

**Table 3.28: Cumulative Fiduciary Risk for the County Executive of Elgeyo/Marakwet for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>
<b>Understaffing of Internal Audit Department</b>	The Internal Audit Department was understaffed, with only 6 officers instead of the required 30.	This weakened internal controls and risk management.	Management should ensure the Internal Audit Department is fully staffed.	N/A
<b>Operational Weaknesses in the Audit Committee</b>	The Audit Committee was not adequately funded, and prior year audit matters were unresolved.	The Audit Committee held only one sitting, and unresolved audit matters were not presented.	Management should ensure the Audit Committee is adequately funded and resolves prior year audit matters.	N/A
<b>ICT Controls and Data Environment</b>	The County lacked an ICT Security Policy, Disaster Recovery Plan, and access control systems.	The ICT environment was not secure, and there was no monitoring of system changes.	Management should develop an ICT Security Policy and Disaster Recovery Plan.	N/A
<b>Total Cumulative Fiduciary Risk Exposure</b>			<b>Ksh. 6,307,035,710</b>	

### 3.29 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF NANDI

**164** Analysis of the audit report for the County Executive of Nandi the FY 2023/2024 shows a cumulative total of **Ksh. 2,545,178,560** as the total financial exposure from fiduciary risks as shown in Table 3.29.

**Table 3.29: Cumulative Fiduciary Risk for the County Executive of Nandi for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Inaccuracies in Financial Statements</b>	Misstatements in financial statements, including variances in key management	- Variances between financial statements and IFMIS records. - Unreconciled	- Ensure accurate and complete financial reporting. - Reconcile all financial records with IFMIS.	<b>675,837,220</b>



**Table 3.29: Cumulative Fiduciary Risk for the County Executive of Nandi for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
	compensation, fund balances, and budget execution.	salary arrears. - Misclassification of expenditures.	- Conduct regular internal audits to detect and correct misstatements.	
<b>Unsupported Transfers to Youth Operation Account</b>	Transfers to youth fund account without proper documentation or authority.	- Lack of payment vouchers and supporting documents for transfers. - No evidence of proper authorization.	- Ensure all transfers are properly documented and authorized. - Implement strict controls over fund transfers.	<b>10,000,000</b>
<b>Unsupported Cash and Cash Equivalents</b>	Lack of bank reconciliation statements and certificates for certain accounts.	- Missing bank reconciliation statements for specific accounts. - Incomplete cash book records.	- Maintain accurate and complete bank reconciliation records. - Ensure all bank accounts are properly documented.	<b>214,152,482</b>
<b>Voided Payments and Purchase Orders in IFMIS</b>	Voided transactions without proper justification or reconciliation.	- Voided payments and purchase orders without explanation. - Lack of reconciliation for voided transactions.	- Investigate and document reasons for voided transactions. - Ensure proper reconciliation of all transactions.	<b>1,258,463</b>
<b>Inaccuracies in Imprests and Advances</b>	Outstanding imprests not surrendered or recorded.	- Imprests not surrendered or recorded in the financial statements. - Lack of proper documentation for imprests.	- Ensure all imprests are surrendered and recorded. - Implement strict controls over imprest management.	<b>6,294,745</b>
<b>Payment of Pending Bills Not</b>	Payment of pending bills not disclosed in prior	- Pending bills paid without proper	- Ensure all pending bills are properly disclosed	<b>11,836,900</b>



**Table 3.29: Cumulative Fiduciary Risk for the County Executive of Nandi for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Previously Disclosed</b>	financial statements.	disclosure. - Lack of proper documentation for pending bills.	and documented. - Implement a system for tracking and reporting pending bills.	
<b>Non-Compliance with Public Sector Accounting Standards Board (PSASB) Template</b>	Non-compliance with PSASB reporting requirements, including lack of strategic objectives and progress on development objectives.	- Lack of strategic objectives and progress on development objectives. - Inconsistent note numbering in financial statements.	- Ensure compliance with PSASB reporting requirements. - Develop and document strategic objectives and progress on development objectives.	<b>N/A</b>
<b>Irregularities in Compensation of Employees</b>	Employees without personal files, overpayment of salaries, and non-compliance with retirement age regulations.	- Employees without personal files. - Overpayment of salaries. - Employees retained beyond mandatory retirement age.	- Ensure all employees have complete personal files. - Conduct regular payroll audits. - Enforce retirement age regulations.	<b>40,421,632</b>
<b>Unprocedural Hiring of Casual Workers</b>	Casual workers hired without proper documentation or competitive recruitment.	- Casual workers hired without proper documentation. - Lack of competitive recruitment process.	- Ensure all casual workers are hired through a competitive process. - Maintain proper documentation for all casual workers.	<b>15,783,157</b>
<b>Staff Paid in Both IPPD and Manual Payrolls</b>	Staff receiving payments through both IPPD and manual payrolls.	- Staff receiving payments through both systems. - Risk of double payments.	- Ensure all staff are paid through the IPPD system. - Conduct regular payroll reconciliations.	<b>34,856,231</b>
<b>Payment of Salaries Outside IPPD</b>	Salaries paid outside the IPPD system, including	- Salaries paid outside the IPPD system.	- Ensure all salaries are paid through the IPPD system.	<b>260,291,231</b>



<b>Table 3.29: Cumulative Fiduciary Risk for the County Executive of Nandi for the Financial Year 2023/2024</b>				
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
	to casual and contractual staff.	- Risk of unauthorized payments.	- Implement strict controls over payroll processing.	
<b>Unauthorized Payment of Allowances</b>	Allowances paid without proper authorization or documentation.	- Allowances paid without proper authorization. - Lack of documentation for allowances.	- Ensure all allowances are properly authorized and documented. - Conduct regular audits of allowance payments.	<b>228,720,000</b>
<b>Non-Compliance with One-Third Pay Policy</b>	Employees earning net salaries less than one-third of their basic salary.	- Employees earning net salaries below the one-third threshold. - Risk of financial hardship for employees.	- Ensure compliance with the one-third pay policy. - Conduct regular payroll audits to ensure compliance.	<b>N/A</b>
<b>Non-Compliance with National Cohesion and Integration Act</b>	Overrepresentation of dominant ethnic community in staff recruitment.	- Over 94% of staff from the dominant ethnic community. - Non-compliance with ethnic diversity requirements.	- Ensure compliance with the National Cohesion and Integration Act. - Promote diversity in staff recruitment.	<b>N/A</b>
<b>Irregularities in Procurement of Fuel and Lubricants</b>	Procurement of fuel and lubricants from a limited number of suppliers.	- Over 80% of fuel supplies from two suppliers. - Lack of justification for supplier selection.	- Ensure competitive procurement of fuel and lubricants. - Justify supplier selection based on competitive criteria.	<b>85,728,340</b>
<b>Ineligible Expenditure Under Kenya Informal Settlement</b>	Expenditure on workshops held outside the duty station.	- Workshops held outside the duty station. - Lack of justification for	- Ensure all workshops are held within the duty station. - Justify any off-site workshops.	<b>1,288,000</b>



**Table 3.29: Cumulative Fiduciary Risk for the County Executive of Nandi for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Improvement Project</b>		off-site workshops.		
<b>Irregularities in Construction of Nandi County Aggregation and Industrial Park</b>	Irregularities in the construction of the Nandi County Aggregation and Industrial Park.	<ul style="list-style-type: none"> <li>- Lack of proper documentation for project variations.</li> <li>- Poor workmanship and incomplete works.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure proper documentation for all project variations.</li> <li>- Conduct regular site inspections to ensure quality workmanship.</li> </ul>	<b>67,787,822</b>
<b>Delay in Completion of Construction of Avocado Aggregation Center</b>	Delayed completion of the Avocado Aggregation Center.	<ul style="list-style-type: none"> <li>- Project delayed beyond the expected completion date.</li> <li>- Lack of value for money due to delays.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure timely completion of projects.</li> <li>- Monitor project progress regularly.</li> </ul>	<b>49,526,099</b>
<b>Irregularities in Proposed Construction of Perimeter Wall and External Works</b>	Irregularities in the construction of the perimeter wall and external works for the new Governor's Office.	<ul style="list-style-type: none"> <li>- Lack of proper documentation for project variations.</li> <li>- Poor workmanship and incomplete works.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure proper documentation for all project variations.</li> <li>- Conduct regular site inspections to ensure quality workmanship.</li> </ul>	<b>24,659,930</b>
<b>Irregularities in Construction of Nandi Cooperative Creameries Kabiyeet Phase III</b>	Irregularities in the construction of the Nandi Cooperative Creameries Kabiyeet Phase III.	<ul style="list-style-type: none"> <li>- Project delayed beyond the expected completion date.</li> <li>- Lack of value for money due to delays.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure timely completion of projects.</li> <li>- Monitor project progress regularly.</li> </ul>	<b>64,750,673</b>
<b>Incomplete Proposed Construction of Modern Athletic Training Camp</b>	Incomplete construction of the Modern Athletic Training Camp.	<ul style="list-style-type: none"> <li>- Project incomplete despite full payment.</li> <li>- Lack of formal handing over certificate.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure projects are completed before full payment.</li> <li>- Conduct proper handover procedures.</li> </ul>	<b>53,222,000</b>
<b>Stalled Proposed Completion</b>	Stalled completion works at	<ul style="list-style-type: none"> <li>- Project stalled and abandoned.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure projects are completed on</li> </ul>	<b>9,954,900</b>



<b>Table 3.29: Cumulative Fiduciary Risk for the County Executive of Nandi for the Financial Year 2023/2024</b>				
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Works at Kapsengere Hospital Phase II</b>	Kapsengere Hospital Phase II.	- Lack of progress on the project.	time. - Monitor project progress regularly.	
<b>Unsupported Construction of Kobujoi Sub-County Hospital</b>	Lack of proper documentation for the construction of Kobujoi Sub-County Hospital.	- Lack of proper documentation for the project. - Payment vouchers and certificates not provided.	- Ensure proper documentation for all projects. - Conduct regular site inspections to ensure quality workmanship.	<b>3,292,946</b>
<b>Delay in Construction of Mother and Child Hospital at County Referral</b>	Delayed construction of the Mother and Child Hospital at County Referral.	- Project delayed beyond the expected completion date. - Lack of value for money due to delays.	- Ensure timely completion of projects. - Monitor project progress regularly.	<b>409,813,441</b>
<b>Incomplete Construction of the Governor's Office Building</b>	Incomplete construction of the Governor's Office Building.	- Project incomplete despite full payment. - Lack of proper documentation for the project.	- Ensure projects are completed before full payment. - Conduct proper handover procedures.	<b>20,000,000</b>
<b>Unconfirmed Variation for Proposed Construction of Fresh Produce Market</b>	Unconfirmed variation for the proposed construction of a Fresh Produce Market.	- Variation of contract without proper documentation. - Lack of proper documentation for the project.	- Ensure proper documentation for all project variations. - Conduct regular site inspections to ensure quality workmanship.	<b>22,970,940</b>
<b>Delay in Completion Works Phase II for Chepterwai Sub-County Hospital</b>	Delayed completion works at Chepterwai Sub-County Hospital Phase II.	- Project delayed beyond the expected completion date. - Lack of value for money due to delays.	- Ensure timely completion of projects. - Monitor project progress regularly.	<b>41,538,221</b>
<b>Delay in Operationalization</b>	Delayed operationalization	- Project delayed beyond the	- Ensure timely completion of	<b>60,018,462</b>



**Table 3.29: Cumulative Fiduciary Risk for the County Executive of Nandi for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>of Kenya Devolution Support Project (KDSP) Funded Coffee Mill Project</b>	of the KDSP-funded Coffee Mill Project.	expected completion date. - Lack of value for money due to delays.	projects. - Monitor project progress regularly.	
<b>Delay in Operationalization of Nandi County Textile and Apparel Unit</b>	Delayed operationalization of the Nandi County Textile and Apparel Unit.	- Project delayed beyond the expected completion date. - Lack of value for money due to delays.	- Ensure timely completion of projects. - Monitor project progress regularly.	<b>6,149,996</b>
<b>Unconfirmed Fuel Expenses on Road Works by County Machinery</b>	Unconfirmed fuel expenses on road works by County machinery.	- Lack of proper documentation for fuel expenses. - Risk of misappropriation of funds.	- Ensure proper documentation for all fuel expenses. - Conduct regular audits of fuel usage.	<b>36,670,400</b>
<b>Unconfirmed Purchase of Office Furniture and General Equipment</b>	Unconfirmed purchase of office furniture and general equipment.	- Lack of proper documentation for purchases. - Risk of misappropriation of funds.	- Ensure proper documentation for all purchases. - Conduct regular audits of purchases.	<b>29,013,076</b>
<b>Unconfirmed Roads Projects</b>	Unconfirmed roads projects.	- Lack of proper documentation for road projects. - Risk of misappropriation of funds.	- Ensure proper documentation for all road projects. - Conduct regular audits of road projects.	<b>59,341,253</b>
<b>Unsubmitted Financial Statements for Level-Four Hospitals</b>	Failure to submit financial statements for Level-Four hospitals.	- Lack of financial statements for Level-Four hospitals. - Risk of misappropriation of funds.	- Ensure timely submission of financial statements for all hospitals. - Conduct regular audits of hospital finances.	<b>N/A</b>



Table 3.29: Cumulative Fiduciary Risk for the County Executive of Nandi for the Financial Year 2023/2024				
Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
Total Cumulative Fiduciary Risk Exposure			Ksh. 2,545,178,560	

### 3.30 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF BARINGO

165 Analysis of the audit report for the County Executive of Baringo the FY 2023/2024 shows a cumulative total of **Ksh. 2,421,076,803** as the total financial exposure from fiduciary risks as shown in Table 3.30.

