management.

Narok County Government continues to make meaningful progress in implementing its strategic objectives, delivering public services, and managing resources responsibly. Stakeholders are encouraged to engage with this report and provide feedback to foster a participatory and accountable government. We reaffirm our commitment to effective service delivery, sound financial management, and inclusive development for all residents of Narok.

8. Statement of Management Responsibilities

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

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

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

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

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

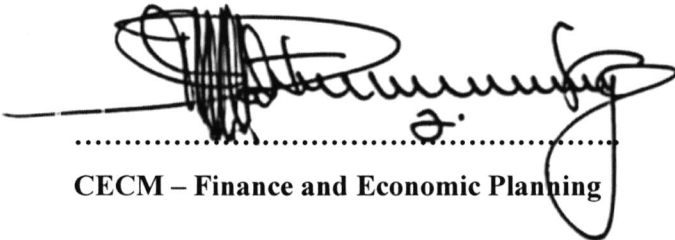
Further the CEC member for finance confirms that the County Executive's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

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Approval of the financial statements

The County *Executive of Narok's* financial statements were approved and signed by the CEC member for finance on 28th August 2025.



A handwritten signature in black ink, appearing to be 'A. M. Mwangi', is written over a horizontal dotted line. The signature is stylized and cursive.

CECM – Finance and Economic Planning

REPUBLIC OF KENYA

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of County Executive of Narok set out on pages 1 to 79, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public

Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Non-Compliance with Transitional IPSAS Reporting Template

The cover page to the annual report and financial statements indicates "Transitional IPSAS financial statements/Prepared in accordance with accrual basis of accounting method under International Public Sector Accounting Standards (IPSAS). This is indicative of Management failure to choose the method adopted to prepare the financial statements. Further, under Note 2 to Financial Statements on Statement of Compliance and Basis of Preparation of the financial statements, Management having taken advantage of the transitional provisions under IPSAS 33 have not indicated the elements of the financial statements that have not been recognized and the steps being taken towards full compliance with IPSAS Accrual.

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

2. Unsupported Expenditure on Rentals of Produce Assets

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects use of goods and services amount of Kshs.4,341,684,224. Included in the amount is Kshs.249,892,223 in respect of rentals of produced assets which further includes an expenditure of Kshs.32,651,486 in respect of hiring of motor vehicles and ambulance services. However, the payment was not supported with local purchase orders, invoices, daily motor vehicle movement schedules and signed work tickets for the motor vehicles.

Further, included in the amount is an expenditure of Kshs.34,760,515 relating to expenses incurred in the financial year 2023/2024 and which were not part of the outstanding pending bills then. This was contrary to the requirement of Regulation 97(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires Management of the County to report the transactions which takes place within the financial year up to 30 June implying that the rentals of produced assets expense have been overstated by an amount of Kshs.34,760,515.

In the circumstances, the accuracy, existence, occurrence and completeness of the rentals of produced assets amount of Kshs.249,892,223 could not be confirmed.

3. Unsupported Payment of Fuel, Oil and Lubricants

The statement of financial performance reflects expenditure on use of goods and services amount of Kshs.4,341,684,224 which as disclosed in Note 10 to the financial statements includes an amount of Kshs.98,489,800 in respect of fuel, oil and lubricants. However, the contracted supplier, fuel statements and consumption records of the County Executive were not provided for audit review. Further, there were no internal control measures regarding requisition, approval and receipt of fuel, reconciliation of the fuel register, work tickets, total fuel expenses and monthly fuel expense returns by various departments to the County Headquarters. In addition, the fuel payment vouchers and supporting schedules were not provided for audit review. Therefore, the basis upon which the fuel expense was included in the financial statements was not clear.

In the circumstances, the accuracy, completeness and validity of the fuel, oil and lubricants expenditure of Kshs.98,489,800 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.17,490,542,593 and Kshs.14,907,575,149 respectively, resulting in an under-funding of Kshs.2,582,967,444 or 15% of the budget.

The under-funding affected the planned activities and may have impacted negatively on service delivery to the residents of Narok County.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were 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, respectively. Review of the status during audit of the County Executive in 2024/2025 revealed matters detailed in **Appendix I** which remained unresolved.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Use of Manual Payroll

Review of expenditure on employee compensation for the financial year 2024/2025 revealed that the County Executive operated two parallel payroll systems, including a manual payroll system (Excel-based) and the Integrated Payroll and Personnel Database (IPPD) in conjunction with the Human Resource Information System (HRIS) Kenya. Available payroll records indicated that gross salary payments totaling Kshs.17,040,129 were made to employees through the manual payroll system.

Further, it was not possible to ascertain the accuracy and validity of these payments due to the fact that manual payroll processing requires manual computation of gross pay, statutory deductions, and net pay, which is prone to errors and manipulation. In addition, there was no adequate supporting documentation to confirm whether the

employees paid under the manual system were genuine and whether the payments were duly authorized.

It was not therefore not clear why Management did not process all employee payments through the Government-approved IPPD and HRIS systems, which have built-in controls and audit trails. This was contrary to Section 149(1) of the Public Finance Management Act, 2012 which provides that an Accounting Officer is accountable for ensuring that the resources of the entity for which the officer is designated are used in a way that is - lawful and authorized; and effective, efficient, economical and transparent.

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

2. Non-Compliance with the Law on Staff Ethnic Composition

Review of the County master roll and human resources records revealed that out of five thousand two hundred eighty-six (5,286) employees currently engaged by the County Executive, three thousand six hundred ninety-four (3,694) or 70% are from the same ethnic community. This was contrary to Section 7 (1) and (2) of the National Cohesion and Integration Act, 2008 which requires that all public establishments shall seek to represent the diversity of the people of Kenya in employment of staff and that no public Institution shall have more than one third of its staff establishment from the same ethnic community.

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

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

Review of the County Executive payroll data revealed that there were a number of employees whose salary is less than one third of their basic pay for a number of months during the year under review. This was contrary to Section 19 (3) of the Employment Act, 2007 which requires that the total amount of all deductions made by an employer from the wages of an employee at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

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

4. Delayed Completion of Projects

The County Executive entered into contract agreement with several contractors for the construction and rehabilitation of ten (10) roads to bitumen standards and murraming and graveling at a cost of Kshs.632,059,513. As at the time of the audit in the month of July, 2025 the projects were stalled, incomplete or abandoned. Further, the payment details and payment vouchers revealed that as the time of the audit, the County Executive had paid a total of Kshs.470,982,011 to the respective contractors.

The general conditions of contract states that the contractor shall submit to the Project Manager monthly applications of payments giving sufficient details of the work done

and materials on site. However, no monthly progress reports were submitted to the project manager as required.

Further, the following observations were made in respect to the projects execution and payments made.

4.1 Proposed Upgrading of Nairagie-Enkare Market Road

During physical verification in the month of July, 2025, it was noted that the market road being tarmacked is approximately 1.4km and not 2km as indicated in the contract documents. Review of the contract documents revealed that under bill No.1, the project was supposed to provide project supervision vehicle, insurance for the project vehicle and project supervision amounting to Kshs.8,000,000, Kshs.500,000 and Kshs.1,000,000, respectively. No evidence was provided to confirm whether the project engineer and project implementation team supervised the works.

Further, review of the bills of quantities revealed that items on spread and compact of natural gravel for sub-base were charged a second time at Kshs.3,000,000 and therefore implying overstatement of the bills of quantities.

4.2 Upgrading of Narok Township Roads to Bitumen Standard

Review of the contract documents revealed that the contractor was supposed to erect three publicity signboards at a total amount of Kshs.150,000 and incur an amount of Kshs.1,500,000 on project supervision. However, the contractor erected two publicity signboards and no evidence was provided to confirm how the amount of Kshs.1,500,000 was utilized on project supervision.

Further, the contractor had been paid amounts of Kshs.3,097,560, Kshs.5,672,070, Kshs.5,545,720, Kshs.13,972,200 and Kshs.1,600,000 totalling to Kshs.29,887,550 for cement and lime treated subgrade and subbase and base, culvert and drainage works, bituminous surface treatment and surface dressing, bituminous mixes, and road furniture, respectively. However, during the physical verification of the project in the month of July, 2025, it was noted that there was no evidence of lime treated subgrade as only natural stones spread on the surface were visible.

Further, the drainage works on the roads have not been done to the required standard. The contractor had not carried out the bitumen surface treatment and dressing as there is no bitumen on the site and there was nothing available to confirm the bituminous mixes. In addition, there is no road furniture installed on the road despite the contractor having been paid for their installation. It was not possible to determine how the payments were approved without confirming the actual works done on the project.

In the circumstances, there is high risk that the projects will not be delivered within the contractual period and value for money in the implementation of the project may not be achieved.

5. Delayed Commencement of Planned Projects

Review of procurement documents submitted for the audit revealed that the County Executive awarded eleven (11) projects to different contractors for construction and civil works amounting to Kshs.238,573,432. The projects relate to works of footbridges and box culverts in various locations. The contracts were to commence on 18 March, 2025 and last for a period of six (6) months. However, as at the time of the audit in July, 2025, the signing of the contracts for the projects had not been done and the contractors were not on the site. Management did not provide explanations as to circumstances that contributed to the delays in the start of the projects.

In the circumstances, the expected value for money of the above projects amounting to Kshs.238,573,432 could not be confirmed and may have impacted negatively on service delivery to the public.

6. Irregular Funding of National Government Projects

Review of records revealed that included in the construction of roads expenditure is an amount of Kshs.303,765,850 incurred on construction and routine maintenance of three (3) roads which fall under the National Government Road Agencies as detailed in the table below:

Road Project	Contract Value (Kshs.)	Agency Responsible
Maasantare Junction Ololulunga Centre	82,479,886	Kenya Rural Roads Authority
Nairagie Enkare Junction - Nairagie Enkare	95,509,809	Kenya Rural Roads Authority
Maasai Mara University Road	125,776,155	Kenya Urban Roads Authority
Total	303,765,850	

Management did not provide letters of approval from the relevant agencies and evidence of written agreement between the two levels of Government detailing the level of technical, financial, and capacity building support expected from National Government agencies as stipulated in Article 187 of Kenyan Constitution, to guide the implementation of these projects.

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

7. Non-Compliance to Climate Change Regulations

Review of County Executive's processes and operations in relation to compliance with the law on Climate Change in respect of the environment and Climate Change Amendment Act, 2023 revealed that the County Executive had not fully implemented the laws, regulations and policies on climate change.