Table 3.30: Cumulative Fiduciary Risk for the County Executive of Baringo for the Financial Year 2023/2024				
Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
<b>Inaccurate Non-Current Assets</b>	Variance between financial statements and fixed assets register. Biological and intangible assets misclassified as recurrent expenditures.	Unreconciled variance of Ksh. 510,320,219. Misclassification of Ksh. 36,037,980 (donations) and Ksh. 15,331,160 (ordinary activities) as assets.	Ensure accurate recording and reconciliation of assets. Reclassify misclassified expenditures.	<b>561,689,359</b>
<b>Variances Between Financial Statements and IFMIS Reports</b>	Discrepancies between financial statements and IFMIS records for receipts and payments.	Variances in compensation of employees (Ksh. 218,619,882), use of goods and services (Ksh. 256,825,508), and other grants and transfers (Ksh. 214,253,717).	Reconcile financial statements with IFMIS records. Ensure accurate data entry and reporting.	<b>689,699,107</b>



**Table 3.30: Cumulative Fiduciary Risk for the County Executive of Baringo for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Unsupported Routine Maintenance of Vehicles and Other Transport Equipment</b>	Lack of supporting documents for routine maintenance expenses.	Expenditure of Ksh. 48,348,800 not supported by motor vehicle maintenance logbooks, driver defect reports, or inspection reports.	Maintain proper documentation for all maintenance activities. Implement strict controls over vehicle maintenance expenses.	<b>48,348,800</b>
<b>Unreported Bank Accounts</b>	Bank accounts not reported in financial statements.	Ksh. 80,380,057 held in 233 commercial bank accounts excluded from financial statements.	Ensure all bank accounts are reported and reconciled. Implement strict controls over bank account management.	<b>80,380,057</b>
<b>Unauthorized and Unutilized Water Projects</b>	Boreholes drilled without permits or water quality testing reports.	Ksh. 32,148,270 spent on 11 boreholes without permits or water quality reports. Three boreholes (Ksh. 6,994,700) not equipped.	Obtain necessary permits and conduct water quality tests before drilling. Ensure boreholes are equipped and operational.	<b>32,148,270</b>
<b>Unsupported Legal Expenses</b>	Legal fees paid without supporting documentation.	Ksh. 900,000 in legal fees not supported by court attendance records, invoices, or case status.	Maintain proper documentation for all legal expenses. Ensure legal fees are only paid for verified services.	<b>900,000</b>
<b>Unreconciled Pending Bills</b>	Discrepancy between pending bills in financial statements and	Unreconciled variance of Ksh. 123,790,720 between financial statements and	Reconcile pending bills with Controller of Budget report. Ensure all pending bills are properly	<b>123,790,720</b>



**Table 3.30: Cumulative Fiduciary Risk for the County Executive of Baringo for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
	Controller of Budget report.	Controller of Budget report.	documented and verified.	
<b>Non-Compliance with One-Third of Basic Salary Rule</b>	Employees earning net salaries below one-third of basic salary.	79 employees earned net salaries below one-third of basic salary in July 2023.	Ensure compliance with the one-third rule. Review payroll deductions to prevent excessive deductions.	<b>Not quantified</b>
<b>Non-Compliance with Fiscal Responsibility on Wage Bill</b>	Wage bill exceeds 35% of total revenue.	Wage bill at 48% of total revenue (Ksh. 3,214,252,532), exceeding the 35% threshold.	Implement measures to control wage bill growth. Table a bill in the County Assembly to manage wage bill.	<b>Not quantified</b>
<b>Non-Compliance with National Cohesion and Integration Act</b>	Recruitment dominated by one ethnic community.	96% of 54 recruited officers from the dominant ethnic community.	Ensure diversity in recruitment. Comply with the National Cohesion and Integration Act.	<b>Not quantified</b>
<b>Irregular Engagement of Casual Employees</b>	Casual workers engaged without proper authorization or documentation.	Ksh. 20,232,540 paid to casual workers without proper muster rolls or competitive recruitment.	Ensure casual workers are competitively recruited and properly documented. Obtain authorization from the County Public Service Board.	<b>20,232,540</b>
<b>Construction of Market Sheds and Stalls at Kapsoo</b>	Contractor awarded tender without proper evaluation criteria.	Ksh. 2,899,327 paid for construction without proper evaluation of contractor's bank statements.	Ensure all tenders are awarded based on proper evaluation criteria. Verify contractor qualifications before awarding contracts.	<b>2,899,327</b>



**Table 3.30: Cumulative Fiduciary Risk for the County Executive of Baringo for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Installation of Floodlights</b>	Contractor with unregistered National Construction Authority certificate awarded tender.	Ksh. 3,997,476 paid for floodlight installation by contractor with unregistered NCA certificate.	Ensure contractors have valid NCA certificates before awarding tenders.	<b>3,997,476</b>
<b>Stalled or Delayed Health Projects</b>	Health projects stalled or delayed, affecting service delivery.	Projects worth Ksh. 29,344,031 stalled or delayed, with cumulative payments of Ksh. 20,846,989.	Monitor project implementation closely. Take action against contractors for delays.	<b>29,344,031</b>
<b>Delayed Implementation of Infrastructure Projects</b>	Infrastructure projects delayed, including Kabarnet stadium.	Kabarnet stadium project delayed for over 10 years, with total contract price of Ksh. 46,886,162.	Expedite completion of delayed projects. Review contractor performance and take necessary action.	<b>46,886,162</b>
<b>Incomplete Roads Projects Implementation Status Reports</b>	Lack of detailed project implementation status reports for road projects.	Ksh. 365,433,148 spent on road construction without proper project status reports.	Ensure detailed project status reports are maintained. Monitor road projects closely.	<b>365,433,148</b>
<b>Incomplete Referral Hospital Surgical Block</b>	Surgical block project delayed, with significant payments made.	Ksh. 171,152,787 paid for surgical block, yet project remains incomplete.	Expedite completion of the surgical block. Ensure proper project management and oversight.	<b>171,152,787</b>
<b>Unsupported Procurement</b>	Procurement of agricultural	Ksh. 36,037,980	Ensure proper documentation for	<b>36,037,980</b>



**Table 3.30: Cumulative Fiduciary Risk for the County Executive of Baringo for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>of Certified Seeds, Breeding Stock, and Live Animals</b>	inputs without proper documentation .	spent on certified seeds, breeding stock, and live animals without proper documentation.	all agricultural procurements. Verify supplier credentials and product quality.	
<b>Audit of Climate Regulations</b>	Unfunded climate projects and lack of progress on climate action plan.	Ksh. 193,138,012 received for climate projects, but no activities carried out.	Implement climate projects as planned. Ensure proper utilization of climate funds.	<b>193,138,012</b>
<b>Unclaimed Deposits</b>	Retentions held for over five years without being claimed.	Ksh. 14,999,027 in retentions held for over five years.	Ensure unclaimed deposits are reported to the Unclaimed Financial Assets Authority.	<b>14,999,027</b>
<b>Total Cumulative Fiduciary Risk Exposure</b>			<b>Ksh. 2,421,076,803</b>	

### 3.31 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF LAIKIPIA

**166** Analysis of the audit report for the County Executive of Laikipia for the FY 2023/2024 shows a cumulative total of **Ksh. 5,507,847,900** as the total financial exposure from fiduciary risks as shown in Table 3.31.

**Table 3.31: Cumulative Fiduciary Risk for the County Executive of Laikipia for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>
<b>Unsupported Payments on Fuel, Oil, and Lubricants</b>	Payments for fuel, oil, and lubricants were not supported by fuel registers, detailed orders, or motor	Lack of documentation to confirm fuel usage.	Ensure proper documentation and record-keeping for fuel usage.	<b>13,391,205</b>



**Table 3.31: Cumulative Fiduciary Risk for the County Executive of Laikipia for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>
	vehicle work tickets.			
<b>Variances in Basic Wages for Temporary Employees</b>	Actual payments for temporary employees exceeded the reported amount in the financial statements.	Unexplained variance of Ksh. 7,534,674 between IFMIS records and financial statements.	Reconcile payroll records with financial statements and investigate discrepancies.	<b>7,534,674</b>
<b>Misclassification of Expenditure - Casual Workers</b>	Payments to casual workers were misclassified under transfers to other government entities instead of compensation of employees.	Misclassification led to understatement of wage bill.	Reclassify expenditures correctly and ensure accurate reporting.	<b>35,602,667</b>
<b>Over-Expenditure on Temporary Employees' Wages</b>	Expenditure on temporary employees exceeded the approved budget by Ksh. 17,317,623.	No explanation or justification provided for over-expenditure.	Ensure expenditures align with approved budgets and provide justifications for any overruns.	<b>17,317,623</b>
<b>Non-Compliance with Fiscal Responsibility on Wage Bill</b>	Compensation of employees (55% of total revenue) exceeded the 35% threshold.	Wage bill exceeded the legal limit, indicating fiscal indiscipline.	Implement measures to control the wage bill and align with fiscal responsibility regulations.	<b>2,949,101,094</b>
<b>Non-Compliance with One-Third of Basic Salary Rule</b>	733 employees earned net salaries less than one-third of their basic salary.	Violation of Section 19(3) of the Employment Act, 2007.	Review payroll deductions to ensure compliance with legal limits.	<b>Not quantified</b>



**Table 3.31: Cumulative Fiduciary Risk for the County Executive of Laikipia for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>
<b>Non-Compliance with Staff Ethnic Composition</b>	71% of employees were from the dominant ethnic community, exceeding the one-third limit.	Violation of Section 7(2) of the National Cohesion and Integration Act, 2008.	Ensure diversity in recruitment and adhere to ethnic representation laws.	<b>Not quantified</b>
<b>Irregularities in Procurement of Dialysis Equipment</b>	Incomplete delivery of dialysis equipment and lack of procurement documentation.	Only 7 out of 10 beds delivered to Nyahururu Hospital, and 3 out of 5 to Nanyuki Hospital.	Ensure full delivery of procured items and maintain proper procurement records.	<b>96,297,500</b>
<b>Irregular Procurement of ICT Equipment</b>	Procurement of ICT equipment was done without proper market surveys and delayed payments.	Payments delayed from 2021/2022 to 2023/2024, breaching regulations.	Conduct market surveys and ensure timely payments for procurements.	<b>1,045,740</b>
<b>Irregular Payment to Council of Governors</b>	Payments to the Council of Governors were not budgeted for.	Contrary to Section 37(b) of the Intergovernmental Relations Act, 2012.	Ensure all payments are budgeted and comply with legal requirements.	<b>3,000,000</b>
<b>Unsupported Expenditure on Tyres</b>	Payments for tyres were not supported by maintenance logs or inspection reports.	Lack of documentation to confirm the expenditure.	Maintain proper records for vehicle maintenance and repairs.	<b>6,859,203</b>
<b>Pending Bills Not Paid as First Charge</b>	Pending bills amounting to Ksh. 2,018,917,691 were not paid as first charge.	Violation of Regulation 41(2) of the Public Finance Management (County Governments)	Prioritize payment of pending bills as first charge on the County Revenue Fund.	<b>2,018,917,691</b>



**Table 3.31: Cumulative Fiduciary Risk for the County Executive of Laikipia for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>
		Regulations, 2015.		
<b>Irregular Commitments for Supply of Goods and Services</b>	98 sets of expenditure commitments were made after 31 May 2024 without approval.	Contrary to Regulation 50(1) of the Public Finance Management (County Governments) Regulations, 2015.	Ensure all commitments are approved and made within the stipulated timelines.	<b>94,412,495</b>
<b>Unremitted Statutory Deductions</b>	Unremitted statutory deductions amounting to Ksh. 105,055,570.	Non-compliance with Section 19(4) of the Employment Act, Cap 226.	Remit all statutory deductions promptly to avoid penalties and interest.	<b>105,055,570</b>
<b>Failure to Utilize E-Procurement Platform</b>	Some procurement activities were conducted manually instead of through the e-procurement module.	Contrary to Regulation 49(2) of the Public Procurement and Asset Disposal Regulations, 2020.	Fully utilize the e-procurement platform for all procurement activities.	<b>Not quantified</b>
<b>Payment of Staff Outside IPPD</b>	Payments to employees outside the Integrated Payroll and Personnel Database (IPPD).	Manual payroll systems are prone to errors and manipulation.	Ensure all payroll payments are processed through the IPPD system.	<b>159,312,438</b>
<b>Weakness in Management of Fixed Assets</b>	Lack of land and buildings register, failure to tag assets, and non-disposal of obsolete assets.	Ineffective management of fixed assets.	Establish a comprehensive asset management system and dispose of obsolete assets.	<b>Not quantified</b>



**Table 3.31: Cumulative Fiduciary Risk for the County Executive of Laikipia for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>
<b>Doubtful Ownership of Assets</b>	Ownership documents for motor vehicles, land, and buildings were not provided.	Risk of loss or misuse of public assets.	Ensure all assets have proper ownership documents and are recorded in the asset register.	<b>Not quantified</b>
<b>Failure to Maintain Asset Register in Prescribed Format</b>	Asset register was not maintained as per IPSAS 17 requirements.	Lack of key details such as identification numbers, acquisition dates, and cost of acquisition.	Update the asset register to comply with IPSAS 17 standards.	<b>Not quantified</b>
<b>Total Cumulative Fiduciary Risk Exposure</b>			<b>Ksh. 5,507,847,900</b>	

### **3.32 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF NAKURU**

167 Analysis of the audit report for the County Executive of Nakuru for the FY 2023/2024 shows a cumulative total of **Ksh. 16,048,243,665** as the total financial exposure from fiduciary risks as shown in Table 3.32.

**Table 3.32: Cumulative Fiduciary Risk for the County Executive of Nakuru for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Undisclosed Decrease in Retention Money</b>	Variance of Ksh.104,985,718 in deposits and retentions not disclosed in the statement of cash flows.	Inaccuracies in financial statements, lack of transparency in cash flow reporting.	Ensure accurate and complete disclosure of all financial transactions in cash flow statements.	<b>104,985,718</b>
<b>Inaccuracies in Compensation of Employees</b>	Variance of Ksh.445,918,813 in basic salaries and Ksh.243,282,450 in personal allowances.	Discrepancies between financial statements and payroll ledgers, indicating potential	Conduct a thorough reconciliation of payroll records and financial statements to ensure accuracy.	<b>689,201,263</b>



**Table 3.32: Cumulative Fiduciary Risk for the County Executive of Nakuru for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		mismanagement of employee compensation.		
<b>Unsupported Expenditure on Domestic Travel and Subsistence</b>	Ksh.19,566,952 spent on training without a comprehensive training needs assessment.	Lack of proper documentation and justification for training expenses, leading to potential misuse of funds.	Implement a training needs assessment policy and ensure all training expenses are properly documented.	<b>19,566,952</b>
<b>Unsupported Training Expenses</b>	Ksh.93,316,938 spent on training without a training policy or needs assessment.	Training expenses lacked proper documentation, leading to potential misuse of funds.	Develop a training policy and ensure all training expenses are based on a needs assessment.	<b>93,316,938</b>
<b>Misclassification of Expenditure</b>	Misclassification of Ksh.5,885,363 in foreign travel and Ksh.15,967,213 in routine maintenance.	Expenditure misclassification leading to inaccurate financial reporting.	Ensure proper classification of expenditures in financial statements.	<b>21,852,576</b>
<b>Unconfirmed Cash and Bank Balances</b>	Unexplained variance of Ksh.339,508,665 in bank balances and Ksh.19,390 in unrecorded bank charges.	Lack of proper reconciliation of bank statements, leading to potential financial mismanagement.	Conduct regular bank reconciliations and ensure all bank charges are recorded.	<b>339,528,055</b>
<b>Inaccuracies in Non-Current</b>	Variances in asset registers, including Ksh.4,820,995,1	Inaccurate asset registers, leading to potential	Update and maintain accurate asset registers,	<b>4,888,198,174</b>



**Table 3.32: Cumulative Fiduciary Risk for the County Executive of Nakuru for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Assets Register</b>	89 in land valuation and Ksh.67,202,985 in ICT equipment.	mismanagement of public assets.	including proper documentation of asset acquisitions.	
<b>Voided Transactions</b>	Ksh.308,061,121 in voided transactions without supporting approvals.	Lack of proper documentation for voided transactions, leading to potential misuse of funds.	Ensure all voided transactions are properly documented and approved.	<b>308,061,121</b>
<b>Unsupported Legal Fees</b>	Ksh.22,643,700 paid to law firms without proper documentation or approvals.	Lack of proper documentation and approvals for legal fees, leading to potential misuse of funds.	Ensure all legal fees are properly documented and approved by the County Attorney.	<b>22,643,700</b>
<b>Budgetary Control and Performance</b>	Under-funding of Ksh.6,947,956,209 and under-performance of Ksh.701,315,472.	Budgetary under-funding and under-performance, leading to potential service delivery issues.	Improve budgetary planning and ensure proper allocation and utilization of funds.	<b>7,649,271,681</b>
<b>Pending Bills</b>	Pending bills of Ksh.1,478,761,394, including bills dating back to 2011/2012.	Lack of proper mechanism to verify and settle pending bills, leading to potential financial mismanagement.	Establish a Pending Bills Committee to verify and settle outstanding bills.	<b>1,478,761,394</b>



**Table 3.32: Cumulative Fiduciary Risk for the County Executive of Nakuru for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Project Implementation Delays</b>	Ksh.66,297,783.50 in incomplete projects and Ksh.56,189,717 in stalled projects.	Delays in project implementation, leading to potential loss of public funds and service delivery issues.	Monitor project implementation closely and take action against contractors for delays.	<b>122,487,500</b>
<b>Failure to Disclose Contingent Liabilities</b>	Ksh.88,434,450 in undisclosed contingent liabilities.	Failure to disclose contingent liabilities, leading to potential financial risks.	Ensure all contingent liabilities are properly disclosed in financial statements.	<b>88,434,450</b>
<b>Irregular Procurement of Drugs and Medical Supplies</b>	Ksh.63,087,550 procured from non-KEMSA suppliers.	Irregular procurement of medical supplies, leading to potential misuse of funds.	Ensure all medical supplies are procured through KEMSA as required by law.	<b>63,087,550</b>
<b>Irregular Payment of Salaries Outside IPPD</b>	Ksh.1,067,250 paid to 13 officers outside the IPPD system.	Irregular payment of salaries, leading to potential financial mismanagement.	Ensure all salary payments are processed through the IPPD system.	<b>1,067,250</b>
<b>Non-Compliance with Law on Recruitment of Staff Living with Disabilities</b>	Only 85 out of 5,365 employees are persons with disabilities (2%).	Non-compliance with the law requiring 5% of staff to be persons with disabilities.	Ensure compliance with the law by recruiting more persons with disabilities.	<b>N/A</b>



**Table 3.32: Cumulative Fiduciary Risk for the County Executive of Nakuru for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Irregular Engagement of Casuals</b>	Ksh.2,151,819 paid to casuals for periods exceeding three months.	Irregular engagement of casuals, leading to potential financial mismanagement.	Ensure casuals are converted to term contracts after three months of continuous service.	<b>2,151,819</b>
<b>Non-Compliance with National Cohesion and Integration Act</b>	48% of staff from the dominant ethnic community.	Non-compliance with the law requiring no more than one-third of staff from the same ethnic community.	Ensure diversity in staff recruitment to comply with the law.	<b>N/A</b>
<b>Payroll Deductions in Excess of Two-thirds of Basic Pay</b>	1,180 officers with net pay lower than one-third of basic salary.	Excessive payroll deductions, leading to potential financial strain on employees.	Ensure payroll deductions do not exceed two-thirds of basic salary.	<b>N/A</b>
<b>Irregular Operation of Accounts in Commercial Banks</b>	15 accounts operated in commercial banks instead of the Central Bank of Kenya.	Non-compliance with regulations requiring county accounts to be operated in the Central Bank of Kenya.	Ensure all county accounts are operated in the Central Bank of Kenya.	<b>N/A</b>
<b>Retention of Employees Beyond Mandatory Retirement Age</b>	77 officers retained beyond the mandatory retirement age of 60 years.	Non-compliance with the law requiring mandatory retirement at 60 years.	Ensure all employees retire at the mandatory retirement age.	<b>N/A</b>



**Table 3.32: Cumulative Fiduciary Risk for the County Executive of Nakuru for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Assets Without Ownership Documents</b>	996 parcels of land and 445 motor vehicles without ownership documents.	Lack of proper documentation for public assets, leading to potential mismanagement.	Ensure all public assets have proper ownership documents.	N/A
<b>Supply, Installation and Commissioning of Revenue Management System</b>	Ksh.57,739,727 paid for a revenue management system without significant improvement in revenue collection.	Lack of value for money in the procurement of the revenue management system.	Conduct a cost-benefit analysis before procuring such systems and ensure value for money.	57,739,727
<b>Construction of High-Altitude Training Facility</b>	Ksh.96,087,948 paid for incomplete construction works.	Delays and incomplete construction works, leading to potential loss of public funds.	Monitor construction projects closely and ensure timely completion.	96,087,948
<b>Failure to Establish Departmental Training Committees</b>	Lack of departmental training committees.	Lack of proper management of the training function, leading to potential inefficiencies.	Establish departmental training committees to manage the training function.	N/A
<b>Compensation of Employees Beyond Set Threshold</b>	Compensation of employees at 39% of total revenue, exceeding the 35% threshold.	Non-compliance with fiscal responsibility principles, leading to potential financial strain.	Ensure compensation of employees does not exceed 35% of total revenue.	N/A



**Table 3.32: Cumulative Fiduciary Risk for the County Executive of Nakuru for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Lack of Fraud Policy</b>	No fraud management policy in place.	Lack of measures to detect and prevent fraud, leading to potential financial mismanagement.	Develop and implement a fraud management policy.	N/A
<b>Non-Establishment of Audit Committee</b>	No audit committee established.	Lack of oversight in governance and accountability processes, leading to potential financial mismanagement.	Establish an audit committee to oversee governance and accountability processes.	N/A
<b>Lack of Risk and Disaster Management Policy</b>	No risk and disaster management policy in place.	Lack of measures to mitigate risks, leading to potential financial losses.	Develop and implement a risk and disaster management policy.	N/A
<b>Non-Compliance with Climate Change Regulations</b>	Lack of compliance with climate change regulations.	Non-compliance with climate change regulations, leading to potential environmental and financial risks.	Ensure compliance with climate change regulations and integrate them into county plans.	N/A
<b>Lack of Inventory Management</b>	Expired drugs worth Ksh.1,799,849 in health stores.	Lack of proper inventory management, leading to	Implement an inventory management	<b>1,799,849</b>



**Table 3.32: Cumulative Fiduciary Risk for the County Executive of Nakuru for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>System for Health Stores</b>		potential loss of public funds.	system for health stores.	
<b>Closure of Nakuru War Memorial Hospital</b>	Hospital closed due to ownership wrangles, leading to potential loss of public assets.	Lack of proper management of public assets, leading to potential financial losses.	Resolve ownership wrangles and ensure proper management of public assets.	N/A
<b>Total Cumulative Fiduciary Risk Exposure</b>			<b>Ksh. 16,048,243,665</b>	

### 3.33 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF NAROK

**168** Analysis of the audit report for the County Executive of Narok for the FY 2023/2024 shows a cumulative total of **Ksh. 3,160,381,931** as the total financial exposure from fiduciary risks as shown in Table 3.33.

**Table 3.33: Cumulative Fiduciary Risk for the County Executive of Narok for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Inaccuracies in Pending Accounts Payable</b>	Pending accounts payable of Ksh.618,888,103 and staff payables of Ksh.154,318,224 were not fully supported. Some payables date back to 2013/2014.	Lack of proper documentation and reconciliation of pending bills. No register maintained for aging of bills.	Establish a proper mechanism for verifying and reconciling pending bills. Maintain a register with details of aging bills.	<b>773,206,327</b>
<b>Unsupported Expenditure</b>	Ksh.8,141,800 spent on tagging rhinos was not	Lack of supporting documents for	Ensure all expenditures are supported by	<b>8,141,800</b>



**Table 3.33: Cumulative Fiduciary Risk for the County Executive of Narok for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>on Tagging Rhinos</b>	fully supported by documentation (e.g., fuel consumption, delivery notes, and MoUs with Kenya Wildlife Service).	expenditure. No evidence of proper procurement process.	proper documentation and adhere to procurement laws.	
<b>Unsupported Reallocation of Expenditure</b>	Ksh.183,474,862 reallocated from capital grants to pay individuals, organizations, and contractors without proper approvals.	Unauthorized reallocation of funds. Lack of supporting documents for reallocations.	Ensure all reallocations are approved and documented. Adhere to budgetary provisions.	<b>183,474,862</b>
<b>Unsupported Payments to Contractors</b>	Ksh.135,548,614 paid to contractors for road equipment management and repairs without proper documentation (e.g., work tickets, inspection reports).	Lack of documentation to verify work performed. No evidence of proper procurement process.	Ensure all contractor payments are supported by proper documentation and adhere to procurement laws.	<b>135,548,614</b>
<b>Irregular Funding of National Projects</b>	Ksh.123,589,660 spent on national government projects (e.g., medical school, roads) without proper approvals or MoUs.	Lack of proper agreements between county and national government. No evidence of approvals for funding.	Ensure proper agreements and approvals are in place before funding national projects.	<b>123,589,660</b>
<b>Non-Compliance with One-Third Salary Rule</b>	224 employees earned net salaries below one-third of their basic pay, contrary to the Employment Act.	Employees may face financial strain due to excessive deductions.	Ensure compliance with the Employment Act to protect employees from excessive deductions.	<b>N/A</b>



**Table 3.33: Cumulative Fiduciary Risk for the County Executive of Narok for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Irregular Recruitment of Staff</b>	73 officers recruited without evidence of proper recruitment process or HR plans.	Lack of transparency in recruitment. No evidence of fair competition.	Ensure all recruitment processes are transparent and based on merit.	N/A
<b>Non-Compliance with Ethnic Composition</b>	83% of employees from the same ethnic community, contrary to the National Cohesion and Integration Act.	Lack of diversity in employment. Non-compliance with legal requirements.	Ensure diversity in recruitment to comply with the National Cohesion and Integration Act.	N/A
<b>Non-Reservation of Procurements to Disadvantaged Groups</b>	Only 4.2% of procurement value (Ksh.273,355,924) awarded to youth, women, and persons with disabilities, contrary to the 30% requirement.	Non-compliance with procurement laws favoring disadvantaged groups.	Ensure at least 30% of procurement value is reserved for youth, women, and persons with disabilities.	273,355,924
<b>Irregular Hire of Ambulance Services</b>	Ksh.63,264,577 paid for ambulance services without proper contract extensions or performance monitoring.	Lack of proper contract management. No evidence of performance monitoring.	Ensure proper contract management and performance monitoring for all services.	63,264,577
<b>Delayed Completion of Hospital Projects</b>	Ksh.1,515,064,410 spent on Narok County Referral Hospital and Medical School projects, which are delayed and have exceeded contract periods.	Projects delayed beyond completion dates. No evidence of proper contract extensions.	Ensure timely completion of projects and proper contract management.	1,515,064,410
<b>Irregular Operation of</b>	27 commercial bank accounts	Non-compliance with Public	Ensure all county government	N/A



**Table 3.33: Cumulative Fiduciary Risk for the County Executive of Narok for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Bank Accounts</b>	operated instead of Central Bank of Kenya, contrary to regulations.	Finance Management Regulations.	accounts are operated through the Central Bank of Kenya.	
<b>Payment of Salaries Through Manual System</b>	Ksh.48,517,077 paid outside the Integrated Personnel Payroll Data (IPPD) system, increasing the risk of errors.	Manual payroll systems are prone to errors and manipulation.	Ensure all salaries are processed through the IPPD system to reduce errors and enhance transparency.	<b>48,517,077</b>
<b>Lack of Audit Committee</b>	No Audit Committee established to oversee governance and accountability processes.	Lack of oversight in governance and accountability.	Establish an Audit Committee to oversee governance and accountability processes.	<b>N/A</b>
<b>Lack of Updated Asset Register</b>	ICT equipment worth Ksh.11,718,680 not recorded in the asset register.	Lack of proper asset management. Risk of asset misappropriation.	Update the asset register to include all assets and ensure proper asset management.	<b>11,718,680</b>
<b>Lack of Fraud and Risk Management</b>	No Fraud Management Policy or Risk Management Strategy in place.	Increased risk of fraud and mismanagement.	Develop and implement a Fraud Management Policy and Risk Management Strategy.	<b>N/A</b>
<b>Failure to Recover Advanced Payment</b>	Ksh.24,500,000 advanced to a contractor for road construction not recovered after contract expiry.	Lack of proper contract management. Risk of financial loss.	Ensure all advance payments are recovered as per contract terms.	<b>24,500,000</b>
<b>Total Cumulative Fiduciary Risk Exposure</b>			<b>Ksh. 3,160,381,931</b>	



### 3.34 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF KAJIADO

169 Analysis of the audit report for the County Executive of Kajiado for the FY 2023/2024 shows a cumulative total of **Ksh. 22,650,343,688** as the total financial exposure from fiduciary risks as shown in Table 3.34.

<b>Table 3.34: Cumulative Fiduciary Risk for the County Executive of Kajiado for the Financial Year 2023/2024</b>				
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Variances in Compensation of Employees	Variance between financial statements and payroll records.	Unexplained variance of Ksh.26,820,421 in compensation of employees.	Conduct a thorough reconciliation of payroll records and financial statements to identify and rectify discrepancies.	<b>26,820,421</b>
Unsupported Prior Year Adjustment	Prior year adjustment of Ksh.23,726,610 not supported by documentation.	Lack of supporting documents for prior year adjustments.	Ensure all prior year adjustments are properly documented and supported by evidence.	<b>23,726,610</b>
Budgetary Control and Performance	Underfunding of Ksh.2,599,208,393 (25% of budget) and under-absorption of Ksh.79,519,926.	Late disbursement of funds and low absorption rate affected service delivery.	Improve budget planning and ensure timely disbursement of funds. Monitor expenditure to ensure full utilization of allocated funds.	<b>2,678,728,319</b>
Non-Disclosure of Pending Bills	Pending bills of Ksh.2,290,313,208 not disclosed in financial statements.	Failure to disclose pending bills distorts financial statements and affects subsequent	Ensure all pending bills are disclosed in financial statements and prioritize their settlement.	<b>2,290,313,208</b>



**Table 3.34: Cumulative Fiduciary Risk for the County Executive of Kajiado for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		budget provisions.		
Unsupported Contractual Services	Payment of Ksh.5,754,700 for HR audit without supporting reports or action taken.	Lack of evidence of value for money for HR audit services.	Ensure all contractual services are supported by detailed reports and evidence of action taken.	<b>5,754,700</b>
Irregular Payment of Transaction Fee and Commission	Payment of Ksh.7,683,308 as transaction fee and Ksh.33,104,959 as commission without proper contract agreements.	Lack of proper contract agreements and justification for transaction fees and commissions.	Ensure all payments are supported by proper contracts and justifications.	<b>40,788,267</b>
Unexplained Voided Transactions	1,922 voided transactions amounting to Ksh.2,281,278,637 without supporting documents.	Voided transactions not disclosed as pending accounts payables, and funds may have been misused.	Investigate voided transactions and ensure proper documentation and disclosure.	<b>2,281,278,637</b>
Incomplete Projects	Projects incomplete, including Baraka Sixers Road, Olkatetema Footbridge, and Green Valley-Parkview SDA Road.	Projects incomplete, poor workmanship, and lack of accountability mechanisms.	Ensure projects are completed as per contract terms and hold contractors accountable for delays.	<b>73,469,685</b>
Non-Operationalization of Municipalities	Kajiado, Ngong, and Kitengela municipalities not operationalized,	Lack of financial statements and operationalizat	Operationalize municipalities and ensure timely submission of	<b>N/A</b>