The audit noted that the Departments in the County Executive have not aligned their operations with the long-term low emissions Development Strategy (LT-LEDS) 2022-2050 through non-adoption of the renewable energy(solar) in water supply, non-adoption of climate smart agriculture practices and non-adoption of solar - street lighting. This has been attributed to low levels of awareness and budgetary constraints that have hampered the alignment to Low Emissions Development Strategy.

Further, the Management did not report on the Greenhouse Gas Emissions carbon credit projects within the County Executive. In addition, stakeholders were engaged through various committees and forums, there were no documentation on their contributions. Similarly, there was inordinate delay by the County Executive in disbursement of the allocated funds towards FLLoCA programs which hampers the timely realization of intended benefits of the allocated climate finances.

In the circumstances, the County Executive did not fully comply with climate regulations, law and policies.

8. Failure to Implement E-Procurement System

During the year under review, the County Executive spent substantial amounts in acquisition of goods, works and services. However, the County Executive had not implemented the e-Procurement system hence goods, works and services were procured through manual procurement system. This was contrary to Executive Order No.2 of 2018 which directed all public procuring entities to conduct all procurement processes through the e-procurement module on the IFMIS system, effective from 1 January, 2019.

Further, Regulation 49(2) of the Public Procurement and Asset Disposal Regulations, 2020 provides that the conduct of e-procurement procedures for the supply of goods, works and services shall be carried out by a procuring entity using an e-procurement system which is integrated to the state portal.

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

9. Non-Compliance with the Law on Access to Information

During the year under review the County Executive did not provide quarterly reports on access to information implementation and Access to Information (ATI) Register was not provided. Further, the institutional work plan detailing access to information programs and activities, sensitization, and trainings of the staff on access to information implementation was not provided. This was contrary to Section 27 of the Access to Information Act, 2016 which requires that at the end of every Government financial year the information access officer of the reporting institution shall prepare and submit the Annual Access to Information Report compiled from all quarterly reports prepared at the end of every financial year.

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

10. Stalled Projects

10.1. County Aggregation Industrial Park

The contract for the construction of County Aggregation Industrial Park at Limanet, Narok Town was awarded to a local contractor on 21 July, 2023 at a contract sum of Kshs.450,017,750. The contractor was to commence works on 24 August, 2023 for a contract period of twenty-eight (28) weeks with the expected completion date of the contract being 10 April, 2024. Audit inspection of the project in July, 2025 revealed that after the lapse of ninety-six (96) weeks from the contract start date, the project had stalled with no work in progress and only a partial perimeter wall had been done.

Further, the contractor was not on-site implying the abandonment of the project. In addition, the contractor was issued with certificate No.1 dated 20 March, 2024 from the Department of Roads, Public Works and Transport for payment of an amount Kshs.2,034,643 and advance payment amounting to Kshs.24,000,000 was paid.

No explanation was provided for the delay in the completion of the contract and Management did not provide evidence of any extension of the contract.

10.2. Ewaso Ng'iro Barter Market

The contract for the construction of Ewaso Ng'iro barter market and supporting facilities in Naroosura/Maji/Moto Ward was awarded to a local contractor on 9 August, 2024 at a contract sum of Kshs.60,667,501. The contract was signed on 12 August, 2024 to run for a period of six (6) months with expected completion date of 12 February, 2025 and a Local Purchase Order was issued on 12 August, 2024.

Audit inspection of the project in July 2025, ten (10) months after commencement of the project, revealed that it had stalled. Interview with a caretaker on the site, disclosed that the contractor vacated the site in the month of September, 2024.

In the circumstances, there is risk that the completion of projects may be delayed beyond the contract period causing cost escalations and may have negatively impacted service delivery to the public.

11. Irregular Transfer of Funds to Mara Operation Account

Review of the Integrated Financial Management Information System (IFMIS) payment details for the year under review indicate that four (4) transactions with a total expenditure of Kshs.11,000,000 were paid from the sub-item of recurrent bank account in the Mara Operations account. However, the expenditure related to payment to organizations and not Government agencies or entities. This was contrary to Section 154 (1) of the Public Finance Management Act, 2012 which provides that an Accounting Officer shall not authorize the transfer of an amount that is appropriated - for transfer to another County Government entity or person; for capital expenditure except to defray other capital expenditure; or for wages to non-wage expenditures.

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

12. Irregular Transfer of Funds to Narok Kajiado Economic Block

Review of expenditure records for the year under review revealed that an amount of Kshs.8,000,000 transferred to Narok Kajiado Economic Block (NAKAEB). However, the transfers were unauthorized since they were not included in the approved budget for the year.

Further, the transfers were made without any conditions or agreement and no verifiable document was provided in support of the Narok Kajiado Economic Block's constitutional mandate. This was contrary to Section 104 (1) of the County Governments Act, 2012 which does not allow public funds to be appropriated outside

a planning framework developed by the County Executive Committee and approved by the County Assembly.

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

13. Delay in Completion of Health Facilities

13.1. Narok County Referral Hospital Block

As previously reported, the completion of the construction of the Narok County Referral hospital block has delayed far beyond the expected completion period as detailed in the table below:

Project No.	Project Details	Contract Amount (Kshs.)	Amount Paid as at 30 June, 2025 (Kshs)	Expected Completion Date	% Completion
NCG/TECH/CH Q/039/2019-2020	Proposed New Hospital Block and Mortuary at Narok County Referral Hospital.	637,680,794	621,338,949	09 August, 2021	90%
NCG/TECH/SE RVICES/REFE RRAL/037/2021-2022	Mechanical, Electrical, Engineering Services and Associated Works for New Narok County Referral Hospital Block	469,614,655	289,797,960	18 July, 2022	65%
Total		1,107,295,449	911,136,909		

At the time of audit in July 2025, Management explained that the initial contract had been terminated. However, documentary evidence of the request by the Head of Procurement unit for the termination of the contract, an approval by the accounting officer for the termination of the contract, the reasons for the termination and the resultant costs of terminating the contract and a complex and specialized contract implementation team recommendation for the contract termination were not provided.

Further, as at the time of the audit in July, 2025, the Hospital was still not in use three (3) years after the expected completion date and other payment amounting to Kshs.911,136,909 had already been made to the contractor.

13.2. Lolgorian Level 4 Hospital

The Sub - County Hospital expansion works commenced on 25 January, 2022 for a contract period of twelve (12) months at a contract sum of Kshs.89,539,451. The completion date was to be 24 January, 2023. Review of payments made to the contractor as at 30 June, 2025 revealed that an amount of Kshs.40,000,000 against the certificate raised for work done of Kshs.38,236,409.64 thus implying an overpayment of Kshs.1,763,590.

Further, analysis revealed that the second certificate of works undertaken was signed by the County Works Officer and the County Engineer and approved the works for payment yet there were pending works valued at Kshs.8,730,132.60 implying approval of payment for pending work.

As at the time of physical inspection of the Hospital project in July, 2025, the Contractor was not on site. There was no evidence of contract extension or termination thereof provided, despite the contract period having expired two and a half years ago in January, 2023.

In addition, it was observed that the Hospital had a fully equipped theatre and three fully furnished wards with a bed capacity of one hundred and fifty (150) beds commissioned in June, 2022. However, as at the time of the audit in July, 2025 the wards and the equipment were not in use.

In the circumstances, the value for money for the expenditure on the facilities and equipment may not be achieved and may have impacted negatively on service delivery to the public.

14. Unremitted Retirement Benefits Contributions

Review of records provided for audit revealed that the County Executive owed an amount of Kshs.1,911,131,070 to three pension funds which comprise of outstanding contributions and interest balance of Kshs.134,981,919 and Kshs.1,728,035,170 as tabulated below:

S/No.	Name	Amount (Kshs)
1.	County Pension Fund - DC Scheme	378,919,102
2.	Local Authorities Pension Trust	382,211,968
3.	Lap Fund	1,150,000,000
	Total	1,911,131,070

However, Management has not made any effort to clear the outstanding amount which continue to attract penalties. Further, continued non-remittance is a persistent material breach of the measures established under Public Finance Management Act and the ability of pension funds to service retirement benefits, as and when such benefits fall due, to the retiring employees may have been adversely affected.

This was contrary to Regulation 22 (2) (a) of the Public Finance Management (County Government) Regulations, 2015 which requires that in addition to the responsibilities of Accounting Officers provided in the Act, an Accounting Officer designated under the Act or any other Act, shall - comply with any tax, levy, duty, pension, commitments and audit commitments as may be provided for by legislation.

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

15. Grounded Assets Managed by a Contracted Service Provider

During the physical inspection of the machines in the custody of a contracted service provider, it was observed that despite the County Executive's heavy expenditure to ensure that the equipment are well maintained and serviced. The following machines and equipment are currently not in use and are either grounded and serviceable or grounded and unserviceable:

No.	Registration	Make	Condition
1.	33CG 243A	Backhoe	Grounded and serviceable
2.	33CG 295A	Fuel Tanker	Grounded and serviceable
3.	33CG 350A	Fuel Tanker	Grounded and serviceable
4.	33CG 282A	Grader	Grounded and serviceable
5.	33CG 347A	Semitrailer 380hp	Grounded and serviceable
6.	33CG 320A	Shovel	Grounded and serviceable
7.	33CG 306A	Tipper J5-230	Grounded and serviceable
8.	33CG 308A	Tipper J5-230	Grounded and serviceable

However, Management did not submit any mechanical engineers reports to confirm the current condition of the machines.

Further, review of records revealed that the 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. It was not possible to confirm why the County Executive acquired this equipment if they didn't intend to put them in use, further it was also noted that the mixers were not tagged or marked as County Executive machines.

In addition, it was observed that the County Executive is currently providing office space for the service provider in the County Executive facility. However, no documents have been provided by Management to explain the circumstances that warranted the provision of the office space to the service provider despite being paid in excess of Kshs.300,000,000 per year by the County Executive to take care of the County Executive equipment. Similarly, no evidence has been provided to confirm whether the service provider pays rent to the County Executive for using the County Executive facility or how the County Executive benefits from the arrangement of providing office space.

In the circumstances, the value for money for the expenditure incurred on the service provider to maintain the County Executive's equipment may not be achieved.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of an Updated Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.47,478,479,580 as disclosed in Note 26 to the financial statements. Review of records revealed that during the year under review, the County Executive spent an amount of Kshs.4,670,847,435 in acquisition of computers, printers, and other IT equipment. However, the County Executive did not provide an updated asset register showing all the assets in its possession. Further, the fixed assets register did not disclose the opening balances and additions for each asset category showing the dates individual assets per category was acquired, cost of acquisition per asset, the rate of depreciation applied, the accumulated depreciation and the net book value of each class of asset. In addition, no proper tagging system has been put in place for clear identification of the assets owned by the County Executive.

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

2. Lack of Fraud and Risk Management Strategies

The County Executive did not have in place a Fraud Management Policy to assist in detecting and preventing fraud during the year under review. Further, Management did not have a risk management policy or strategy in place and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks contrary to Regulation 158 of the Public Finance Management (County Governments) Regulations, 2015.

In addition, it was observed that the County Executive lacks disaster recovery plan or business continuity plan which outline how it will continue operating during an unplanned disruption in service. Management has not instituted its own policies and procedures to guide key financial processes and controls for the management of personnel and related expenditure. Similarly, the Management did not perform formal risk assessments during the financial year audited.

In the circumstances, Management may not be in a position to evaluate, rank and prioritize critical risks and channel resources towards mitigating identified risks.

3. Ineffective Operations of the Internal Audit Function and Audit Committee

Review of records provided for audit revealed that the County Executive's internal audit department did not have an approved internal audit charter, approved annual audit plan and independent budget or authority to incur expenditure.

Further, the risk assessment and internal audit reports for the year under review were not provided including the minutes of the audit committee indicating that the internal audit function was being supervised. In addition, the recruitment and operationalization of the audit committee had not been done at the time of the audit in July, 2025.

In the circumstances, there is no proper system to monitor the County Executive's governance and accountability processes and control environment and to offer objective advice on issues concerning risk, control, regulatory requirements and governance.

4. Weak Information and Communication Technology Controls

Review of the County Executive's Information and Communication Technology (ICT) Environment revealed that there was no formal approved ICT Policy. The Management did not assess the impact of an outage or disruption to the information communication technology systems and did not develop business continuity or information technology disaster recovery plan. Further, Management had not established an Information Technology (IT) strategic committee which should provide governance on information technology matters.

Therefore, in case of a disaster, significant delays or disruptions of activities may occur, the County Executive may not recover or restore critical infrastructure services and systems affecting all operations that rely on the Information Communication Technology.

In the circumstances, the integrity, security, and reliability of the County Executive's financial data including its Management Information System could not be confirmed.

5. Weak Controls Related to Voided Transactions

Review of the Integrated Financial Management Information System (IFMIS) records revealed that various transactions were processed and subsequently voided or cancelled during the year under review. However, the transactions were not supported with relevant documentation such as payment vouchers, authority or justification for voiding, journal vouchers reversing the transactions and final payment records.

In the circumstances, the effectiveness of internal controls related to recording of transactions could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the County Executive's ability to continue to as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 December, 2025

Appendix I: Unresolved Prior Year Audit Matters

No.	Audit Issue
1	Inaccuracies in Pending Account Payables
2	Unsupported Expenditure on Tagging of Rhinos
3	Unsupported Reallocation of Expenses
4	Unsupported Payments to Contractors
5	Budgetary Control and Performance
6	Payment of Legal Fees
7	Irregular Funding of National Government Projects
8	Noncompliance with one third of Basic Salary Rule
9	Irregular Recruitment of Staff
10	Irregular Secondment of Employees
11	Noncompliance with the law on Staff Ethnic Composition
12	Non-Reservation of at Least 30% of Procurements to Disadvantaged Groups
13	Irregular Hire of Ambulance Services
14	Delayed Completion of Narok County Referral Hospital and New Narok County Medical School
15	Supply And Delivery of Earth Moving Machines
16	Lack of Effective Citizen Participation I Planning and Budgeting
17	Failure to Establish County Climate Change Fund
18	Unremitted Retirement Benefits Contribution
19	Irregular Payment to Council of Governors
20	Nugatory Payments
21	Irregular Transfer of Funds to Narok Kajiado Economic Block
22	Irregular Grants to Narok Water and Sanitation Company Limited
23	Irregular Operation of Account in Commercial Bank
24	Payment of Salaries through Manual System
25	Lack of Audit Committee and Effective Internal Audit Function
26	Lack of Updated Assets Register for ICT Equipment
27	Lack of Fraud and Risk Management Strategies
28	Weak Information Communication Technologies
29	Failure to Recover Advance Payment from Contractors
30	Obsolete and Unserviceable Assets

(Narok County Executive)

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

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

Description	Notes	Period ended
		Jun-25
		Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	14,907,575,149
Miscellaneous Revenue	7	-
Revenue from exchange transactions		
Other income	8	-
Total revenue		14,907,575,149
Expenses		
Employee costs	9	4,597,131,309
Use of goods and services	10	4,341,684,224
Transfers to other Government Entities	11	900,594,594
Depreciation and amortization expense	12	3,177,740,216
Other Grants and Subsidies	13	498,351,400
Finance costs	14	-
Social Benefits	15	80,672,993
Total expenses		13,596,174,736
Gain/(loss) on sale of assets	16	-
Gain/Loss on Foreign Exchange	17	-
Gain/Loss on fair value of investments	18	-
Impairment loss	19	-
Surplus/Deficit for the year		1,311,400,413
Taxation	20	-
Net Surplus/Deficit		1,311,400,413

The Financial Statements set out on pages 1 to 9 were signed by:

.....
CPA Peter Naingisa
Chief Officer, Finance
ICPAK M/No: 29015
28th August 2025

.....
CPA Walter Chanua
Director Accounting Services
ICPAK M/No: 14877
28th August 2025

11. Statement of Financial Position as at 30 June 2025

Description	Notes	Period ended	Opening Statement
		Jun-25	1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	21	53,226,063	205,191,943
Receivables from Exchange Transactions	22	4,426,250	-
Receivables from Non-Exchange Transactions	23	-	-
Inventories	24	-	-
Current portion of investments	25	-	-
Total Current Assets		57,652,313	205,191,943
Non-Current Assets			
Receivables from Exchange Transactions	22	-	-
Non- Current portion of investments	25	-	-
Property, Plant and Equipment	26	47,478,470,580	46,015,104,287
Right of Use Assets	29	-	-
Intangible Assets and Goodwill	27	5,783,459,717	-
Investment Property	28	-	-
Biological Assets	30	151,786,367	151,786,367
Tangible Natural Resources	31	-	-
Total Non- Current Assets		53,413,716,664	46,166,890,654
Total Assets (A)		53,471,368,977	46,372,082,597
Liabilities			
Current Liabilities			
Trade and Other Payables	32	6,659,641,072	773,206,327
Refundable deposits and prepayments	33	-	-
Current Provision	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	53,237,589	-
Employee Benefit Obligation	37	-	-
Current Portion of Borrowings	38	-	-
Total Current Liabilities		6,712,878,661	773,206,327
Non-Current Liabilities			
Non-Current Provisions	34	-	-
Lease Liabilities	35	-	-

(Narok County Executive)

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

Deferred Income	36	-	-
Non-Current Employee Benefit Obligation	37	-	-
Borrowings – Non-Current Portion	38	-	-
Service Concession Liability	39	-	-
Total Non- Current Liabilities		-	-
Total Liabilities (B)		6,712,878,661	773,206,327
Net Assets (A-B)		46,758,490,316	45,598,876,270
Represented by:			
Reserves		45,447,089,903	-
Accumulated Surplus		1,311,400,413	-
Capital Fund		-	-
Net Assets		46,758,490,316	45,598,876,270

The financial statements set out on pages 1 to 9 were signed by:



.....
CPA Peter Naingisa
Chief Officer, Finance
ICPAK M/No: 29015
28th August 2025



.....
CPA Walter Chanua
Director Accounting Services
ICPAK M/No: 14877
28th August 2025

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

Description	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30 th June 2024 (cash basis)				-
Adjustments: (to recognize assets and liabilities)				-
As at July 1, 2024				-
Net Assets		45,447,089,903		45,447,089,903
Surplus/ deficit for the period	1,311,400,413			1,311,400,413
Returns to CRF				-
Additions during the period				-
Other changes (specify)		-	-	-
As at 30 th June, 2025	1,311,400,413	45,447,089,903	-	46,758,490,316

Note:

1. For items that are not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.
3. Entities have liberty to add additional reserves as appropriate. For all reserves presented provide the nature and purpose.

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

Description	Notes	Period ended 30th June 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		14,907,575,149
Miscellaneous Revenue		-
Other income		-
Total receipts		14,907,575,149
Payments		
Employee costs		4,597,131,309
Use of goods and services		4,341,684,224
Transfers to other Government Entities		900,594,594
Other Grants and Subsidies		498,351,400
Finance costs		-
Social Benefits		80,672,993
Total payments		10,418,434,520
Net cash flows from/(used in) operating activities	0	4,489,140,629
Cash flows from investing activities		
Purchase of PPE		(4,670,847,435)
Purchase Intangible assets		-
Proceeds from sale of PPE		29,740,926
Proceeds from sale of Biological Assets		-
Purchase of investments		-
Sale of investments		-
Net cash flows from/(used in) investing activities		(4,641,106,509)
Cash flows from financing activities		
Returns to CRF		-
Proceeds from borrowings		-
Repayment of borrowings		-

(Narok County Executive)

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Net cash flows from financing Activities		-
Net increase/(decrease) in cash & Cash equivalents		(151,965,880)
Cash and cash equivalents as at Period Start	0	205,191,943
Cash and cash equivalents as at Period End	0	53,226,063

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

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

Recurrent and Development Budgets Combined

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from the CRF	10,590,086,443	824,456,150	11,414,542,593	14,907,575,149		91.92%
OSR receipts	5,024,000,000	1,052,000,000	6,076,000,000			88.78%
Other receipts			-			
Total Receipts	15,614,086,443	1,876,456,150	17,490,542,593	14,907,575,149	2,582,967,444	90.87%
Payments						
Compensation of employees	5,340,087,074	804,786,831	6,144,873,905	4,597,131,309	1,547,742,596	74.81%
Use of goods and services	4,849,669,895	889,611,482	5,739,281,377	4,341,684,224	1,397,597,153	75.65%
Social Benefits	-	-		80,672,993		
Transfers to other government units	-	-	-	900,594,594		
Other grants and subsidies	1,018,876,955	508,592,128	1,527,469,083	498,351,400	47,850,096	96.87%
Social security benefits	-	-	-	-	-	-
Acquisition of assets	4,473,904,157	(318,003,925)	4,155,900,232	4,641,106,509	1,643,194,704	60.46%
Finance costs, including loan interest	-	-	-	-	-	-

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Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
Total Payments	15,682,538,081	1,884,986,516	17,567,524,597	15,059,541,029	4,636,384,549	73.61%
Surplus	-	-	-	(151,965,880)		

Reconciliation table

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(151,965,880)
1	Cash and Cash Equivalent at the beginning of the year	205,191,943
2	Reason for differences	0
3	Reason for differences	0
4	Reason for differences	0
	Closing Cash and Cash Equivalent as per the statement of Cash flows	53,226,063

15. Notes to the Financial Statements

1. General Information

Narok County Executive is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are provision of services to the people of Narok.