**Table 3.34: Cumulative Fiduciary Risk for the County Executive of Kajiado for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
	and financial statements not submitted.	ion of municipalities.	financial statements.	
Long Outstanding Revenue	Revenue arrears of Ksh.11,984,425,260 owed by debtors, including uncollected land rent, rates, and royalties.	Lack of measures to collect outstanding revenue.	Develop and implement a clear plan for the collection of outstanding revenue.	<b>11,984,425,260</b>
Irregular Payment of Legal Expenses	Payment of Ksh.79,130,505 to private law firms without proper approvals or competitive fees.	Direct procurement of legal services without competitive bidding.	Ensure legal services are procured competitively and supported by proper documentation.	<b>79,130,505</b>
Non-Compliance with Fiscal Responsibility on Wage Bill	Compensation of employees at 41% of total revenue, exceeding the 35% threshold.	High wage bill exceeding fiscal responsibility limits.	Reduce the wage bill to comply with fiscal responsibility regulations.	<b>N/A</b>
Non-Compliance with Laws on Staff Ethnic and Persons Living with Disability	71% of staff from dominant ethnic community and only 0.6% of staff with disabilities.	Non-compliance with diversity and disability employment laws.	Ensure compliance with diversity and disability employment laws.	<b>N/A</b>
Non-Compliance with the One-Third of Basic Salary Rule	650 employees received net salaries below one-third of their basic salary.	Non-compliance with the Employment Act, 2007.	Ensure compliance with the Employment Act regarding salary deductions.	<b>N/A</b>
Payment for Undelivered Motor Vehicle	Payment of Ksh.5,621,276 for a motor	Payment made before delivery	Ensure payments are made only after	<b>5,621,276</b>



**Table 3.34: Cumulative Fiduciary Risk for the County Executive of Kajiado for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
	vehicle before delivery.	of the motor vehicle.	delivery and verification of goods.	
Expiry of the Term of Audit Committee	Audit Committee term lapsed in June 2023, and no new committee constituted.	Lack of oversight and governance due to expired Audit Committee.	Reconstitute the Audit Committee to ensure proper oversight.	N/A
Lack of ICT and Data Recovery Policies	No approved ICT Policy, Data Security Policy, or Disaster Recovery Plans.	Lack of ICT controls and risk of data loss.	Develop and implement ICT policies and disaster recovery plans.	N/A
Incomplete Summary of Non-Current Asset Register	Non-current assets register incomplete, with land valued at Ksh.3,160,286,800 not included.	Incomplete asset register and lack of proper asset management.	Update the non-current assets register and ensure proper asset management.	<b>3,160,286,800</b>
Lack of Risk Management Policy and Business Continuity Plan	No Risk Management Policy or Business Continuity Plan in place.	Lack of risk management and business continuity planning.	Develop and implement a Risk Management Policy and Business Continuity Plan.	N/A
<b>Cumulative Fiduciary Risk Total</b>			<b>Ksh. 22,650,343,688</b>	

### **3.35 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF KERICHO**

**170** Analysis of the audit report for the County Executive of Kericho for the FY 2023/2024 shows a cumulative total of **Ksh. Ksh. 6,796,834,267** as the total financial exposure from fiduciary risks as shown in Table 3.35.



**Table 3.35: Cumulative Fiduciary Risk for the County Executive of Kericho for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>	<b>Cumulative Fiduciary Risk Total (Ksh.)</b>
Variance Between Financial Statements and IFMIS Payment Details	Unreconciled variance of Ksh. 486,797,871 between IFMIS payments and financial statements.	Discrepancy in total payments between IFMIS and financial statements.	Ensure reconciliation of IFMIS and financial statements to avoid misstatements.	486,797,871	486,797,871
Unsupported Foreign Travel and Subsistence	Ksh. 5,786,604 paid for foreign travel without supporting documents (boarding passes, passports, back-to-office reports).	Lack of documentation for foreign travel expenses.	Strengthen controls over travel expenses and ensure proper documentation.	5,786,604	492,584,475
Unsupported Payments for Insurance Services	Ksh. 40,939,739 paid for insurance without valuation reports or details of insured assets.	Lack of supporting documents for insurance payments.	Ensure proper documentation and valuation reports for insurance payments.	40,939,739	533,524,214
Unsupported Deposits and Retentions	Ksh. 76,768,907 in deposits and retentions	Lack of supporting schedules for deposits and retentions.	Maintain detailed schedules and reconcile deposits and	76,768,907	610,293,121



**Table 3.35: Cumulative Fiduciary Risk for the County Executive of Kericho for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>	<b>Cumulative Fiduciary Risk Total (Ksh.)</b>
	without detailed ageing analysis or reconciliation.		retentions regularly.		
Unsupported Domestic Travel and Subsistence Allowance	Ksh. 20,770,210 in domestic travel and subsistence allowances without proper documentation or reallocation approvals.	Recurrent expenses reallocated from capital funds without authority.	Ensure proper documentation and approvals for reallocations.	20,770,210	<b>631,063,331</b>
Non-Collection of Own Source Revenue	Ksh. 152,290 collected through unauthorized mobile payment number for fire compliance inspection fees.	Unauthorized collection of revenue and understatement of revenue.	Regularize revenue collection processes and ensure all revenue is accounted for.	152,290	<b>631,215,621</b>
Long Outstanding Pending Accounts Payables	Pending accounts payables of Ksh. 1,147,933,403, including old bills dating back	Failure to settle bills in the year they relate to, leading to distortions in financial statements.	Prioritize settlement of pending bills and ensure timely payments.	1,147,933,403	<b>1,779,149,024</b>



**Table 3.35: Cumulative Fiduciary Risk for the County Executive of Kericho for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>	<b>Cumulative Fiduciary Risk Total (Ksh.)</b>
	to 2015/2016.				
Irregularities in Flagship Projects	Stalled projects, including Ainamoi Health Centre Theatre (Ksh. 14,135,859) and Sondu Modern Market (Ksh. 128,945,229).	Projects stalled or delayed beyond completion dates, with poor workmanship and lack of contractor presence.	Monitor project implementation closely and enforce penalties for delays.	143,081,088	1,922,230,112
Non-Compliance with Requirements for Reallocation of Development Appropriations	Ksh. 127,658,704 transferred from development to recurrent funds without proper approvals.	Unauthorized reallocation of development funds to recurrent expenses.	Ensure proper approvals and adherence to reallocation guidelines.	127,658,704	2,049,888,816
Failure to Construct Governor and Deputy Governor's Houses	No budgetary provisions for the construction of Governor and Deputy Governor's houses, leading to continued	Lack of compliance with SRC Circular Ref. No. SRC/TS/COG/6/61/48 VOL.II (64) of 20 May, 2019.	Allocate funds and prioritize the construction of official residences.	N/A (Non-monetary risk)	2,049,888,816

**Table 3.35: Cumulative Fiduciary Risk for the County Executive of Kericho for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>	<b>Cumulative Fiduciary Risk Total (Ksh.)</b>
	expenditure on rent.				
Non-Compliance with Fiscal Responsibility Principles – Wage Bill	Compensation of employees (Ksh. 3,187,074,306) constitutes 50% of total revenue, exceeding the 35% threshold.	High wage bill exceeding the fiscal responsibility limit.	Reduce the wage bill to comply with the 35% threshold.	3,187,074,306	5,236,963,122
Non-Compliance with National Cohesion and Integration Act, 2008	94% of employees (3,638 out of 3,888) are from the same ethnic community, exceeding the one-third threshold.	Lack of diversity in employment, contrary to Section 7 of the National Cohesion and Integration Act, 2008.	Ensure diversity in recruitment to comply with the law.	N/A (Non-monetary risk)	5,236,963,122
Non-Compliance with the Law on People with Disability	Only 8 employees (0.2%) are people living with disabilities, below the 5% threshold.	Failure to meet the 5% employment quota for people with disabilities.	Increase recruitment of people with disabilities to meet the 5% threshold.	N/A (Non-monetary risk)	5,236,963,122
Non-Adherence to the One-Third Basic Salary Rule	257 employees received net pay less than one-	Over-commitment leading to financial strain for employees.	Ensure compliance with the Employment Act, 2007, to	N/A (Non-monetary risk)	5,236,963,122



**Table 3.35: Cumulative Fiduciary Risk for the County Executive of Kericho for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>	<b>Cumulative Fiduciary Risk Total (Ksh.)</b>
	third of their basic salary.		protect employees' financial well-being.		
Irregularities in Construction of the Kericho County Aggregated Industrial Park	Contract awarded at Ksh. 541,000,000, exceeding the national framework budget of Ksh. 500,000,000. Payment of Ksh. 32,477,063 made without proper documentation or environmental impact assessment.	Lack of cost-effectiveness, no environmental impact assessment, and overpayment for incomplete works.	Conduct proper due diligence, ensure cost-effectiveness, and complete environmental impact assessments before project commencement.	32,477,063	5,269,440,185
Failure to Submit a List of Ongoing Projects	No evidence of submission of ongoing projects report to the County Assembly.	Lack of transparency in project reporting.	Submit a detailed list of ongoing projects to the County Assembly for oversight.	N/A (Non-monetary risk)	5,269,440,185
Misclassification of Economic Items in the Approved Budget	Misclassification of Ksh. 47,631,699 (development) and Ksh.	Misclassification of budget items, leading to inaccurate financial reporting.	Ensure proper classification of budget items in line with regulations.	84,819,456	5,354,259,641

<b>Table 3.35: Cumulative Fiduciary Risk for the County Executive of Kericho for the Financial Year 2023/2024</b>					
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>	<b>Cumulative Fiduciary Risk Total (Ksh.)</b>
	37,187,757 (recurrent) in the supplementary budget.				
Failure to Undertake Procurement through E-procurement	Ksh. 1,121,161,848 in development expenditure and Ksh. 321,412,778 in recurrent expenditure incurred outside e-procurement.	Non-compliance with Executive Order No. 2 of 2018 on e-procurement.	Ensure all procurement is conducted through e-procurement as required.	1,442,574,626	6,796,834,267
<b>Cumulative Fiduciary Risk Total</b>				<b>Ksh. 6,796,834,267</b>	

### 3.36 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF BOMET

Analysis of the audit report for the County Executive of Bomet for the FY 2023/2024 shows a cumulative total of **Ksh. Ksh. 2,511,781,153** as the total financial exposure from fiduciary risks as shown in Table 3.36.

<b>Table 3.36: Cumulative Fiduciary Risk for the County Executive of Bomet for the Financial Year 2023/2024</b>				
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Unexplained Voided Transactions	845 transactions amounting to Ksh.1,276,353,752 were voided without supporting documents.	Lack of supporting documents for voided transactions, raising concerns about	Ensure all voided transactions are properly documented and approved. Implement stricter controls over	1,276,353,752



**Table 3.36: Cumulative Fiduciary Risk for the County Executive of Bomet for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Inaccuracies in Acquisition of Strategic Stocks and Commodities	Variance of Ksh.13,811,570 between reported and actual payments for milk supply to ECDE centers.	the regularity of payments. Discrepancy in financial records for strategic stocks, indicating potential mismanagement or misreporting.	voiding transactions. Conduct a thorough reconciliation of all strategic stock acquisitions and ensure accurate reporting.	<b>13,811,570</b>
Failure to Settle Long Outstanding Pending Bills	Pending bills of Ksh.1,021,785,351, including bills from 2022/2023 and earlier years, remain unpaid.	Failure to settle pending bills distorts financial statements and affects budgetary provisions for subsequent years.	Prioritize the settlement of pending bills and ensure timely payment of debts.	<b>1,021,785,351</b>
Procurement Irregularities in Contracts for Routine Maintenance of Roads	Contracts signed before the mandatory 14-day period after notification of award, and projects not included in the County Integration Development Plan (CIDP).	Non-compliance with procurement laws and lack of proper planning for road maintenance projects.	Ensure all procurement processes comply with the Public Procurement and Asset Disposal Act, 2015. Include all projects in the CIDP and Annual Development Plan (ADP).	<b>Not quantified</b>
Irregularities in Construction of Kiswahili-Njerian Bridge	Contract signed 4 days after notification of award, and incomplete project despite full payment.	Poor project execution and lack of adherence to procurement timelines.	Enforce strict adherence to procurement timelines and ensure projects are completed	<b>Not quantified</b>



**Table 3.36: Cumulative Fiduciary Risk for the County Executive of Bomet for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
			before full payment.	
Irregularities in Construction of Nyatembe-Tilanik Road	Only 500 meters of 1.9 km road completed, and contractor not on site.	Incomplete project and lack of contractor accountability.	Impose penalties for breach of contract and ensure projects are completed as per the contract agreement.	<b>Not quantified</b>
Irregularities in Rehabilitation of Zero Two Steel Foot Bridge at Ndaraweta	Contract signed before the mandatory 14-day period after notification of award, and incomplete project.	Non-compliance with procurement laws and incomplete project execution.	Ensure all contracts are signed after the mandatory 14-day period and enforce project completion.	<b>Not quantified</b>
Irregularities in Chebunyo Dairy Milk Processing Plant	Milk processing equipment delivered but not installed, and contractor not on site.	Delayed installation of equipment and lack of contractor accountability.	Ensure timely installation of equipment and enforce contractor accountability.	<b>Not quantified</b>
Irregular Acquisition of Land	13 parcels of land purchased without proper documentation, and title deeds not obtained.	Lack of proper documentation for land acquisition, raising concerns about the legality of the transactions.	Ensure all land acquisitions are properly documented and title deeds obtained.	<b>198,282,000</b>
Avoidable Expenditure on Acquisition of Land	Legal proceedings due to failure to pay outstanding purchase price, resulting in avoidable penalties and interest.	Failure to honor contractual terms led to avoidable legal costs and penalties.	Ensure timely payment of contractual obligations to avoid legal disputes and penalties.	<b>1,548,480</b>



**Table 3.36: Cumulative Fiduciary Risk for the County Executive of Bomet for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Unutilised Project - Lelaitich Sweet Potatoes Co-operative Processing Plant	Machines donated by World Vision Kenya not put to use.	Lack of utilization of donated equipment, leading to potential loss of value.	Ensure donated equipment is put to use and operationalized to achieve intended benefits.	<b>Not quantified</b>
Stalled Completion of Fresh Produce Pack House	Project incomplete despite full payment, and contractor not on site.	Incomplete project and lack of contractor accountability.	Ensure projects are completed before full payment and enforce contractor accountability.	<b>Not quantified</b>
Delayed Completion of Dr. Laboso Memorial, Mother and Child Wellness Centre	Project incomplete despite 97% payment, and contractor not on site.	Incomplete project and lack of contractor accountability.	Ensure projects are completed before full payment and enforce contractor accountability.	<b>Not quantified</b>
Stalled Project - Completion of Sigor Theatre	Project stalled at slab level, and contractor abandoned the site after partial payment.	Incomplete project and lack of contractor accountability.	Ensure projects are completed before full payment and enforce contractor accountability.	<b>Not quantified</b>
Irregular Water Works	Contracts signed before the mandatory 14-day period after notification of award, and incomplete projects.	Non-compliance with procurement laws and incomplete project execution.	Ensure all contracts are signed after the mandatory 14-day period and enforce project completion.	<b>Not quantified</b>
Irregular Award of Contracts for Provision	Contracts signed before the mandatory 14-day period after	Non-compliance with procurement	Ensure all contracts are signed after the mandatory 14-day	<b>Not quantified</b>