2. Statement of Compliance and Basis of Preparation

Statement of compliance

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

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

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

Basis of Preparation

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

Reporting period

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

Notes to the financial statements

Critical accounting judgements

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

Recognition of revenue

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

Recognition of non-exchange expenses and liabilities

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

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

Purpose and nature of financial instruments

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

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario

of 143 MtCO₂eq. Entities commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

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Standard	Effective date and impact:
	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

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

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

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Standard	Effective date and impact:
	<ul style="list-style-type: none"><li data-bbox="464 226 1374 331">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.<li data-bbox="464 338 1374 524">iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p data-bbox="453 530 1241 562"><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii) Early adoption of standards

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

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on 26th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of 1,854,986,516 on the 2024/25 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

Notes to the Financial Statements (Continued)

Budget information (continued)

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

c) Investment property

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

d) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

e) Right of use asset

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

f) Tangible Natural Resources

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

Leases

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

Notes to the Financial Statements (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

Notes to the Financial Statements (Continued)

i. Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

ii. Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

j) Inventories

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

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

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

k) Provisions

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

l) Contingent liabilities

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

Notes to the Financial Statements (Continued)

m) Contingent assets

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

n) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

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

different from those at which they were initially reported are recognized in surplus or deficit in the period.

Notes to the Financial Statements (Continued)

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements.

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

u) Cash and cash equivalents

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

Notes to the Financial Statements (Continued)

v) Comparative figures

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

w) Subsequent events

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

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance. Kshs	Amount deferred under deferred income. Kshs	Total transfers for Period ended Jun-25 Kshs
Recurrent	10,704,803,380.00	62,398	
Development	3,499,912,014.00	914,751	
Special purpose transfers	702,859,755.00	52,260,439	
Total	14,907,575,149	53,237,589	-

7. Miscellaneous Revenue

Nature of Revenue	30 th June 2025
	Kshs
In kind grants and donations	0
Refunds & Reimbursements	0
Revenues not classified anywhere else	0
Total	0

8. Other Incomes

Description	30 th June 2025
	Kshs
Insurance recoveries	0
Sale of tender documents	0
Services concession income	0
Other incomes not specified elsewhere	0
Total other income	0

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

Notes to the Financial Statements (Continued)

9. Employee Costs

Description	30 th June 2025
	Kshs
Basic salaries of permanent employees	2,481,352,311.10
Basic wages of temporary employees	165,995,080.61
Casual Wages	15,000,000.00
Personal allowances – part of salary	1,530,853,880.85
Pension and other social security contributions	289258299.1
Employer contributions to compulsory national social security schemes	114,671,737.00
Employer contributions to compulsory national health insurance schemes	
Other social benefit schemes	
Employee costs	4,597,131,308.70

* Other personnel costs- please provide a brief explanation for these costs

10. Use of Goods and Services

Description	30 th June 2025
	Kshs
Utilities, supplies and services	116,812,220.00
Communication, supplies and services	7,078,476.00
Domestic travel and subsistence	325,290,694.00
Foreign travel and subsistence	19,985,172.00
Printing, advertising, and information supplies & services	159,500,970.00
Rentals of produced assets	249,892,223.00
Training expenses	223,741,280.00
Hospitality supplies and services	225,340,787.00
Insurance costs	389,668,681.00
Specialized materials and services	670,401,563.00
Other operating expenses	1,575,924,668.00
Office and general supplies and services	173,338,405.00
Fuel Oil and Lubricants	98489800
Routine maintenance – vehicles and other transport equipment	38,951,281.00
Routine maintenance – Other Assets	67,268,004.00
Others (specify)	
Total	4,341,684,224.00

Notes to the Financial Statements (Continued)

11. Transfers to Other Government Entities

Description	30 th June 2025
	Kshs
Transfers to other County Government entities	855,594,594.00
Transfers to self-reporting projects	
Transfers to car loan and mortgage schemes	45,000,000.00
Others (specify)	
Total	900,594,594.00

12. Depreciation and Amortization Expense

Description	30 th June 2025
	Kshs
Property, plant and equipment	3,177,740,216
Intangible assets	
Investment property carried at cost	
Total	3,177,740,216

13. Other Grants and Subsidies

Description	30 th June 2025
	Kshs
Membership dues and subscriptions to international organizations	0
Scholarships and other educational benefits	490,351,400
Emergency relief and refugee assistance	0
Grants to small businesses, cooperatives, and self employed	0
Subsidies to Public entities	0
NAKAEB	8,000,000
Total Grants and Subsidies	498,351,400

14. Finance Costs

Description	30 th June 2025
	Kshs
Interest Payments on Guaranteed Debt Taken over by Govt	0
Interest on Domestic Borrowings (Non-Govt)	0
Interest on Borrowings from Other Government Units	0
Interest on bank overdrafts	0
Interest on loans from commercial banks	0
Total finance costs	0

Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

Notes to the Financial Statements (Continued)

15. Social Benefits

Description	30 th June 2025
	Kshs
Government Pension and Retirement benefits	80,672,993
Transfers to orphans	0
Transfers to the physically challenged	0
Add any other category	0
Total social benefit expenses	80,672,993

16. Gain/Loss on Sale of Assets

Description	30 th June 2025
	Kshs
Property, plant and equipment	0
Intangible assets	0
Other assets not capitalised	0
Total gain on sale of assets	0

17. Gain/Loss on Foreign Exchange

Description	30 th June 2025
	Kshs
Gain or loss on foreign exchange transactions	0
Gain or loss on balances in foreign exchanges	0
Total	0

18. Gain/Loss on Fair Value Investments

Description	30 th June 2025
	Kshs
Investments at Fair Value	0
Total Gain	0

19. Impairment Loss

Description	30 th June 2025
	Kshs
Property, Plant and Equipment	0
Intangible Assets	0
Total Impairment Loss	0

Notes to the Financial Statements (Continued)

20. Taxation

Description	30 th June 2025	
	Kshs	
Current income tax charge	0	
Tax charged on rental income	0	
Tax charged on interest income	0	
Original and reversal of temporary differences	0	
Income tax expense reported in the statement of financial performance	0	

21. Cash and Cash Equivalents

Description	30 th June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Recurrent Account	50,872.45		1,513.45	
Development Account	914,751.05		33,878.80	
NAROK COUNTY AGRIC VALUE CHAIN DEV-KES	20,001.00		20,001.00	
NAROK COUNTY ROAD MAINT LEVY FUND-KES	46,108,442.80			
NAROK COUNTY DEPOSIT ACCOUNT	6,069,680.95		3,120,113.35	
NAROK COUNTY CLIMATE CHANGE			198,053,490.00	
Road Maintenance Levy Fund SPA			755,609	
NAROK MUNICIPALITY URBAN DEV GRANT-1000379723			2.00	
NAROK COUNTY PRIMARY HEALTH CARE-KES	61,496.00		465,408.00	
NAROK COUNTY -KENYA DEV. SUPP. PRG-KES	818.55		2,741,922.55	
Other operating commercial accounts (<i>Specify</i>)				
Total	53,226,062.80		205,191,943	

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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

Financial Institution	Account number	30 th June 2025		Opening Statement 1 st July 2024	
		Kshs		Kshs	
Recurrent Accounts					
CBK00001	1000171348	50,872		1,513	

Narok County Executive

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Development Accounts			
<i>CBK00002</i>	1000171324	914,751	33,879
Deposits Accounts			
<i>CBK00003</i>	1000282991	6,069,681	3,120,113
Special Purpose Accounts			
NAROK COUNTY AGRIC VALUE CHAIN DEV-KES			
<i>CBK00004</i>	1000721618	20,001	20,001
NAROK COUNTY ROAD MAINT LEVY FUND-KES			
<i>CBK00005</i>	1000282967	46,108,443	755,609
NAROK MUNICIPALITY URBAN DEV GRANT-			
<i>CBK00006</i>	1000379723		2
Narok County Primary Health Care			
<i>CBK00007</i>	1000556579	61,496	465,408
Narok County Kenya Dev. Supp. Prg			
<i>CBK00008</i>	1000433264	819	2,741,923
NAROK COUNTY CLIMATE CHANGE			
<i>CBK00009</i>	1000542567		198,053,490
Total		53,226,063	205,191,943

Notes to the Financial Statements (Continued)

22. Receivables from Exchange Transactions

Description	30 th June 2025	Opening Statement
	Kshs	1 st July 2024 Kshs
Total receivables		
Other exchange debtors (<i>Specify</i>)	4,426,250.00	
Less: impairment allowance		
Total receivables	4,426,250.00	0
a) a) Current receivables	4,426,250.00	
b) b) Non-current receivables		
Total Receivables (a+b)	4,426,250.00	0

i) Ageing analysis for Receivables

Description	30 th June 2025		Opening Statement	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	4,426,250	100%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (a+b)	4,426,250	100%	0	%

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance	30 th June 2025
	Kshs
At the beginning of the year	0
Additional allowance during the year	0
Recovered during the year	0
Written off during the year	0
At the end of the year	0

Notes to the Financial Statements (Continued)

23. Receivables from Non-Exchange Transactions

Description	30 th June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Other debtors (non-exchange transactions)	0		0	
Less: impairment allowance	0		0	
Total receivables from non- exchange transactions	0		0	
Ageing Analysis- Receivables from non-exchange transactions	Insert Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	0	%	0	%
Between 1-2 years	0	%	0	%
Over 3 years	0	%	0	%
Total	0	%	0	%

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

Description	30 th June 2025
	Kshs
At the beginning of the year	0
Additional provisions during the year	0
Recovered during the year	0
Written off during the year	0
At the end of the year	0

Notes to the Financial Statements (Continued)

24. Inventories

Description	30 th June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Spare parts	0	0
Goods held for distribution	0	0
Less: allowance for impairment	0	0
Total	0	0

Detailed disclosure on inventories

	30 th June 2025
Opening balance	0
Additional Inventory in the year	0
Inventory expensed in the year	0
Write-downs in the year	0
Others specify	0
Closing balance	0