**Table 3.36: Cumulative Fiduciary Risk for the County Executive of Bomet for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Pipeline Works	notification of award, and incomplete projects.	laws and incomplete project execution.	period and enforce project completion.	
Irregular Contract Variation	Variation in contract for Mogombet T-Works to Asaik Storage Tank pipeline not approved, and incomplete project.	Unapproved contract variations and incomplete project execution.	Ensure all contract variations are approved and projects are completed as per the contract agreement.	<b>Not quantified</b>
Irregular Legal Expenses	Legal fees paid without proper documentation, and avoidable legal costs incurred.	Lack of proper documentation for legal expenses and avoidable legal costs.	Ensure all legal expenses are properly documented and avoidable legal costs are minimized.	<b>Not quantified</b>
Irregularities in the Supply and Delivery of Heavy Road Maintenance Machinery	Procurement of heavy machinery not included in the Annual Development Plan (ADP), and lack of proper documentation.	Non-compliance with procurement laws and lack of proper documentation .	Ensure all procurements are included in the ADP and proper documentation is maintained.	<b>Not quantified</b>
Abandoned Construction of Governor's Residence	Project abandoned after 39 months, and contractor not on site.	Incomplete project and lack of contractor accountability.	Ensure projects are completed before full payment and enforce contractor accountability.	<b>Not quantified</b>
Poor Workmanship in Construction of Kapletundo Ward Office	Poor workmanship and incomplete project despite full payment.	Incomplete project and poor workmanship.	Ensure projects are completed before full payment and enforce quality standards.	<b>Not quantified</b>



**Table 3.36: Cumulative Fiduciary Risk for the County Executive of Bomet for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Irregularities in Personnel Emoluments	Payment of salaries in shared bank accounts, unexplained changes in job groups, and irregular payment of special house allowances.	Lack of proper controls over payroll and personnel emoluments.	Implement stricter controls over payroll and personnel emoluments to prevent irregularities.	<b>Not quantified</b>
Non-Compliance with Fiscal Responsibility on Wage Bill	Wage bill at 50% of total revenue, exceeding the 35% threshold.	High wage bill exceeding the fiscal responsibility threshold.	Reduce the wage bill to comply with the 35% threshold and ensure fiscal responsibility.	<b>Not quantified</b>
Non-Compliance with Law on Mandatory Retirement	40 officers retained beyond the mandatory retirement age of 60 years.	Non-compliance with mandatory retirement laws.	Ensure all officers retire at the mandatory retirement age of 60 years.	<b>Not quantified</b>
Employees Earning Less than One-Third of Basic Salary	236 employees earning less than one-third of their basic salary.	Non-compliance with the Employment Act, 2007.	Ensure all employees earn at least one-third of their basic salary.	<b>Not quantified</b>
Non-Compliance with Fiscal Responsibility Principle on Development Budget	Development expenditure at 28% of total budget, below the 30% threshold.	Non-compliance with the Public Finance Management Act, 2012.	Increase development expenditure to meet the 30% threshold.	<b>Not quantified</b>
Weakness in Requisition, Receipt and Issuance of Medical Drugs	Lack of proper documentation for medical drugs, and lack of segregation of duties.	Inefficient management of medical drugs and lack of proper controls.	Implement proper documentation and segregation of duties for medical drugs.	<b>Not quantified</b>

**Table 3.36: Cumulative Fiduciary Risk for the County Executive of Bomet for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Internal Control Weakness	Lack of approved Internal Audit and Audit Committee charters, and insufficient staff in the internal audit department.	Weak internal controls and lack of proper oversight.	Strengthen internal controls and ensure proper oversight through the internal audit department.	<b>Not quantified</b>
<b>Cumulative Fiduciary Risk Total</b>			<b>Ksh. 2,511,781,153</b>	



### 3.37 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF KAKAMEGA

171 Analysis of the audit report for the County Executive of Kakamega for the FY 2023/2024 shows a cumulative total of **Ksh. Ksh. 41,522,700,392** as the total financial exposure from fiduciary risks as shown in Table 3.37.

<b>Table 3.37: Cumulative Fiduciary Risk for the County Executive of Kakamega for the Financial Year 2023/2024</b>				
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>
Unreconciled Transfers	Transfers to other government entities (e.g., Kakamega County Microfinance Corporation, Kakamega Dairy Development Corporation) show variances between amounts transferred and amounts received.	<ul style="list-style-type: none"> <li>- Variances in transfers to entities.</li> <li>- Lack of reconciliation between financial statements and entity records.</li> </ul>	Ensure proper reconciliation of transfers and verify amounts received by entities.	<b>241,126</b> <b>(Microfinance)</b> <b>6,000,000</b> <b>(Dairy)</b> <b>500,000</b> <b>(Water)</b> <b>484,000</b> <b>(CRF)</b>
Unsupported Advance Payments	Advance payments to contractors for roads, drainage works, and public lighting projects lack supporting documents (e.g., invoices, completion certificates).	<ul style="list-style-type: none"> <li>- Lack of documentation for advance payments.</li> <li>- Risk of misallocation or misuse of funds.</li> </ul>	Ensure proper documentation and verification of advance payments before disbursement.	<b>53,759,174</b>
Inaccurate Cash and Cash Equivalents	Unpresented cheques and receipts in cash book not recorded in bank statements.	<ul style="list-style-type: none"> <li>- Unreconciled bank balances.</li> <li>- Risk of mismanagement of funds.</li> </ul>	Conduct regular bank reconciliations and ensure timely recording of transactions.	<b>331,157,093</b>
Unconfirmed	Outstanding imprests and advances lack	<ul style="list-style-type: none"> <li>- Lack of proper records for imprests.</li> </ul>	Maintain updated imprest registers and enforce	<b>18,325,045</b>



**Table 3.37: Cumulative Fiduciary Risk for the County Executive of Kakamega for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>
Outstanding Imprests	updated registers and explanations for non-recovery.	- Risk of misuse or non-recovery of funds.	timely recovery of outstanding imprests.	
Unsupported Deposits and Retentions	Deposits and retentions lack detailed schedules of individual contractors owed.	- Lack of detailed analysis of retentions. - Risk of misallocation or non-payment to contractors.	Provide detailed schedules of retentions and ensure proper documentation.	<b>711,017,898</b>
Pending Accounts Payable	Pending bills totaling Ksh.1,708,945,892, some dating back to 2015/2016.	- Long-outstanding pending bills. - Risk of financial strain and default on obligations.	Prioritize settlement of pending bills and ensure timely payment of obligations.	<b>1,708,945,892</b>
High Wage Bill	Compensation of employees constitutes 45% of total revenue, exceeding the 35% threshold.	- High wage bill relative to revenue. - Risk of fiscal indiscipline and reduced funds for development.	Implement measures to control wage bill growth and align with fiscal responsibility guidelines.	<b>5,624,458,149</b>
Delayed and Stalled Projects	Projects including Mumias Slaughter House at contract sum of Kshs.19,649,884. to ten (10) on-going projects some dating back to the period 2014/2015 costing Kshs.7,244,942,214 at the	- Delayed project completion. - Risk of cost overruns and lack of value for money.	Monitor project progress closely and enforce timely completion of projects.	<b>7,244,942,214 (ongoing projects)</b>



**Table 3.37: Cumulative Fiduciary Risk for the County Executive of Kakamega  
for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>
	department of Health Services.			
Irregular Procurement of Fertilizers	Procurement of fertilizers lacked proper documentation, and some fertilizers were poorly stored, compromising quality.	<ul style="list-style-type: none"> <li>- Lack of proper documentation and storage.</li> <li>- Risk of mismanagement and loss of public funds.</li> </ul>	Ensure proper documentation and storage of fertilizers, and conduct regular stock takes.	<b>528,960,000</b>
Lack of Updated Fixed Assets Register	Fixed assets register lacks detailed information (e.g., acquisition date, location, cost).	<ul style="list-style-type: none"> <li>- Incomplete asset register.</li> <li>- Risk of mismanagement or loss of assets.</li> </ul>	Update the fixed assets register with detailed information and ensure proper tagging of assets.	<b>25,293,909,801</b>
<b>Cumulative Fiduciary Risk Exposure Total</b>			<b>Ksh. 41,522,700,392.</b>	

### 3.38 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF VIHIGA

172 Analysis of the audit report for the County Executive of Vihiga for the FY 2023/2024 shows a cumulative total of **Ksh. Ksh. 3,406,078,808** as the total financial exposure from fiduciary risks as shown in Table 3.38.

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Non-Disclosure of Commission Earned from Payroll Services	Commission of Ksh. 4,298,552 earned from payroll services was not disclosed in the financial statements.	Lack of transparency in financial reporting, leading to potential misstatement of income.	Ensure all income, including commissions, is accurately disclosed in financial statements.	<b>4,298,552</b>
Transactions in System Payments but not Processed in Payment Details	516 transactions worth Ksh. 314,645,241 were paid but not captured in payment details.	Payments were made without proper documentation, raising concerns about the accuracy and completeness of financial records.	Strengthen internal controls to ensure all transactions are properly recorded and reconciled.	<b>314,645,241</b>
Inaccuracies in Transfers to Other Government Agencies	Unreconciled difference of Ksh. 62,197,930 between the amount transferred to other entities and the ledger amount.	Lack of reconciliation between financial statements and ledger entries, indicating potential mismanagement of funds.	Implement regular reconciliation processes to ensure accuracy in financial reporting.	<b>62,197,930</b>
Long Outstanding Imprests and Advances	Outstanding imprests of Ksh. 16,638,638, including Ksh. 14,000,000	Failure to recover imprests and advances, leading to	Enforce strict imprest recovery policies and ensure timely recovery of outstanding amounts.	<b>16,638,638</b>



**Table 3.38: Cumulative Fiduciary Risk for the County Executive of Vihiga for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
	transferred to the County Assembly, were not recovered.	potential loss of public funds.		
Irregularities in Construction of Modern Funeral Home	Ksh. 94,294,478 spent on a funeral home project, but materials used did not match the bill of quantities, and the project was incomplete.	Misuse of public funds due to non-compliance with contract specifications, leading to potential loss of value for money.	Conduct thorough project monitoring and ensure compliance with contract specifications.	<b>94,294,478</b>
Delays in Completion of Governor's and Deputy Governor's Residences	Ksh. 142,094,694 spent on the construction of residences, but the project was incomplete, and water/electricity were not connected.	Delayed project completion and failure to deliver value for money, leading to potential wastage of public funds.	Ensure timely completion of projects and adherence to project timelines.	<b>142,094,694</b>
Irregular Procurement of Motor Vehicle Insurance	Ksh. 30,642,507 paid for motor vehicle insurance, but the insurer was not fully paid, and the contract terms were unfavorable.	Unfavorable contract terms and partial payments, leading to potential financial risks and non-compliance with procurement laws.	Review and renegotiate contract terms to ensure compliance with procurement laws and protect public funds.	<b>30,642,507</b>

**Table 3.38: Cumulative Fiduciary Risk for the County Executive of Vihiga for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Stalled Construction of Eco-Toilet	Ksh. 1,975,526 paid for an eco-toilet project, but the project stalled, and the contractor was not on site.	Stalled projects lead to wastage of public funds and failure to deliver intended services.	Monitor project progress closely and take corrective action for stalled projects.	<b>1,975,526</b>
Irregularities in Construction of Hospital Plaza	Ksh. 187,287,023 paid for a hospital plaza project, but the project was incomplete, and the contractor was not on site.	Incomplete projects and lack of contractor presence, leading to potential loss of public funds.	Ensure proper project management and contractor accountability.	<b>187,287,023</b>
Irregularities in Procurement of Non-Perishable Foodstuffs	Ksh. 2,033,107 paid for non-perishable foodstuffs, but procurement laws were violated, and the Local Purchase Order (LPO) was issued prematurely.	Non-compliance with procurement laws, leading to potential mismanagement of public funds.	Ensure strict adherence to procurement laws and regulations.	<b>2,033,107</b>
Lack of Cost-Benefit Analysis of Revenue Automation System	Ksh. 41,928,000 paid for a revenue automation system, but the system was not fully automated, and the cost-benefit analysis was lacking.	Lack of cost-benefit analysis, leading to potential inefficiencies and wastage of public funds.	Conduct a thorough cost-benefit analysis before implementing such systems.	<b>41,928,000</b>



**Table 3.38: Cumulative Fiduciary Risk for the County Executive of Vihiga for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Pending Works by Vendor on Revenue Automation System	71% of the contract sum (Ksh. 58,777,600) paid, but the system was not handed over to the County Executive, and integration with existing systems was lacking.	Lack of system integration and incomplete handover, leading to potential inefficiencies and wastage of public funds.	Ensure proper handover and integration of systems before full payment is made.	<b>58,777,600</b>
Lack of Optimal Utilization of Point of Sale Machines	44 out of 150 Point of Sale (POS) machines were not in use, leading to potential revenue collection inefficiencies.	Underutilization of assets, leading to potential loss of revenue and inefficiencies in revenue collection.	Ensure optimal utilization of assets and address any issues with faulty devices.	<b>N/A</b>
Accumulated Pending Bills Relating to Legal Costs	Pending legal bills of Ksh. 230,628,051, including Ksh. 188,867,539 in decree sums, were not settled.	Failure to settle legal bills, leading to potential financial liabilities and penalties.	Prioritize the settlement of legal bills to avoid further financial liabilities.	<b>230,628,051</b>
Non-Compliance with Climate Change Regulations	The County Executive did not fully implement climate change laws, including Environmental Impact Assessments (EIA) and	Non-compliance with climate change regulations, leading to potential environmental and legal risks.	Ensure full compliance with climate change laws and regulations.	<b>N/A</b>



**Table 3.38: Cumulative Fiduciary Risk for the County Executive of Vihiga for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
	Greenhouse Gas Emissions reporting.			
Irregular Payment to Council of Governors	Ksh. 3,000,000 paid to the Council of Governors, which should have been funded by the National Government.	Unauthorized expenditure, leading to potential misuse of public funds.	Ensure that all expenditures are properly authorized and funded by the appropriate entity.	<b>3,000,000</b>
Non-Compliance with Persons Living with Disabilities Act, 2013	Only 1% of employees were persons with disabilities, below the recommended 5%.	Non-compliance with the law, leading to potential legal and reputational risks.	Ensure compliance with the Persons with Disabilities Act by increasing the recruitment of persons with disabilities.	<b>N/A</b>
Non-Compliance with Fiscal Responsibility on Wage Bill	Compensation of employees constituted 48% of total revenue, exceeding the 35% threshold.	Excessive wage bill, leading to potential fiscal indiscipline and strain on the County's finances.	Implement measures to reduce the wage bill and ensure compliance with fiscal responsibility regulations.	<b>N/A</b>
Non-Achievement of Annual Development Plan and Budget Targets	Projects valued at Ksh. 392,444,106 were completed but not paid for, and projects valued at Ksh. 749,049,758 were prioritized due to resource constraints.	Failure to achieve development targets, leading to potential delays in service delivery and development.	Prioritize and allocate resources effectively to ensure the achievement of development targets.	<b>392,444,106</b>