25. Investments

Description	30 th June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK	0	0
CBK	0	0
Sub- total	0	0
b) Investment with Financial Institutions/ Banks		
Bank x	0	0
Bank y	0	0
Sub- total	0	0
c) Equity investments (specify)		
Equity/ shares in Entity xxx	0	0
Sub- total	0	0
Grand total	0	0
Analysed as:		
Current portion of Investment	0	0
Non-current portion of investment	0	0

d) Movement of Equity Investments

	<i>30th June 2025</i>
	Kshs
At the beginning of the year	xxx
Purchase of investments in the year	xxx
Sale of investments during the year	(xxx)
Increase /(decrease) in fair value of investments	xxx
At the end of the year	xxx

Notes to the Financial Statements (Continued)

e) Shareholding in other entities

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

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Kshs	Kshs
					<i>30th June 2025</i>	<i>Opening Statement 1st July 2024</i>
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
Entity C	0	0	0	0	0	0
	0	0	0	0	0	0

Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Machinery and Equipment	Total
Depreciation Rate		2-10%	10-16.67%	2-20%	12.50%	33.30%	x%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	30,094,354,739	5,187,446,122	552,922,189	9,022,343,786	142,971,960	90,458,135	12,450,368	-	912,156,988	46,015,104,287
Additions		2,502,251,148	22,030,832	1,556,808,838	148,165,206				441,591,412	4,670,847,435
Disposals			(29,740,926)							(29,740,926)
Transfer/Adjustments										
As At 30th Jun 2025	30,094,354,739	7,689,697,270	545,212,095	10,579,152,624	291,137,166	90,458,135	12,450,368		1,353,748,400	50,656,210,796
Depreciation And Impairment										
Depreciation		768,969,727	91,050,420	2,115,830,525	36,392,146	30,122,559			135,374,840	3,177,740,216
Disposals										-
Impairment										-
Transfer/Adjustment										-
As At 30th June 2025	-	768,969,727	91,050,420	2,115,830,525	36,392,146	30,122,559	-		135,374,840	3,177,740,216
Net Book Values	30,094,354,739	6,920,727,543	454,161,675	8,463,322,099	254,745,020	60,335,576	12,450,368	-	1,218,373,560	47,478,470,580
Opening Bal as at 1 st July 2024	30,094,354,739	5,187,446,122	552,922,189	9,022,343,786	142,971,960	90,458,135	12,450,368	-	912,156,988	46,015,104,287
As At 30th June, 2025	30,094,354,739	6,920,727,543	454,161,675	8,463,322,099	254,745,020	60,335,576	12,450,368	-	1,218,373,560	47,478,470,580

(Include a brief description of WIP as a footer.)

Notes to the Financial Statements (Continued)

27. Intangible Assets

Description	30 th June 2025
	Kshs
Cost/Opening balance at the beginning of the year	0
Additions	0
Disposal	0
At end of the year	0
Additions–internal development	0
Disposal	0
At end of the year	0
Amortization and impairment	0
At beginning of the year	0
Amortization	0
At end of the year	0
Impairment loss	0
At end of the year	0
NBV	0

28. Investment Property

Description	30 th June 2025
	Kshs
Cost/Opening balance at the beginning of the year	0
Additions	0
Disposal during the year	0
Depreciation	0
Impairment	0
At end of the year	0

(This note applies to investment property held at cost. For investment property held at fair value, changes in fair value should go through the statement of financial performance).

Notes to the Financial Statements (Continued)

29. Right-of-use assets

	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Plant and equipment</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 20xx	0	0	0	0
Additions	0	0	0	0
As at June 20xx	0	0	0	0
Accumulated Depreciation				
As at 1 July 20xx	0	0	0	0
Charge for the year	0	0	0	0
As at June 20xx	0	0	0	0
Carrying Amount				
As at June 20xx	0	0	0	0

30. Biological Assets

<i>Description</i>	<i>30th June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Specify	151,786,367	0
Specify	0	0
Total	151,786,367	0

31. Tangible Natural Resources

	<i>Sub- soil assets</i>	<i>Water</i>	<i>Wildlife</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2024	0	0	0	0
Additions	0	0	0	0
As at June 2025	0	0	0	0
Accumulated Depreciation				
As at 1 July 2024	0	0	0	0
Charge for the year	0	0	0	0
As at June 2025	0	0	0	0
Carrying Amount				
As at June 2025	0	0	0	0

Notes to the Financial Statements (Continued)

32. Trade and Other Payables

Description	30 th June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	6,659,641,072.32		773,206,327.0	
Payments received in advance				
Employee payables				
Third-party payments				
Other payables				
Total trade and other payables	6,659,641,072.32		773,206,327.00	
Ageing analysis: (Trade and other payables)	Current FY	%	Opening balance	% of the Total
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (tie to above total)	0		0	

33. Refundable Deposits and Prepayments

Description	30 th June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Customer deposits	0		0	
Prepayments	0		0	
Other deposits	0		0	
Total deposits	0		0	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Opening Balance	% of the Total
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	0		0	

Notes to the Financial Statements (Continued)

34. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	0	0	0	0
Additional provisions	0	0	0	0
Provision utilised	0	0	0	0
Change due to discount and time value for money	0	0	0	0
Total provisions year end	0	0	0	0
Current Provisions	0	0	0	0
Non-Current Provisions	0	0	0	0

35. Lease Liabilities

Description	Insert Current FY	Opening Statement 1 st July 20XX
	Kshs	Kshs
Balance at the beginning of the year	0	0
Discount interest on lease liability	0	0
Paid during the year	0	0
At end of the year	0	0

Maturity Analysis

Period	Amount
Year 1	0
Year 2	0
Year 3	0
Year 4	0
Year 5 and onwards	0
Less: unearned Interest	0
	0

Analysed as:

Description	Amount
Current	0
Non- Current	0
Total	0

Notes to the Financial Statements (Continued)

36. Deferred Income

Description	Insert Current FY	Opening Statement 1 st July 20XX
	Kshs	Kshs
National Government	53,237,588.60	-
International Funders	-	-
Public Contributions and Donations	-	-
Total Deferred Income	53,237,588.60	-

The deferred income movement is as follows:

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	0	0	0	0
Additions	53,237,589	0	0	53,237,589
Transfers To Capital Fund	0	0	0	0
Transfers To Income Statement	0	0	0	0
Other Transfers	0	0	0	0
Balance Carried Forward	53,237,589	0	0	53,237,589

Analysed as:

Description	Amount
Current	53,237,589
Non- Current	0
Total	53,237,589

Notes to the Financial Statements (Continued)

37. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	Insert Current FY	Opening Statement 1 st July 20xx
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0	0	0	0	0
Non-Current Benefit Obligation	0	0	0	0	0
Total Employee Benefits Obligation	0	0	0	0	0

Retirement benefit Asset/ Liability (Applicable to Pensions)

The Entity operates a defined benefit scheme for all full-time employees from July 1, 20XX. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at xxx June xxx by xxx actuarial valuers. On this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

	Insert Current FY	Opening Statement 1 st July 20xx
Discount Rates	x%	x%
Future Salary Increases	x%	x%
Future Pension Increases	x%	x%
Mortality (Pre- Retirement)	x%	x%
Mortality (post-retirement)	x%	x%
Withdrawals	xx	xx
Ill Health	xx	xx
Retirement	xx years	xx years

Notes to the Financial Statements (Continued)

Recognition of Retirement Benefit Asset/ Liability

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

	<i>30th June 2025</i>	<i>Opening Statement 1st July 2025</i>
Description	Kshs	Kshs
The return on defined plan assets	0	0
Actuarial gains/ losses arising from changes in demographic assumptions	0	0
Actuarial gains/ losses arising from changes in financial assumptions	0	0
Actuarial gains and losses arising from experience adjustments	0	0
Others (specify)	0	0
Adjustments for restrictions on the defined benefit asset	0	0
Remeasurement of the net defined benefit liability (asset)	0	0

b) Amounts recognized in the Statement of Financial Position

	<i>30th June 2025</i>	<i>Opening Statement 1st July 2024</i>
Description	Kshs	Kshs
Present value of defined benefit obligations(a)	0	0
Fair value of plan assets(b)	0	0
Funded status(=a-b)	0	0
Restrictions on asset recognised	0	0
Others	0	0
Net asset or liability arising from defined benefit obligation	0	0

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. XXX per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

Notes to the Financial Statements (Continued)

38. Borrowings

Description	30 th June 2025	
	Kshs	
a) External borrowings		
Balance at beginning of the year		0
External borrowings during the year		0
Repayments of during the year		0
Balance at end of the year		0
b) Domestic borrowings		
Balance at beginning of the year		0
Domestic borrowings during the year		0
Repayments during the year		0
Balance at end of the year		0
Balance at end of the period- domestic and External borrowings c = (a+b)		0

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

	<i>Insert Current</i>	<i>Opening Statement</i>
	<i>FY</i>	<i>1st July 20xx</i>
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organisation'	0	0
Sterling Pound Denominated Loan From 'Y Organisation'	0	0
Euro Denominated Loan from Z Organisation'	0	0
Domestic Borrowings	0	0
Kenya Shilling Loan From KCB	0	0
Kenya Shilling Loan from Barclays Bank	0	0
Kenya Shilling Loan from Consolidated Bank	0	0
Total /Balance at end of The Year	0	0

Notes to the Financial Statements (Continued)

Description	Insert Current	Opening
	Kshs	Kshs
Short Term Borrowings (Current Portion)	0	0
Long Term Borrowings	0	0
Total	0	0

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

39. Service Concession Arrangements Liability

Description	Insert Current FY	Opening Statement July 20xx 1 st
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	0	0
Net carrying amount	0	0
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	0	0
Service concession liability at end of the year	0	0

40. Cash Generated from Operations

	Insert Current FY
	Kshs
Surplus for the year before tax	1,588,668,151.45
Adjusted for:	
Depreciation	2,900,472,477.86
Non-cash grants received	0
Contributed assets	0
Impairment	0
Gains and losses on disposal of assets	0
Contribution to provisions	0
Contribution to impairment allowance	0
Working capital adjustments	0
Increase in inventory	0
Increase in receivables	0
Increase in deferred income	0
Increase in payables	0
Increase in payments received in advance	0
Net cash flow from operating activities	4,489,140,629.30

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

Notes to the Financial Statements (Continued)

41. Financial Risk Management

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

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

i) Credit risk

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

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

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 June 20xx				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

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

Notes to the Financial Statements (Continued)

Financial Risk Management

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

ii) Liquidity risk management

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

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

	Less than 1	Between 1-3	Over 5	Total
	month	months	months	
	Kshs	Kshs	Kshs	Kshs
As at 30 June 20xx				
Trade payables	xxx	xxx	xxx	xxx
Current portion of borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Deferred income	xxx	xxx	xxx	xxx
Employee benefit obligation	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

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

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

a) Foreign currency risk

The *Entity* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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

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

Current FY

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 June 20xx			
Financial Assets	xxx	xxx	xxx
Investments	xxx	xxx	xxx
Cash	xxx	xxx	xxx
Debtors	xxx	xxx	xxx
Total Financial Assets	xxx	xxx	xxx
Financial Liabilities			
Trade And Other Payables	xxx	xxx	xxx
Borrowings	xxx	xxx	xxx
Total Financial Liabilities	xxx	xxx	xxx
Net Foreign Currency Asset/(Liability)	xxx	xxx	xxx

Financial Risk Management

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

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

Notes to the Financial Statements (Continued)

b) Interest rate risk

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

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Financial Risk Management

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (20xx: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (20xx – KShs xxx)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

Notes to the Financial Statements (Continued)

Financial Risk Management

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

	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 20xx				
Financial Assets				
Quoted Equity Investments	xxx	xxx	xxx	xxx
Non- Financial Assets				
Investment Property	xxx	xxx	xxx	xxx
Land And Buildings	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx

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

iv) Capital Risk Management

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

	<i>Insert Current FY</i>	<i>Opening Statement 1st July 20XX</i>
	Kshs	Kshs
Revaluation Reserve	xxx	xxx
Retained Earnings	xxx	xxx
Capital Reserve	xxx	xxx
Total Funds	xxx	xxx
Total Borrowings	xxx	xxx
Less: Cash And Bank Balances	(xxx)	(xxx)
Net Debt/(Excess Cash And Cash Equivalents)	xxx	xxx
Gearing	xx%	xx%

Notes to the Financial Statements (Continued)

42. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

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

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

43. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Entity to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments)

44. Contingent Assets and Contingent Liabilities**Contingent Assets**

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

(Give details)

Contingent Liabilities

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

(Give details)

45. Capital Commitments

Capital Commitments	<i>Insert Current FY</i>
	Kshs
Authorised for	xxx
Authorised and contracted for	xxx
Total	xxx

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

Notes to the Financial Statements (Continued)

46. Program for Results (PforR) Disclosure

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

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

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

47. Events after the Reporting Period

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

48. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

49. Currency

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

16. Appendix

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
<p>1. Inaccuracies in Pending Accounts Payable</p>	<p>Pending accounts payable and pending staff payables balances of Kshs.618,888,103 and Kshs.154,318,224 respectively differs with a recast schedule in the financial statements showing a balance of Kshs.731,446,191 leading to an unexplained and unreconciled variance of Kshs.112,558,088. Pending bills listing indicates payables dating back to the financial year 2013/2014. County Executive did not maintain a register with details of ages of the bills, opening amounts, additions during the year, payments as well as the closing balances. Report of the Pending</p>	<p>The variance arose from a casting error in the computation of pending bills for the supply of services whose opening balance was Ksh.580,245,413 less amounts paid during the year of Ksh.272,236,664 leading to a closing balance of Ksh.308,008,749. However, the financial statement figure quoted was Ksh.195,450,661 hence a variance of Ksh.112,558,088 as indicated in the Financial Statements Note 13(1) extract (<i>Appendix 1a</i>). This was corrected in the FY 24/25 as prior year adjustment.</p> <p>The pending bills register showing the bills ages and the status of the bills & all the supporting documents from the Contractors has been resubmitted in (<i>Appendix 1b</i>).</p> <p>Admittedly, the county Government had pending bills dating back to FY2013/2014 that</p>	<p>Resolved</p>	

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	<p>Bills Resolution Committee to verify eligible or ineligible pending bills was provided BUT it was not conclusive as to determine the validity and eligibility of the pending bills reported in the financial statements. Construction of roads revealed that payments amounting to Kshs.400,752,554 was made to contractors as pending bills which have been outstanding for more than one year, dating back to 2020/2021 financial year BUT the pending bills could not be traced in the previous year's audited pending bills records & Management has not explained why the pending bills were not included in the financial reports of the years in which they occurred.</p>	<p>have hitherto not been settled due to lack of sufficient documentation to support their eligibility. The County maintains a pending bills register which contains all details including ages of pending bills. See (<i>Appendix 1b</i>).</p> <p>With the additional clarification and resubmission of documents, the County Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved.</p>		
<p>2. Unsupported Expenditure</p>	<p>Kshs.4,401,000 spent towards the ear-notching and fitting of transmitters on twenty (20) black</p>	<p>For the fuel consumed during the exercise, the detail orders, work tickets, fuel payment schedules & payment receipts were provided</p>	<p>Resolved</p>	

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<p>e on Tagging of Rhinos</p>	<p>rhinos in the Maasai Mara National Reserve. The fuel consumed during the exercise was not supported with detailed order and work tickets. Further, delivery notes, counter issue forms (S11) counter receipt forms (S13) were not provided to confirm the amount of Ksh.901,000 spent on immobilization drugs, reversal agents, darting accessories and medical consumables.</p> <p>In addition, Kshs. 2,172,800 and Kshs 1,568,000 paid to the department of Tourism and KWS personnel respectively not supported by the MOU with the respective National Government Departments.</p> <p>Further, the hired company for the provision of helicopter services was not in the list of registered suppliers for the County Executive for the period under review.</p>	<p>(Appendix 2a). The County did not spend any amount in the procurement of drugs and provision of helicopter services therefore, has no obligation to provide the delivery notes, S11, S13 & list of prequalified suppliers as supported by the MOU between the KWS, Narok County Government and Maasai Mara Conservancies Associations (Appendix 2b). Additionally, attached is the MOU between the county and Wildlife Research Training Institute (WRTI) which provided veterinary doctors for the notching exercise. In addition, the MOU supports the payment of per diem allowance for both County officials and KWS staff by the County. This is further supported by the Attendance lists & field allowance payment schedules attached in (Appendix 2b) as well. Having resubmitted these documents, the County Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved.</p>		
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<p>3. Unsupported Reallocation of Expenditure</p>	<p>IFMIS payment details reflects sixteen (16) transactions with a total expenditure of Kshs.183,474,862 paid from the subitem of Other Capital Grants and Transfers BUT the expenditure related to payment to individuals, organizations, suppliers and contractors and not Government Agencies or Entities. Management explained the reallocations were due to inadequate budgetary provisions on the respective expenditure items. Approval for the reallocations & respective journal vouchers on reclassification to the correct expenditure items were not provided.</p>	<p>The reallocation has been supported by the Supplementary budget 2 & The Narok County Supplementary Appropriation (No 2) Act 2024 as attached (<i>Appendix 3</i>). With the additional clarification, the County Government therefore considers the matter mitigated and hope it will be marked by the Senate as resolved.</p> <p>The approvals for the reallocations & respective journal voucher no longer necessary to be provided since they were taken over by supplementary budget 2.</p>	<p>Resolved</p>	
<p>4. Unsupported Payments to Contractors</p>	<p>A Contractor was paid Kshs.75,000,000 for management services of earth moving and road works equipment BUT the daily records of movement of the earth equipment, reports on routine supervision of road construction</p>	<p>The daily work records, routine supervision reports, lists of roads constructed & daily approved workplans, details of works performed, delivery notes, post work tickets, pre and post inspection reports are attached to this response as earlier submitted to the auditor for review. Please see <i>Appendix 4a</i>.</p>	<p>Resolved</p>	

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	<p>works, reports on routine maintenance and repairs of the earth moving equipment road and road furniture construction supplies and materials acquired and the roads constructed and maintained by the Contractor were not submitted for audit review. Not possible to confirm works performed and if they are performed as per the contract. Daily approved work plans for the contractor were not submitted for the audit review.</p> <p>Kshs.60,548,614 paid to another Contractor for repairs and maintenance of earth moving equipment BUT payment was not supported with details of work performed, the post, work tickets and inspection and acceptance committee report to confirm the validity of the expenditure. Amount paid as pending bill yet it was not included in</p>	<p>In regards to the Kshs.60,548,614 paid to another Contractor for repairs and maintenance of earth moving equipment, the supporting documents are further attached to this response as attached in <i>Appendix 4b</i>.</p> <p>Having resubmitted these documents, the County Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved.</p>		
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Narok County Executive

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

	the prior year audited pending accounts payables.			
5. Unresolved Prior year matters	Several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. BUT Management has not explained how the issues were addressed or resolved. Financial statements have not fully disclosed the prior year audit issues and how they have been addressed by Management in Annex 1 to the financial statements on progress on follow-up prior year Auditor-General's recommendations.	Annexed to these responses is the status of prior year matters and how the management has addressed them. <i>Appendix 23</i>	Resolved	

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

<p>6. Legal Fees</p>	<p>Legal fees of Kshs.364,996,746 exceeded the budgeted amount of Kshs.337,382,581 resulting to unauthorized and unapproved expenditure of Kshs.27,614,165.</p>	<p>The Supplementary Budget 2 attached in <i>Appendix 3</i> provided for the additional Kshs.27,614,165 which exceeded the budgeted amount of Kshs.337,382,581. This was occasioned by court orders and decrees issued to legal firms that provided services to the government during former administration. With the additional clarification, the County Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved.</p>	<p>Resolved</p>	
<p>7. Non-Compliance with the one third of basic salary rule</p>	<p>224 employees earned a net salary of less than a third (1/3) of the basic salary in various months during the year under review.</p>	<p>It is true that 224 employees earned a net salary of less than a third (1/3) of the basic salary in various months during the year under review. During 2020 amidst the COVID 19 pandemic, the review of PAYE by KRA temporarily lowered taxes to cushion Kenyans between April and December 2020. When PAYE rates were revised back upwards in January 2021, the net salaries of these employees were affected thus earning less than a third of the basic salary.</p>	<p>Resolved</p>	

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

		<p>Additionally, the introduction of new statutory deductions namely SHIF, housing levy and revised NSSF rates affected employees who had already committed up to their one third maximum of the basic salary.</p> <p>The County is in cognizant of this matter, and has instructed the lending institutions to liaise with the individual loanees to restructure the facilities to enable compliance with the one third rule, as per <i>Appendix 5</i> attached.</p>		
8. Irregular Recruitment of Staff	<p>73 clerical officers, 8 enforcement officers, 27 trade development officers & 2 administrative officers were recruited to the respective jobs. No evidence by Management as proof of human resource plans, confirmation of vacancies existence within the staff establishment & that due recruitment process was followed.</p>	<p>The job indent (hiring request) was made by the Department of Finance and Economic Planning requesting for the recruitment of 73 clerical officers, 8 enforcement officers, 27 trade development officers & 2 administrative officers.</p> <p>The recruitment process was conducted as per the standard procedures and guided by the departmental job indent, confirmation of budget, copy of the advertisement of the vacancies, copy of minutes of the short list with both successful and unsuccessful applicants</p>	Resolved	