**Table 3.38: Cumulative Fiduciary Risk for the County Executive of Vihiga for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Weak Controls over IFMIS Payments Module	956 transactions worth Ksh. 1,823,193,355 were paid in cash, making the system susceptible to manipulation.	Weak internal controls, leading to potential financial mismanagement and fraud.	Strengthen internal controls over the IFMIS payments module to prevent manipulation.	1,823,193,355
Weaknesses in Management of Drugs and Medical Supplies	Expired medical drugs were found in stores, and records were not maintained properly.	Poor management of medical supplies, leading to potential wastage and loss of public funds.	Improve the management of medical supplies and ensure proper record-keeping.	N/A
Dormant Bank Account	Nine (9) bank accounts were dormant, with no operations for over a year.	Dormant accounts, leading to potential mismanagement of funds and inefficiencies.	Close or reactivate dormant accounts to ensure proper management of funds.	N/A
Delay in Implementing Information Technology Internal Controls System	The IT Continuity and Disaster Recovery Plans were still in draft form, exposing the County to risks of data loss and business disruptions.	Lack of IT disaster recovery plans, leading to potential data loss and business disruptions.	Finalize and implement IT Continuity and Disaster Recovery Plans to mitigate risks.	N/A
Lack of Fully Operational Audit Committee	The Audit Committee met only twice during the year, and the internal	Ineffective oversight, leading to potential financial	Ensure the Audit Committee meets regularly and approves the	N/A

<b>Table 3.38: Cumulative Fiduciary Risk for the County Executive of Vihiga for the Financial Year 2023/2024</b>				
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
	audit charter was not approved.	mismanagement and lack of accountability.	internal audit charter.	
<b>Cumulative Fiduciary Risk Total</b>			<b>Ksh. 3,406,078,808</b>	



## FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF BUNGOMA

**173** Analysis of the audit report for the County Executive of Bungoma for the FY 2023/2024 shows a cumulative total of **Ksh. Ksh. 5,831,873,351** as the total financial exposure from fiduciary risks as shown in Table 3.39.

**Table 3.39: Cumulative Fiduciary Risk for the County Executive of Bungoma for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Unreconciled Variance on Compensation of Employees	Variance of Ksh.592,880,495 between payroll data and financial statements.	Payroll data shows higher expenditure than reported in financial statements. No explanation provided for the variance.	Ensure reconciliation of payroll data with financial statements and provide explanations for variances.	<b>592,880,495</b>
Unreconciled Variances on Transfers to Other Government Entities	Transfers to other entities (e.g., Kimilili Municipality, Bungoma Municipality) show discrepancies between amounts transferred and received.	Variances not explained or reconciled, e.g., Kimilili Municipality (Ksh.39,647,586), Bungoma Municipality (Ksh.80,665,133).	Reconcile transfers with receiving entities and provide explanations for discrepancies.	<b>647,969,990</b>
Unaccounted for Other Grants and Transfers	Ksh.681,048,669 in other grants and transfers lack supporting documents.	No documentation provided to verify the accuracy and completeness of these transfers.	Provide supporting documents for all grants and transfers to ensure transparency and accountability.	<b>681,048,669</b>
Unsupported Outstanding Imprests and Advances	Ksh.21,594,790 in outstanding imprests, some dating back to 2016, with no supporting documentation.	Imprests were not accounted for or surrendered as required by regulations.	Ensure all imprests are accounted for and surrendered within the stipulated time frame.	<b>21,594,790</b>

**Table 3.39: Cumulative Fiduciary Risk for the County Executive of Bungoma for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Unsupported Prior Year Adjustments	Ksh.1,555,811 in prior year adjustments lack supporting schedules, journal entries, and bank reconciliation statements.	No documentation provided to verify the accuracy of prior year adjustments.	Provide supporting documentation for all prior year adjustments to ensure accuracy and completeness.	<b>1,555,811</b>
Pending Accounts Payable	Pending bills increased by Ksh.2,094,647,077 (168%) from the previous year, totaling Ksh.3,339,153,758.	Failure to settle bills during the year they relate to distorts financial statements and affects subsequent budgets.	Prioritize the settlement of pending bills as a first charge on the County Revenue Fund.	<b>3,339,153,758</b>
Unreconciled Electricity Pending Bills	Ksh.10,335,677 owed to Kenya Power, but third-party confirmation shows Ksh.22,530,940 owed, resulting in an unreconciled variance of Ksh.12,195,263.	Discrepancy between County records and Kenya Power's records.	Reconcile electricity bills with Kenya Power and ensure accurate reporting of liabilities.	<b>12,195,263</b>
Unreconciled Lapfund Pending Bills	Ksh.566,828,951 in Lapfund pension deductions, but third-party confirmation shows Ksh.31,354,376 owed, resulting in an unreconciled variance of Ksh.535,474,575.	Discrepancy between County records and Lapfund's records.	Reconcile Lapfund pension deductions and ensure accurate reporting of liabilities.	<b>535,474,575</b>



**Table 3.39: Cumulative Fiduciary Risk for the County Executive of Bungoma for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Irregularities in Human Resource Management	Non-adherence to one-third basic salary rule, lack of ethnic diversity in recruitment, excessive wage bill (47% of total revenue), and engagement of temporary workers without conversion to term contracts.	High wage bill exceeds the 35% threshold, lack of diversity in recruitment, and prolonged acting capacities.	Ensure compliance with the one-third basic salary rule, promote ethnic diversity in recruitment, and convert temporary workers to term contracts as required by law.	N/A (Compliance issue)
Irregularities in Procurement and Contracts	Lack of key information in contracts, failure to provide monthly progress reports, and failure to sell fertilizers at subsidized prices as planned.	Contracts lack key details, and fertilizers were issued free of charge instead of being sold, leading to loss of revenue.	Ensure all contracts contain complete information, provide monthly progress reports, and adhere to planned subsidy programs.	N/A (Compliance issue)
Delayed and Stalled Projects	Delays in construction of projects such as Mbakalo Stadium, Masinde Muliro Stadium, and Kanduyi-Sang'alo Junction Road.	Projects are behind schedule, incomplete, or stalled, leading to potential cost overruns and loss of public funds.	Monitor project implementation closely, ensure timely completion, and take corrective action for stalled projects.	N/A (Project delays)
Failure to Transfer Functions to Municipalities	Garbage collection, a function of municipalities, was still being managed by the County Executive.	Failure to transfer functions to municipalities as required by law.	Transfer garbage collection functions to municipalities as per the Urban Areas and Cities Act.	N/A (Compliance issue)



**Table 3.39: Cumulative Fiduciary Risk for the County Executive of Bungoma for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Lack of Risk Management Policy	No risk management policy or risk assessment conducted during the year.	Lack of risk management framework exposes the County to operational, legal, and financial risks.	Develop and implement a risk management policy and conduct regular risk assessments.	N/A (Compliance issue)
Weaknesses in Internal Audit Function	Internal audit function understaffed, lack of independence, and failure to act on audit recommendations.	Internal audit reports were not acted upon, and the function lacked independence, reducing its effectiveness.	Strengthen the internal audit function, ensure independence, and implement audit recommendations promptly.	N/A (Compliance issue)
<b>Cumulative Fiduciary Risk Total</b>			<b>Ksh. 5,831,873,351</b>	

### 3.39 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF BUSIA

**174** Analysis of the audit report for the County Executive of Busia for the FY 2023/2024 shows a cumulative total of **Ksh. 6,255,000,000** as the total financial exposure from fiduciary risks as shown in Table 3.40.

**Table 3.40: Cumulative Fiduciary Risk for the County Executive of Busia for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Unsupported Expenditure on Travel	Payments for domestic and foreign travel without proper documentation.	Lack of invitation letters, attendance lists, and evidence of travel (e.g., boarding passes).	Strengthen internal controls on travel expenditure and ensure all payments are supported by proper documentation.	16,525,845 (Domestic)
		Foreign travel payments to a	Ensure competitive	18,496,248 (Foreign)



**Table 3.40: Cumulative Fiduciary Risk for the County Executive of Busia for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		single firm without clear procurement process.	bidding and proper procurement processes for travel services.	
Unsupported Hospitality Expenditure	Payments for hospitality without matching attendance lists or tender documents.	Payments for hospitality supplies and services lacked supporting documents (e.g., attendance lists, work plans).	Ensure all hospitality expenses are properly documented and approved.	<b>8,335,849</b>
Unexplained Variances in Transfers	Variances between County Executive and other entities' financial statements.	Transfers to other government entities and grants were not reconciled, leading to unexplained variances.	Reconcile all transfers and grants with receiving entities to ensure accuracy and completeness.	<b>954,202,673 (Other Grants)</b>
		Misclassification of expenditure under "Other Grants and Transfers."	Ensure proper classification of expenditures in line with financial regulations.	<b>5,737,937 (Transfers)</b>
Lack of Ownership Documents	Tractors purchased without ownership documents or number plates.	Tractors worth Ksh. 24,500,000 lacked ownership documents and number plates, and were not updated in the asset register.	Ensure all assets are properly recorded in the asset register and ownership documents are obtained.	<b>24,500,000</b>

**Table 3.40: Cumulative Fiduciary Risk for the County Executive of Busia for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Unreconciled Pending Bills	Pending bills not reconciled with Controller of Budget reports.	Pending bills of Ksh. 1,838,870,345 were not reconciled with the Controller of Budget's report, leading to unexplained variances.	Reconcile pending bills with the Controller of Budget and ensure timely settlement of bills.	<b>1,838,870,345</b>
Voided Transactions	Voided transactions without proper documentation or approval.	Voided transactions worth Ksh. 2,155,388,788 lacked supporting documents and approval from the Controller of Budget.	Ensure all voided transactions are properly documented and approved by the Controller of Budget.	<b>2,155,388,788</b>
Budgetary Control Issues	Under-funding and under-utilization of budget.	Under-funding of Ksh. 1,224,684,178 (13% of budget) and under-utilization of Ksh. 305,045,576.	Improve budgetary control and ensure proper utilization of funds.	<b>1,224,684,178</b>
Stalled and Incomplete Projects	three (3) projects worth Kshs.25,829,592 for Mauko Child Protection Centre, Mortuary at Nambale Sub-county and maternity wing at Nasira	three (3) projects worth stalled Kshs.25,829,592	Monitor project implementation closely and ensure timely completion of projects.	<b>448,960,875 (Industrial Park)</b>



**Table 3.40: Cumulative Fiduciary Risk for the County Executive of Busia for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
	dispensary had all stalled and the contractors were not on site.			
		Other projects, such as the construction of maternity and placenta pits, were incomplete and lacked supporting amenities.	Conduct regular monitoring and evaluation of projects to ensure value for money.	<b>9,903,990 (Maternity Pit)</b>
Unsupported Procurement	Procurement of goods and services without proper documentation.	Procurement of fertilizers, improved chicks, and other goods lacked proper documentation and user needs assessment.	Ensure all procurement processes are transparent and properly documented.	<b>528,960,000 (Fertilizers)</b>
		Procurement of consultancy services lacked proper evaluation and documentation.	Strengthen procurement processes and ensure due diligence in awarding contracts.	<b>4,980,550 (Consultancy)</b>
Non-Compliance with Laws	Non-compliance with fiscal responsibility and wage bill thresholds.	Compensation of employees exceeded 35% of total revenue, contrary to Public Finance Management Regulations.	Ensure compliance with fiscal responsibility principles and reduce the wage bill to within the allowed threshold.	<b>3,085,605,917 (Wage Bill)</b>

**Table 3.40: Cumulative Fiduciary Risk for the County Executive of Busia for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		Non-compliance with the National Cohesion and Integration Act, with 88% of staff from one dominant ethnic community.	Ensure diversity in staff recruitment and compliance with the National Cohesion and Integration Act.	N/A
<b>**Irregularities in Imprest Management</b>	Outstanding imprests not surrendered or accounted for.	Imprests worth Ksh. 1,343,500 were not surrendered or accounted for, contrary to Public Finance Management Regulations.	Ensure timely surrender of imprests and enforce accountability.	<b>1,343,500</b>
Unfavourable Contract Terms	Contract terms detrimental to the County Executive.	Contract terms for revenue collection and management systems were unfavourable, with high transaction fees and lack of control over the system.	Review and renegotiate contract terms to ensure they are favourable to the County Executive.	<b>59,885,232 (Revenue System)</b>
Failure to Submit Financial Statements	Failure to submit financial statements for municipalities and hospitals.	Financial statements for two municipalities and seven hospitals were not submitted for audit, contrary to the Public Finance	Ensure timely preparation and submission of financial statements for all entities.	N/A



**Table 3.40: Cumulative Fiduciary Risk for the County Executive of Busia for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		Management Act.		
<b>Cumulative Fiduciary Risk Exposure Total</b>			<b>Ksh. 6,255,000,000</b>	

### 3.40 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF SIAYA

175 Analysis of the audit report for the County Executive of Siaya for the FY 2023/2024 shows a cumulative total of **Ksh. 3,472,009,619** as the total financial exposure from fiduciary risks as shown in Table 3.41.

**Table 3.41: Cumulative Fiduciary Risk for the County Executive of Siaya for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Unsupported Compensation of Employees	Payments to community health workers and special allowances without proper recruitment records. Payments outside the Integrated Payroll and Personnel Database (IPPD).	<ul style="list-style-type: none"> <li>- 2,128 community health workers paid Ksh.76.6M without recruitment records.</li> <li>- 192 staff paid Ksh.3.14M as special allowances without evidence.</li> <li>- 20 staff shared a bank account.</li> <li>- Ksh.14.5M paid outside IPPD for funeral expenses, baggage allowances, and unremitted gratuity.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure proper documentation for all staff payments.</li> <li>- Regularize payments through IPPD.</li> <li>- Conduct a payroll audit to verify all payments.</li> </ul>	<b>94,240,000</b>
Irregularities in Use of Goods and Services	Excessive and unsupported domestic travel allowances, unsupported hiring of transport companies, and unexplained payments to	<ul style="list-style-type: none"> <li>- Ksh.51.74M paid to 19 staff for domestic travel exceeding Ksh.2M each.</li> <li>- Ksh.70.75M paid to 3 travel companies without justification.</li> </ul>	<ul style="list-style-type: none"> <li>- Review and justify all travel expenses.</li> <li>- Ensure competitive bidding for transport services.</li> <li>- Investigate and explain all</li> </ul>	<b>125,850,000</b>



**Table 3.41: Cumulative Fiduciary Risk for the County Executive of Siaya for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
	the County Executive.	- Ksh.3.36M paid as "payment to Siaya County Government" without explanation.	unexplained payments.	
Irregular Payment of Sitting Allowances	Sitting allowances paid to County Assembly members for audit report interrogations, which should have been budgeted by the Assembly.	- Ksh.2.9M paid to County Assembly members for audit-related meetings. - Allowances expensed before surrender, violating financial regulations.	- Ensure all allowances are budgeted and accounted for by the appropriate entity. - Strengthen internal controls over allowance payments.	<b>2,903,600</b>
Unsupported Training Expenses	Training expenses incurred without proper needs assessment or documentation.	- Ksh.14.6M spent on training without needs assessments or clear objectives. - Lack of documentation to justify training expenses.	- Conduct training needs assessments before approving training programs. - Maintain proper documentation for all training expenses.	<b>14,596,631</b>
Unsupported Legal Fees	Legal fees paid without proper documentation or justification.	- Ksh.26M paid for out-of-court settlements without details. - Ksh.4.06M paid to an advocate without itemized billing. - Pending bills of Ksh.33.12M	- Ensure all legal fees are supported by proper documentation. - Conduct a review of all pending legal cases and fees.	<b>34,662,766</b>

**Table 3.41: Cumulative Fiduciary Risk for the County Executive of Siaya for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		for decretal fees.		
Irregularities in Other Grants and Transfers	Unreconciled variances between IFMIS records and financial statements, and payments to companies reflected as transfers.	<ul style="list-style-type: none"> <li>- Ksh.5M variance between IFMIS and financial statements.</li> <li>- Ksh.178.25M paid to third-party entities but recorded as transfers.</li> <li>- Lack of reconciliation for inconsistencies.</li> </ul>	<ul style="list-style-type: none"> <li>- Reconcile all transfers with IFMIS records.</li> <li>- Ensure proper classification of payments in financial statements.</li> </ul>	<b>183,246,942</b>
Inaccuracies in Bank Balances	Bank reconciliation issues, including unrepresented cheques and unreconciled variances.	<ul style="list-style-type: none"> <li>- Ksh.8.99M in unrepresented cheques not reversed.</li> <li>- Ksh.8.99M variance in bank reconciliation.</li> <li>- Four bank accounts with Ksh.7.24M not reported in financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct a thorough bank reconciliation.</li> <li>- Ensure all bank accounts are reported in financial statements.</li> </ul>	<b>16,235,603</b>
Unsupported Acquisition of Assets	Acquisition of land without proper documentation, including lack of registration and boundary demarcation.	<ul style="list-style-type: none"> <li>- Ksh.32.97M spent on 9 parcels of land without proper registration or boundary demarcation.</li> <li>- Risk of encroachment due to lack of</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure proper registration and documentation for all land acquisitions.</li> <li>- Conduct a physical verification of all assets.</li> </ul>	<b>32,970,000</b>



**Table 3.41: Cumulative Fiduciary Risk for the County Executive of Siaya for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		fencing and beacons.		
Non-Adherence to End of Period Cut-Off Procedures	Transfers from the County Revenue Fund (CRF) received outside the cut-off period.	- Ksh.710.02M received between 2-5 July 2024, outside the 30 June 2024 cut-off period.	- Ensure all transactions are recorded within the correct accounting period. - Strengthen controls over cut-off procedures.	<b>710,018,028</b>
Unexplained Voided Transactions	Voided transactions without proper documentation or approval.	- 1,500 transactions worth Ksh.560.63M voided without explanation or approval from the Controller of Budget.	- Investigate and document all voided transactions. - Ensure proper approval processes for voiding transactions.	<b>560,626,783</b>
Pending Bills	Pending bills not settled, leading to potential interest costs and penalties.	- Ksh.1.47B in pending bills, including construction and supply of goods dating back to 2015-2023. - Failure to settle bills as a first charge to the budget.	- Prioritize the settlement of pending bills. - Implement a payment plan to clear outstanding bills.	<b>1,466,051,827</b>
Failure to Construct Governor's Residence	Failure to construct the Governor's residence, leading to rental expenses.	- Ksh.3.6M spent on rental expenses for the Governor and Deputy Governor. - Failure to comply with	- Expedite the construction of the Governor's residence. - Comply with SRC guidelines on housing benefits.	<b>3,600,000</b>

**Table 3.41: Cumulative Fiduciary Risk for the County Executive of Siaya for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		Salaries and Remuneration Commission (SRC) guidelines.		
Failure to Pay Full Premium on Staff Medical Insurance	Partial payment of medical insurance premiums, risking coverage.	<ul style="list-style-type: none"> <li>- Ksh.105.04M paid out of Ksh.201.97M premium.</li> <li>- Lack of proper documentation for insurance renewal.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure full payment of insurance premiums.</li> <li>- Maintain proper documentation for all insurance contracts.</li> </ul>	<b>105,040,484</b>
Non-Compliance with One-Third of Basic Salary Rule	Employees receiving net pay below one-third of their basic salary.	<ul style="list-style-type: none"> <li>- 245 employees with net pay below one-third of their basic salary.</li> <li>- Violation of the Employment Act, 2007.</li> </ul>	<ul style="list-style-type: none"> <li>- Review payroll deductions to ensure compliance with the law.</li> <li>- Provide financial counseling to employees.</li> </ul>	<b>N/A</b>
Non-Compliance with National Cohesion and Integration Act, 2008	Lack of ethnic diversity in staff recruitment.	<ul style="list-style-type: none"> <li>- 89% of permanent employees from the dominant ethnic community.</li> <li>- Violation of the National Cohesion and Integration Act, 2008.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure diversity in staff recruitment.</li> <li>- Comply with the 30% requirement for non-dominant ethnic communities.</li> </ul>	<b>N/A</b>
Irregularities in Imprest Management	Outstanding imprests not surrendered, and multiple imprests issued to staff.	<ul style="list-style-type: none"> <li>- Ksh.5.03M in outstanding imprests not surrendered.</li> <li>- 9 staff issued multiple</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure timely surrender of imprests.</li> <li>- Prohibit multiple imprests to staff with</li> </ul>	<b>5,026,471</b>



<b>Table 3.41: Cumulative Fiduciary Risk for the County Executive of Siaya for the Financial Year 2023/2024</b>				
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		imprests totalling Ksh.1.3M.	outstanding balances.	
Failure to Implement Recommendations of the County Legislative Oversight Committee	Failure to implement audit recommendations from previous years.	- Only 1 out of 23 recommendations implemented. - Lack of progress in addressing prior audit issues.	- Implement all outstanding audit recommendations. - Submit regular progress reports to the County Assembly.	N/A
Failure to Insure County Executive Buildings	Lack of insurance cover for County Executive buildings.	- Ksh.112.44M spent on motor vehicle and medical insurance, but no insurance for buildings. - Risk of loss in case of disaster.	- Procure insurance cover for all County Executive buildings. - Ensure compliance with Public Finance Management Act, 2012.	112,440,484
Irregular Payments to Council of Governors and Lake Region Economic Bloc	Payments to the Council of Governors and Lake Region Economic Bloc, which should be funded by the National Government.	- Ksh.3M paid to the Council of Governors. - Ksh.1.5M paid to the Lake Region Economic Bloc. - Violation of the Intergovernmental Relations Act, 2012.	- Ensure all payments are properly budgeted and funded by the appropriate entity. - Comply with the Intergovernmental Relations Act, 2012.	4,500,000
<b>Cumulative Fiduciary Risk Exposure Total</b>			<b>Ksh. 3,472,009,619</b>	

### **3.41 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF KISUMU**

**176** Analysis of the audit report for the County Executive of Kisumu for the FY 2023/2024 shows a cumulative total of **Ksh. 15,099,856,271** as the total financial exposure from fiduciary risks as shown in Table 3.42.

**Table 3.42: Cumulative Fiduciary Risk for the County Executive of Kisumu for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Inaccuracies in Compensation of Employees	Variance between payroll ledger and financial statements.	Unreconciled variance of Ksh. 546,582,633 between payroll ledger and financial statements.	Reconcile payroll records with financial statements and ensure accurate reporting.	<b>546,582,633</b>
Unsupported Domestic Subsistence Allowances	Payments for domestic travel and subsistence without proper documentation.	Unsupported per diems totalling Ksh. 3,381,000 and imprests for travel with discrepancies in days approved vs. paid.	Ensure all travel and subsistence allowances are properly documented and approved.	<b>8,711,000</b>
Unaccounted for Fuel	Discrepancies in fuel drawn and payments based on expired contracts.	Fuel amounting to Ksh. 1,000,000 paid could not be traced, and work tickets for Ksh. 2,767,789 were not provided.	Conduct a thorough audit of fuel usage and ensure all payments are supported by valid contracts and documentation.	<b>94,821,894</b>
Unsupported Legal Expenses	Payments to legal firms without proper documentation or approval.	Ksh. 22,496,355 unsupported legal fees, Ksh. 3,000,000 for decretal fees without certified decree, and Ksh. 5,570,979 for	Ensure all legal expenses are properly documented, approved, and justified.	<b>46,078,251</b>



**Table 3.42: Cumulative Fiduciary Risk for the County Executive of Kisumu for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		contempt of court orders.		
Variances in Transfers to Other Government Agencies	Unreconciled variances in transfers to other government units.	Unexplained variance of Ksh. 11,207,609 between financial statements and receiving entities' records.	Reconcile transfers with receiving entities and ensure accurate reporting.	<b>11,207,609</b>
Inaccuracies in Cash and Cash Equivalents	Unreconciled bank balances and unrepresented cheques.	Unpresented cheques of Ksh. 8,990,603, dormant accounts, and unreconciled bank balances.	Reconcile bank statements and ensure all cheques are accounted for.	<b>210,896,225</b>
Unsupported Contingent Liability	Unreconciled contingent liabilities.	Unexplained variance of Ksh. 1,168,965,584 between contingent liabilities register and financial statements.	Ensure all contingent liabilities are properly documented and reconciled.	<b>1,168,965,584</b>
Unexplained Voided IFMIS Transactions	Voided transactions without proper documentation or approval.	4,127 transactions valued at Ksh. 2,667,105,751 were voided without supporting documents or approval from the Controller of Budget.	Ensure all voided transactions are properly documented and approved by the Controller of Budget.	<b>2,667,105,751</b>

**Table 3.42: Cumulative Fiduciary Risk for the County Executive of Kisumu for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Irregular Payment of Social Security Benefits	Gratuity payments to employees without proper documentation.	Ksh. 2,681,627 paid as gratuity without proper documentation or approval from the County Public Service Board.	Ensure all gratuity payments are properly documented and approved by the County Public Service Board.	<b>2,681,627</b>
Irregularities in Pending Bills	Unreconciled and overpaid pending bills.	Pending bills balance of Ksh. 2,735,945,419 with unexplained variance of Ksh. 7,194,650 and overpaid bills of Ksh. 3,853,727.	Conduct a thorough review of pending bills and ensure accurate reporting and settlement.	<b>2,735,945,419</b>
Budgetary Control and Performance	Under-funding and under-utilization of budget.	Under-funding of Ksh. 3,973,309,582 (32% of the budget) affecting planned activities and service delivery.	Improve budgetary control and ensure proper utilization of funds.	<b>3,973,309,582</b>
Irregular Payments to Members of County Assembly and Staff	Payments to County Assembly members charged to the County Executive.	Ksh. 4,172,000 paid to County Assembly members for consultative	Ensure all payments are charged to the appropriate entity and properly documented.	<b>4,172,000</b>



**Table 3.42: Cumulative Fiduciary Risk for the County Executive of Kisumu for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		meetings, which should have been paid by the County Assembly.		
Irregular Payment to Machine-Based Staff Allowances	Extra payments to staff for performing normal duties.	Ksh. 2,384,450 paid as machine-based staff allowances without justification.	Ensure all staff allowances are justified and properly documented.	<b>2,384,450</b>
Irregularities in Procurement	Procurement irregularities and unsupported payments.	Payments for services without proper documentation, including Ksh. 2,998,780 for catering services and Ksh. 2,996,800 for inspectorate uniforms.	Ensure all procurement processes are transparent, properly documented, and comply with regulations.	<b>928,000 + 2,699,235 + 2,998,780 + 2,996,800 + 2,307,424 = 11,929,239</b>
Procurement Using Un-Prequalified Suppliers	Hiring of excavator machine from an un-prequalified supplier.	Ksh. 1,999,790 paid to an un-prequalified firm for hiring an excavator machine.	Ensure all suppliers are prequalified and comply with procurement regulations.	<b>1,999,790</b>
Lack of Market Survey Reports	Procurement of tyres without market survey reports.	Ksh. 1,499,045 spent on tyres without evidence of a	Conduct market surveys before procurement to ensure value for money.	<b>1,499,045</b>

**Table 3.42: Cumulative Fiduciary Risk for the County Executive of Kisumu for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		market survey.		
Delay in Execution of Consultancy Services on HR Manual	Delayed delivery of HR manual review.	Ksh. 2,950,000 paid for consultancy services without delivery of the final document within the contract period.	Ensure all consultancy services are delivered within the agreed timeframe and properly documented.	<b>2,950,000</b>
Delay in Execution of Consultancy Services on Training Policy	Delayed delivery of training needs analysis.	Ksh. 2,920,000 paid for training needs analysis without delivery of the final document within the contract period.	Ensure all consultancy services are delivered within the agreed timeframe and properly documented.	<b>2,920,000</b>
Unsupported Procurement of Proposed Completion of Pap Konam Agriculture Training College	Unsupported payments for construction projects.	Ksh. 57,487,339 spent on construction projects without proper documentation or completion certificates.	Ensure all construction projects are properly documented and completed before payment.	<b>57,487,339</b>
Irregular Procurement of Energy Efficient Streetlights	Irregular award of contract for streetlights	Ksh. 7,697,915 paid for streetlights and high	Ensure all procurement processes comply with regulations	<b>7,697,915</b>



**Table 3.42: Cumulative Fiduciary Risk for the County Executive of Kisumu for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
and High Masts	and high masts.	masts to a firm that did not satisfy mandatory requirements.	and mandatory requirements.	
Irregular Procurement from Service Providers	Unequal distribution of contracts to service providers.	Ksh. 39,037,353 (88% of total payments) awarded to one firm out of ten pre-qualified suppliers.	Ensure fair and equitable distribution of contracts among pre-qualified suppliers.	<b>39,037,353</b>
Unsupported Framework Agreements	Procurement of medical items without proper documentation.	Ksh. 29,702,592 spent on medical items through framework agreements without proper documentation or value for money assessment.	Ensure all framework agreements are properly documented and comply with procurement regulations.	<b>29,702,592</b>
Poor Contracts Administration	Incomplete projects and expired performance bonds.	27 sampled projects remained incomplete, and contractors' performance bonds had expired.	Ensure all projects are completed within the agreed timeframe and performance bonds are renewed.	<b>N/A (Risk of project delays)</b>
Unutilized Idle Health Facilities	Completed health facilities left idle.	Ksh. 10,880,291 spent on health facilities that were	Ensure completed facilities are utilized and maintained.	<b>10,880,291</b>