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

		and a copy of Audit correspondence by the NCPSB has been provided and attached (<i>Appendix 6</i>). With the additional clarification and resubmission of documents, the County Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved.																		
9. Irregular secondment of Employees	9 employees were seconded to various public offices BUT the officers were seconded for periods exceeding 6 years without justification.	It is not true that the 9 employees were seconded to various public offices for periods exceeding 6 years without justification. The County was not in breach of the law because the officers in question had not exceeded the 3 year threshold as stipulated in Section B.33(1) as indicated in the Extract of employees seconded attached (<i>Appendix 7</i>).	Resolved																	
		<table border="1"> <thead> <tr> <th></th> <th>NAME</th> <th>PF. NO</th> <th>OFFICER SECONDED</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>JOEL TARAK WAI</td> <td>20130 04356 0</td> <td>MIN/10/NCPSB/MAI approved secondment 2024).</td> </tr> <tr> <td>2</td> <td>PETER SILELI</td> <td>20140 02748 9</td> <td>MIN/23/NCPSB/MAI approved secondment period of 3 years (Mar</td> </tr> <tr> <td>3</td> <td>SANAR E LEMPA KA</td> <td>20160 08599 6</td> <td>MIN/30/NCPSB/MAI approved secondment Narok County Assem</td> </tr> </tbody> </table>		NAME	PF. NO	OFFICER SECONDED	1	JOEL TARAK WAI	20130 04356 0	MIN/10/NCPSB/MAI approved secondment 2024).	2	PETER SILELI	20140 02748 9	MIN/23/NCPSB/MAI approved secondment period of 3 years (Mar	3	SANAR E LEMPA KA	20160 08599 6	MIN/30/NCPSB/MAI approved secondment Narok County Assem		
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Narok County Executive

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

		4	GODWIN JUMA	22984 919	MIN/31/NCPSB/MARCH 04/2024- i) The Board had given a no objection to the County Secretary's request for the secondment of the officer from Lake Basin Development Authority, letter dated 21st October, 2022. ii) Earlier on 2nd March 2022, the Board had approved the officer's transfer of service to the Authority.		
		5	CHRISTINE KOSHAL	20140 02421 9	MIN/32 (49)/NCPSB/MARCH 04/2024- The Board approved the Officer's secondment to the National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA) for an initial period of three (3) years.		
		6	JOHN MISED A	20180 07899 7	MIN/04/NCPSB/FEBRUARY 07/2024- The Board approved secondment of the officer to NAKAEB as requested.		
		7	KOOKI MASAI NE	32019 910	The Board approved the officer's secondment from the County Assembly on his current position at the County Executive Vice MIN/11/NCPSB/NOVEMBER 07/2023.		
		8	JULIET LETOYA		The Board approved her secondment to the National Government for an initial period of three (3) years vide MIN/08/NCPSB/AUGUST 10/2023.		
		9	JOHN TARAK WAI NGOROKI	07373 56069	Officer requested for secondment to Narok County Government from National Government and The Board vide MIN/09/NCPSB/JULY 04/2023 asked the Secretary to confirm if a vacancy exists in Internal Audit Unit		

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<p>10. Non-compliance with the Law on Staff Ethnic Composition</p>	<p>County Executive has 5,477 employees out of which 4,557 or 83% are from the same ethnic community. In 2023-2024, CPSB recruited 249 employees, out of whom 236 or 96% were from the same ethnic community.</p>	<p>The auditor erred since the County Government complied with Section 7 (1) and (2) of the National Cohesion and Integration Act 2008 as provided in the attached Ethnic Distribution as at 30th November, 2024. See <i>(Appendix 8)</i>. With the additional clarification, the County Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved.</p>	<p>Resolved</p>	
<p>11. Non - Reservation of at least 30 % of procurements to disadvantaged groups</p>	<p>Disadvantaged groups of youth, women and persons with disability were awarded 31 contracts of Kshs.273,355,924 or 4.2% of all the procurements value.</p>	<p>The disadvantaged groups especially the PWDs do not take advantage of the AGPO opportunities because of the culture that is associated with stigmatization and high levels of illiteracy among the residents of the County. However, to mitigate this the County is currently conducting sensitization to the relevant stakeholders on the available AGPO opportunities and how to improve the process. A sensitization report is hereby attached <i>(Appendix 9)</i>.</p>	<p>Ongoing</p>	

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<p>12. Irregular Hire of Ambulance Services</p>	<p>Kshs.63,264,577 was paid to a local private company for the provision of ambulance emergency medical services being a third extension of the contract entered into in February, 2018 for two (2) years without the recommendation of the evaluation committee. No evidence of performance monitoring of the service provider, to ensure that all delivery or performance obligations were met. Company cumulatively paid service fees of Kshs.610, 668,577 from February, 2018 without cost benefit analysis between hiring and acquisition or purchase of the ambulance Procurement documents & schedules of rescue operations by the ambulances including pick-up and drop-off points & details on patients served, were not provided for audit review.</p>	<p>The evaluation committee recommended the extension of the contract based on the feedback from the user department as per the evaluation report attached (<i>Appendix 10</i>). The performance of the service provider was satisfactory as indicated in the supplier appraisal report. Please see (<i>Appendix 10</i>). A cost benefit analysis conducted by the procurement department shows that the cost of hiring was Ksh.497,640,000 vis a vis the cost of acquisition of Ksh.653,406,500 see (<i>Appendix 10</i>). This indicates that it is cheaper to hire than buy because of the terrain and expansive nature of the County. The schedules of rescue operations by the ambulances including pick-up and drop-off points & details on patients served are hereby resubmitted see (<i>Appendix 10</i>).</p> <p>With the additional clarification and resubmission of the documents, the County Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved.</p>	<p>Resolved</p>	

<p>13. Delayed Completion of Narok County Referral Hospital Block and New Narok County Medical School</p>	<p>Construction of the Narok County Referral Hospital Block was to commence in March, 2020 with the expected completion date of 09 August, 2021 at Kshs.1,107,295,449. The construction of a new Narok County Medical School (MTC) was to commence in July, 2020 with the expected completion date of 31 December, 2021 @ Kshs.407,768,961 BUT the two projects have had their completion dates extended three (3) times without formal contract extension. Contractors cumulatively paid Kshs.1,279,453,652 or 84% of initial contract amount without payment certificates issued by the Department</p>	<p>For the Narok County Referral Hospital, the delays were occasioned by the architectural adjustments which were recommended by the Ministry of Health to make the structure suitable for use as referral hospital according to the requisite standards. Further, it was noted that there was a requirement for construction of the mortuary, kitchen and laundry. Contract extension was duly approved by the Accounting officer of the Department of Health, with recommendation from the project consultant & the site meeting minutes are hereby attached (<i>Appendix 11</i>). The continuous delays led to the termination of the contract and therefore the completion of the Narok County Referral Hospital Block works is currently being undertaken by the Ministry of Defense as per the termination and Agreement</p>	<p>Resolved</p>	

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	<p>of Public Works and Infrastructure. Physical verification in October, 2024 on Narok County Medical School (MTC), hostels and associated works revealed that contractors were on site doing major structural, mechanical and electrical works. No documents of the technical committee report, minutes of site meetings, Bills of Quantities and the amended contract price were provided.</p>	<p>on transfer of procuring responsibility attached (<i>Appendix 11</i>). As for the Narok County Medical School, the approvals for contract extension, site meeting minutes, consultant report & the BOQs are hereby provided (<i>Appendix 11</i>) and it is complete and currently operational. All the payments were made based on the certificates raised and signed by the engineers. See (<i>Appendix 11</i>). With the additional clarification and resubmission of the documents, the County Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved.</p>		
<p>14. Supply and delivery of earth moving Equipment and Machinery</p>	<p>County Executive awarded a contract for supply and delivery of earth moving equipment and machinery for road construction at a cost of Kshs. 1,487,932,072 above approved budget of Kshs.876,000,000 resulting to unauthorized expenditure of Kshs.611,932,072.</p>	<p>The auditor's observation on unauthorized expenditure of Kshs.611,932,072 was not accurate since the expenditure of Kshs. 1,487,932,072 on the acquisition of the earthmoving equipment was budgeted for in two financial years i.e FY 22/23 for Kshs. 876,000,000 and FY 23/24 for</p>	Resolved	

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	<p>Chief Mechanical Officer did not conduct a postdelivery inspection on the machines and earth moving equipment delivered.</p> <p>No inspection of the equipment delivered was done to ensure they met requisite specifications. No inspection and acceptance committee report, registration and ownership documents including logbooks were not provided. The delivery notes, pre-inspection reports and evidence of postdelivery inspection conducted by a mechanical engineer from Department of Roads, Public Works and Infrastructure to confirm the specifications of the machinery and equipment as per the laid down government regulations of motor vehicles and other road equipment were not provided for audit. Daily equipment utilization schedule</p>	<p>Kshs.611,932,072 respectively as highlighted in the two budgets attached see (<i>Appendix 12</i>).</p> <p>The mechanical engineer carried out pre and post-delivery inspection for the machinery and earth moving equipment to confirm specification of equipment as per the laid down government regulations regarding purchase of motor vehicles. The pre-delivery inspection reports, inspection and acceptance reports, delivery notes, Counter receipt Voucher (S13), log books, fixed asset register & daily equipment utilization schedules have further been attached. (<i>Appendix 12</i>).</p> <p>The County outsourced contractors to carry out various roads' maintenance during the period when deliveries were being shipped into the country. Additionally, Narok County is vast and the acquired earth moving equipment are not sufficient to carry out works for all roads across the County hence the need for further procurement of Contractors.</p> <p>With the additional clarification and resubmission of the documents, the County</p>		
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	<p>indicating daily odometer readings at start and end for each equipment and downtime were not provided for audit. Despite the County Executive investing in the equipment and machinery, various road projects were outsourced to contractors without justification. No evidence that the machinery and equipment were received and taken on charge and recorded in the fixed assets register.</p>	<p>Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved.</p>		
<p>15. Lack of Effective Citizen Participation in Planning and Budgeting</p>	<p>Management failure to develop a criterion for identifying stakeholders to participate in the budget process & the method of communication.</p>	<p>Observation of the auditor on planning and budgeting is not factual as the County carried out the public participation exercise as per the law.</p> <p>The evidence of communication to the public informing them about public participation and the mechanisms of the engagements before, during and after the budget process is shown in <i>(Appendix 13)</i>.</p>	Resolved	

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		<p>Further, the minutes of attendance detailing the agenda and the opinions & contributions by the members of public, and the list of attendees by the members of public are also included in <i>(Appendix 13)</i>.</p> <p>With the additional clarification and resubmission of the documents, the County Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved.</p>		
16. Failure to Establish County Climate Change Fund	County Executive has not established the Narok County Climate Change Fund	The County established the Narok County Climate Change Fund and it is in operation and status communicated to the office of the Auditor General. See <i>(Appendix 14)</i> .	Resolved	
17. Unremitted Retirement Benefits Contributions	County Executive owed Kshs.1,863,017,088 to three pension funds amounting to Kshs.134,981,919 and interest amount of Kshs.1,728,035,170. Records supporting deduction & remittance of NSSF, NHIF and	The outstanding debt originated from the defunct Local Authority but the County Government has begun settling payments as evidenced by the provided Lapfund statements <i>(Appendix 15)</i> . Records for deduction and remittance of NSSF, NHIF and PAYE are further attached see <i>(Appendix 15)</i> . With the additional	Resolved	

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	PAYE for employees were not provided for audit.	clarification, the County Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved.		
18. Irregular Payments to Council of Governors	County Executive made payments of Kshs.5,000,000 to Council of Governors in support of the 9th Annual Devolution Conference and operating expenses	It is true that the County Government has been making contribution to the Council of Governors to facilitate the secretariat. The irregular payments to the Council of Governors (COG) has since been stopped. It is our hope that the law before parliament will be able to solve the issue so that the current situation can be corrected.	Resolved	
19. Nugatory Payments	Litigations against the County Executive with accumulated interest on arbitration of Kshs.752,166,295 for cases involving three clients and dating back to the 2013-2014 out of which Kshs. 62,288,125 had been paid.	It is true that the interests on court awards has been accumulating but the County Government is making deliberate efforts to clear the legal fees and associated interests when funds become available. The County has since established the office of the County Attorney and strengthened the office by providing budget allocations for their activities. The County Government is further negotiating with legal service providers to consider waiving interest to enable us clear	Resolved	

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		outstanding balances. This will mitigate further legal risks and waste of public resources.		
20. Irregular Transfer of Funds to Narok Kajiado Economic Block (NAKAEB)	Kshs.24,251,066 transferred to Narok Kajiado Economic Block (NAKAEB). Transfers were made without any conditions or agreement & no verifiable document provided in support of the NAKAEB's constitutional mandate	It is true that the County Executive transferred Kshs.24,251,066 to NAKAEB. The amount was budgeted under transfers to other capital grants and transfers entities for the FY 23/24. Refer to (<i>Appendix 3</i>) attached. The County Government sought advisory from the Office of the Attorney General through the Chairman of the economic bloc see (<i>Appendix 16</i>) and consultations are going on so as to ensure proper guidance. However, the County Government has since stopped any payments to the bloc.	Resolved	
21. Irregular Grants to Narok Water and Sanitation Company Limited	County Executive transferred grants of Kshs.10,314,123 to Narok Water and Sanitation Company Limited for Company's administration and operational costs. Grants were not included in the approved budget for the year & were issued to the Company in cash to augment its	The Auditor erred by stating the amount as Grants but rather it was water bills whose payment vouchers for various institutions such as Referral hospital, County stadium, County Headquarters, Narok Town stage, Ololulunga District hospital, Cuban Doctors and other departments has been attached (<i>Appendix 17</i>). With the additional clarification and	Resolved	

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	budgetary resources. Transfers were made without any conditions, agreement or management instructions to guide the arrangement.	resubmission of documents, the County Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved		
22. Irregular Operation of Accounts in Commercial Banks	County Government operated 27 accounts with commercial banks instead of the Central Bank of Kenya.	The commercial banks were open specifically for revenue collection, health facilities improvement fund accounts, conditional grants and County funds.	Resolved	
23. Payments of salaries through manual system	Salaries of Kshs.48,517,077 paid outside the IPPD system through manual payrolls. Kshs.34,887,575 paid to officers in various departments and Kshs. 13,629,502 paid to temporary employees of the County. Manual systems are prone to errors.	The County Government makes Contributions to staff pensions at various levels depending on category of staff. IPPD is programmed to handle 15 % employer's contribution that is impossible to incorporate the ones whose contribution is 12%. To include them, employer's contribution is done manually. The County has initiated a process with Human Resource Management Information System to include all staff in the employer's contribution scheme.	Resolved	

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<p>24. Lack of an Audit Committee and Effective Internal Audit Function</p>	<p>Internal audit department lack an approved internal audit charter, approved annual audit plan and independent budget or authority to incur expenditure</p>	<p>The County has so far complied by establishing an audit Committee. It is operational and has an independent budget which enables them to discharge their functions effectively as evidenced by the Gazette notice, Gazette extract showing shortlisted candidates, recruitment report of the Narok County Audit Committee and the appointments which are further attached (<i>Appendix 18</i>).</p> <p>Further, an internal Audit Charter, audit committee charter, an approved annual audit plan and budget to support the operations are also provided see (<i>Appendix 18</i>).</p> <p>With the additional clarification, the County Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved.</p>	<p>Resolved</p>	
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<p>25. Lack of Updated Register of Assets for ICT Equipment</p>	<p>Fixed and intangible assets not incorporated into the assets register Receipts and issues records revealed that 275 devices had been delivered instead of the originally tendered 150 devices. Register of assets lacked comprehensive details.</p>	<p>The County Government received all the 150 handheld devices and an additional 125, four monitoring screens, a server and software licenses. All the fixed and intangible assets were received, recorded and issued appropriately as shown by a comprehensive fixed and intangible asset register which is further attached (<i>Appendix 19</i>). With the additional clarification, the County Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved.</p>	<p>Ongoing</p>	
<p>26. Lack of Fraud and Risk Management Strategies</p>	<p>No fraud management policy to assist in detecting and preventing fraud. No risk management policy or strategy</p>	<p>It is true that there is no fraud & risk management strategy. The County is however in the process of developing a Fraud & Risk Management Strategy and Disaster Recovery Plan to prevent the entity from exposure of various forms of risks.</p>	<p>Not resolved</p>	
<p>27. Weak Information and Communication Technology</p>	<p>No formal approved ICT Policy and an assessment of the impact of an outage or disruption to the information communication technology systems. Management has not developed business continuity or information technology</p>	<p>The County Government has developed an ICT policy awaiting consideration and approval of the County Executive Committee. The County Government is also in communication with the Office of the Auditor General in the development of this document. Draft ICT</p>	<p>Ongoing</p>	

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<p>y (ICT) Controls</p>	<p>disaster recovery plan has not established an IT strategic committee to provide governance on information technology matters</p>	<p>policy and Digital Strategy are hereby attached (<i>Appendix 20</i>).</p>		
<p>28. Failure to recover advanced payment from contractor</p>	<p>Review of payment records revealed payment to a contractor amounting to Kshs.24,500,000 in respect of advance payment for mobilization on 10th January 2023 through payment voucher No.68. However, the Contractor's contractual period ended and had been paid the entire contract sum of Kshs.122,698,356 BUT Management had not recovered the advance payment of as per the terms of the contract agreement</p>	<p>The initial contract sum was Kshs.122,698,356. In 26th January 2023 <i>vide</i> NCG/TRSPT/MOTVEH/VOL.II/5/ provided in (<i>Appendix 21</i>), there was need to put in place additional spares and parts for 29 machines which were provided by the contractor at the cost of Kshs.23,669,809 resulting to total payables of Kshs.146,368,345. The payments to the contractor were done in three installments;</p> <ol style="list-style-type: none"> 1. Advance payment on 16th January 2023 of Kshs.24,500,000 2. Payment on 21st March 2023 of Kshs.61,319,731 3. Payment on 3rd November 2023 of Kshs. 60,548,614 	<p>Resolved</p>	

		<p>The advance payment had been included as part of the full payment of the contract sum which has been proved by the support documents further provided in <i>(Appendix 21)</i>. The evidence of all the payments including; payment vouchers, interim invoices, delivery notes, re inspection and inspection reports and additional spares and parts for the 29 machines are further provided. See <i>(Appendix 21)</i>.</p> <p>With the additional clarification and resubmission of documents, the County Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved.</p>		
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<p>29. Obsolete and unserviceable assets</p>	<p>Some items in the store are obsolete and unserviceable and are of no economic importance to the County Government</p>	<p>The Unserviceable items are being disposed in accordance with the disposal procedure outlined in the PPDA 2015 and so far, 60% done as per the disposal committee recommendations provided. The County is in the process of disposing the obsolete medical equipment by identifying companies authorized by NEMA.</p> <p>The list of all items disposed are attached herein Schedule of prices and items (<i>Appendix 22</i>).</p> <p>With the additional clarification, the County Government hence considers the matter mitigated and hope it will be marked by the Senate as resolved.</p>	<p>Resolved</p>	
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CPA Peter Ntiamput Naingisa

Accounting Officer

28th August 2025

Appendix II: Projects implemented by (The Entity)

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

Status of Projects completion

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

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

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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/Others	Total Amount - KES		Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
							Deferred Income	Receivables	Others must be specific	

Appendix VI: Reporting of Climate Relevant Expenditures

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

Appendix VII: Disaster Expenditure Reporting Template

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

Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f	Additions during the year	Disposals during the year	Transfers in/(out) during the year	Historical Cost c/f
	(Kshs)	(Kshs)	(Kshs)		(Kshs)
	Previous Year				Current Year
Land	30,094,354,739	-			30,094,354,739
Buildings and structures	7,283,642,705	989,798,349			8,273,441,054
Transport equipment	614,572,189	10,000,000			624,572,189
Office equipment, furniture and fittings	339,179,803	27,105,095			366,284,898
ICT Equipment	102,268,969	37,466,032			139,735,001
Machinery and Equipment	2,578,494,657	415,812,086			2,994,306,743
Biological assets	151,786,367	-			151,786,367
Infrastructure Assets- Roads, Rails	11,360,691,832	1,428,525,292			12,789,217,124
Heritage and cultural assets	-				-
Intangible assets	63,587,391				63,587,391
Work in Progress					-
Total	52,588,578,652	2,908,706,854	-	-	55,497,285,506