**Table 3.42: Cumulative Fiduciary Risk for the County Executive of Kisumu for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		completed but remained idle.		
Delay in Implementation of Contracts	Delayed implementation of contracts.	11 contracts delayed without proper site meetings or project management.	Ensure timely implementation of contracts and proper project management.	<b>N/A (Risk of project delays)</b>
Late Commitment for Supply of Goods and Services	Late commitments for supply of goods and services.	Ksh. 93,006,730 committed after 31 May 2024 without proper approval.	Ensure all commitments are made within the stipulated timeframe and properly approved.	<b>93,006,730</b>
Irregular Termination of Contracts	Termination of contracts without proper documentation or legal advice.	Contracts terminated without proper documentation or legal advice.	Ensure all contract terminations are properly documented and legally justified.	<b>N/A (Risk of legal disputes)</b>
Irregularities in Automation of County Revenue Management System	Delayed implementation of revenue management system.	Ksh. 49,556,676 spent on revenue management system with incomplete deliverables and no service level agreement.	Ensure all deliverables are completed and service level agreements are in place.	<b>49,556,676</b>
Irregularities in Human Resource Management Practices	Irregular promotions and payment of salaries outside IPPD.	39 employees promoted without proper documentation, and Ksh. 210,009,458 paid through	Ensure all promotions are properly documented and salaries are paid through the Integrated Payroll	<b>210,009,458</b>



**Table 3.42: Cumulative Fiduciary Risk for the County Executive of Kisumu for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		manual payroll.	and Personnel Database (IPPD).	
Retention of Staff Beyond Mandatory Retirement Age	Employees retained beyond retirement age.	79 employees retained beyond the mandatory retirement age of 60 years.	Ensure all employees retire at the mandatory retirement age.	<b>N/A (Risk of legal disputes)</b>
Non-Compliance with One-Third of Basic Salary Rule	Employees with net salaries less than one-third of basic pay.	449 employees with net salaries less than one-third of basic pay.	Ensure all employees' net salaries comply with the one-third basic salary rule.	<b>N/A (Risk of legal disputes)</b>
Employees on Acting Capacity Beyond Stipulated Period	Employees acting in positions beyond six months.	13 employees acting in positions for more than six months.	Ensure employees acting in positions are confirmed or replaced within six months.	<b>N/A (Risk of legal disputes)</b>
Non-Compliance with National Cohesion and Integration Act, 2008	Lack of ethnic diversity in staff recruitment.	87% of the workforce from the dominant ethnic community, and 99% of new recruits from the dominant ethnic community.	Ensure staff recruitment reflects ethnic diversity as per the National Cohesion and Integration Act, 2008.	<b>N/A (Risk of legal disputes)</b>
Unsupported Staff Recruitment	Recruitment exceeding optimum staffing levels.	46 employees recruited beyond the optimum staffing level.	Ensure recruitment is within the approved staffing levels.	<b>N/A (Risk of legal disputes)</b>
Irregularities in Imprests Management	Outstanding imprests and multiple imprests issued to staff.	Ksh. 5,151,666 in outstanding imprests and multiple	Ensure all imprests are surrendered within seven working days and	<b>5,151,666</b>

**Table 3.42: Cumulative Fiduciary Risk for the County Executive of Kisumu for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		imprests issued to staff.	no multiple imprests are issued.	
Overdrawn Salary Bank Account	Overdraft on the County Executive Salary Account.	Overdraft of Ksh. 3,004,716,885 on the salary account, exceeding the 5% threshold.	Ensure the salary account is not overdrawn and manage cash flows effectively.	<b>3,004,716,885</b>
Unauthorized Inter-Accounts Transfers	Unauthorized transfers between accounts.	Ksh. 7,455,150 transferred from deposit account to recurrent account without authorization.	Ensure all inter-account transfers are properly authorized.	<b>7,455,150</b>
Irregularities in Construction of Governor's Residence	Cost overruns in the construction of the Governor's residence.	Total cost of Ksh. 90,994,117 for the Governor's residence, exceeding the Salaries and Remuneration Commission (SRC) limit of Ksh. 45,000,000.	Ensure all construction projects comply with cost limits set by the SRC.	<b>90,994,117</b>
Weaknesses in Internal Audit Function	Understaffing and lack of independence in the internal audit function.	Internal audit function understaffed by 13 officers and lacks functional independence.	Ensure the internal audit function is adequately staffed and functionally independent.	<b>N/A (Risk of ineffective audits)</b>
Lack of Risk Management Policy	No approved risk management	No risk management policy or risk	Develop and implement a risk management	<b>N/A (Risk of operational failures)</b>



**Table 3.42: Cumulative Fiduciary Risk for the County Executive of Kisumu for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
	policy or risk assessment activities.	assessment activities conducted during the year.	policy and conduct regular risk assessments.	
Weakness in Human Resource Management Practices	Lack of annual recruitment plan and human resource policies.	No annual recruitment plan or approved human resource policies, hindering effective HR management.	Develop and implement an annual recruitment plan and human resource policies.	<b>N/A (Risk of HR mismanagement)</b>
<b>Cumulative Fiduciary Risk Exposure Total</b>			<b>Ksh. 15,099,856,271</b>	

### **3.42 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF HOMA BAY**

**177** Analysis of the audit report for the County Executive of Homa Bay for the FY 2023/2024 shows a cumulative total of **Ksh. 2,217,831,804** as the total financial exposure from fiduciary risks as shown in Table 3.43.

**Table 3.43: Cumulative Fiduciary Risk for the County Executive of Homa Bay for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Unexplained Variance in Transfers	Variance of Ksh.999,314,288 between County Revenue Fund (CRF) and County Executive.	Transfers from CRF not reconciled with County Executive records.	Reconcile transfers and provide explanations for variances.	<b>999,314,288</b>
Misclassification of Expenditure	Ksh.7,305,000 misclassified under contracted professional services.	Rent and vehicle purchase misclassified as	Ensure proper classification of expenditures in financial statements.	<b>7,305,000</b>

<b>Table 3.43: Cumulative Fiduciary Risk for the County Executive of Homa Bay for the Financial Year 2023/2024</b>				
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		professional services.		
Unsupported Non-Practicing Allowances	Ksh.2,192,000 paid as non-practicing allowances without supporting documents.	Lack of documentation to confirm eligibility for allowances.	Provide supporting documents for all allowances paid.	<b>2,192,000</b>
Pending Accounts Payable	Pending bills of Ksh.1,192,267,816 not settled as a first charge.	Failure to settle pending bills, distorting financial statements.	Prioritize settlement of pending bills as a first charge to the budget.	<b>1,192,267,816</b>
Employees on Acting Capacity	27 employees in acting capacity for over 6 months.	Non-compliance with HR policies on acting appointments.	Confirm employees in acting capacity or revert them to their substantive positions.	-
Non-Adherence to One-Third Salary Rule	831 employees with net salaries below one-third of basic pay.	Excessive deductions from salaries, breaching Employment Act.	Ensure salary deductions do not exceed two-thirds of basic pay.	-
Non-Compliance in Recruitment	92% of new recruits from the dominant ethnic community.	Breach of County Governments Act on ethnic diversity in recruitment.	Ensure at least 30% of new recruits are from non-dominant ethnic communities.	-
Payment for Undelivered Consultancy	Ksh.7,700,000 paid for payroll and personnel census without deliverables.	No evidence of work done or contract extension.	Ensure deliverables are received before payment and extend contracts if necessary.	<b>7,700,000</b>



<b>Table 3.43: Cumulative Fiduciary Risk for the County Executive of Homa Bay for the Financial Year 2023/2024</b>				
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Unauthorized Budget Reallocations	Ksh.9,052,700 reallocated without proper authorization.	Budget reallocations charged to inappropriate codes.	Ensure proper authorization and adherence to budget codes.	9,052,700
<b>Cumulative Fiduciary Risk Exposure Total</b>			<b>Ksh. 2,217,831,804.</b>	

### 3.43 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF MIGORI

178 Analysis of the audit report for the County Executive of Migori for the FY 2023/2024 shows a cumulative total of **Ksh. 2,104,511,193** as the total financial exposure from fiduciary risks as shown in Table 3.44.

<b>Table 3.44: Cumulative Fiduciary Risk for the County Executive of Migori for the Financial Year 2023/2024</b>				
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>
Unsupported Expenditure on Wages	Temporary employees' wages of Ksh. 141,269,005 lacked supporting appointment letters.	Lack of documentation to confirm the existence, accuracy, and completeness of wages paid to temporary employees.	Ensure all temporary employees have proper appointment letters and maintain accurate payroll records.	141,269,005
Unsupported Legal Expenses	Legal expenses of Ksh. 50,326,213 lacked detailed fee notes and compliance with the Advocates Remuneration Order.	Inadequate documentation to verify the accuracy and completeness of legal expenses.	Maintain detailed records of legal services rendered and ensure compliance with the Advocates Remuneration Order.	50,326,213
Land Acquired without Title Deed	Land purchase of Ksh. 1,500,000 lacked a title deed, raising questions about	No title deed provided to confirm the existence and ownership of	Ensure all land acquisitions are supported by proper documentation,	1,500,000



**Table 3.44: Cumulative Fiduciary Risk for the County Executive of Migori for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>
	ownership and completeness.	the acquired land.	including title deeds.	
Pending Accounts Payables	Pending bills of Ksh. 1,763,314,575 were not settled, leading to potential interest costs and budgetary distortions.	Failure to settle bills in the year they were incurred, leading to a first charge on subsequent budgets.	Prioritize the settlement of pending bills to avoid interest costs and budgetary distortions.	<b>1,763,314,575</b>
Non-Compliance with Fiscal Responsibility Principle on Development Expenditure	Development expenditure was only 27% of total expenditure, below the required 30%.	Failure to meet the minimum development expenditure threshold, potentially impacting service delivery.	Ensure that at least 30% of total expenditure is allocated to development projects.	<b>N/A</b>
Irregularities in Human Resource Management	Wage bill exceeded 35% of total revenue, delayed confirmation of employees, and non-compliance with the National Cohesion and Integration Act.	High wage bill, delayed confirmation of employees, and lack of ethnic diversity in the workforce.	Ensure compliance with wage bill limits, confirm employees within the probation period, and promote ethnic diversity in recruitment.	<b>N/A</b>
Irregular Payments to Council of Governors	Payment of Ksh. 3,000,000 to the Council of Governors for operational expenses, contrary to the Intergovernmental Relations Act.	Payment made without legal basis, as operational expenses should be covered by the National Government.	Ensure all payments are made in compliance with relevant laws and regulations.	<b>3,000,000</b>
Irregular Payment to	Payment of Ksh. 2,000,000 to the	Lack of legal basis for the	Ensure all payments are	<b>2,000,000</b>



<b>Table 3.44: Cumulative Fiduciary Risk for the County Executive of Migori for the Financial Year 2023/2024</b>				
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>
Lake Region Economic Bloc	Lake Region Economic Bloc without supporting legal documentation.	payment, raising questions about its regularity.	supported by appropriate legal documentation.	
Irregular Award of County Scholarship Programmes	Bursaries and scholarships amounting to Ksh. 143,101,400 lacked proper regulations and beneficiary identification.	No clear policy or regulations for awarding scholarships, leading to potential mismanagement of funds.	Develop and implement a clear scholarship policy to ensure transparency and accountability in the award process.	<b>143,101,400</b>
Incomplete Projects	projects, including road construction, market sheds, and hospital facilities, were incomplete, leading to potential loss of public funds.	Projects were either incomplete or not utilized, raising concerns about value for money.	Ensure proper project management and timely completion of projects to achieve value for money.	<b>N/A</b>
Under Staffing of County Attorney's Office	The County Attorney's office was understaffed, with only 50% of the approved staff in place.	Inadequate staffing may hinder the effective discharge of legal matters affecting the County Executive.	Ensure the County Attorney's office is adequately staffed to handle legal matters effectively.	<b>N/A</b>
<b>Cumulative Fiduciary Risk Exposure Total</b>			<b>Ksh. 2,104,511,193</b>	

### **3.44 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF KISII**

**179** Analysis of the audit report for the County Executive of Kisii for the FY 2023/2024 shows a cumulative total of **Ksh. 12,420,546,708** as the total financial exposure from fiduciary risks as shown in Table 3.45.

**Table 3.45: Cumulative Fiduciary Risk for the County Executive of Kisii for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Unexplained Voided Transactions	604 transactions amounting to Ksh.232,358,841 were voided without explanation.	Lack of transparency in voided transactions; potential for misuse of funds.	Ensure proper documentation and justification for voided transactions.	232,358,841
Non-Adherence to Year-End Cut-Off Procedures	Ksh.574,699,955 recorded as payments made after the financial year-end.	Payments made after the financial year-end without proper authorization.	Implement strict year-end cut-off procedures to ensure all transactions are recorded within the correct financial period.	574,699,955
Unsupported Expenditure on Use of Goods and Services	Ksh.11,202,532 spent on printing, advertising, and utilities without supporting documents.	Lack of supporting documents for expenditures; potential for misallocation of funds.	Ensure all expenditures are supported by proper documentation and receipts.	11,202,532
Unsupported Legal Expenses	Ksh.29,135,024 spent on legal fees without proper documentation.	Legal fees paid without supporting documents; potential for irregular payments.	Require detailed documentation for all legal expenses, including fee notes and case files.	29,135,024
Budgetary Control and Performance	Under-funding of Ksh.3,588,181,135 (30% of budget) and under-utilization of Ksh.155,121,667.	Poor budgetary control leading to under-funding and under-utilization of funds.	Improve budgetary planning and monitoring to ensure funds are utilized effectively.	3,743,302,802
Pending Accounts Payables	Ksh.2,178,167,188 in pending bills, with no schedules	Failure to settle pending bills; potential for financial	Prioritize the settlement of pending bills to avoid financial	2,178,167,188



**Table 3.45: Cumulative Fiduciary Risk for the County Executive of Kisii for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
	provided for audit.	strain in subsequent years.	strain and penalties.	
Irregular Expenditure on Emergency Items for COVID-19	Ksh.2,171,180 spent on COVID-19 items without using the Emergency Fund.	Non-compliance with the Public Finance Management Act; misuse of funds.	Ensure emergency expenditures are channeled through the Emergency Fund as required by law.	<b>2,171,180</b>
Non-Compliance with Fiscal Responsibility Principles	Development expenditure at 19% of total expenditure, below the required 30%. Wage bill at 60% of total revenue, exceeding the 35% limit.	Non-compliance with fiscal responsibility principles; unsustainable wage bill.	Reduce wage bill to 35% of total revenue and increase development expenditure to 30% of total expenditure.	<b>N/A</b>
Irregularities in Compensation of Employees	Underpayment of staff, non-compliance with the National Cohesion and Integration Act, and non-compliance with the one-third rule on basic salary deductions.	Irregularities in payroll management; potential for legal disputes and employee dissatisfaction.	Conduct a comprehensive review of payroll systems to ensure compliance with labor laws and equitable distribution of staff.	<b>N/A</b>
Irregular Recruitment of Staff	Recruitment of staff without proper advertisement, shortlisting, or interview processes.	Non-compliance with recruitment regulations; potential for favoritism and lack of transparency.	Ensure all recruitment processes are transparent, competitive, and compliant with the County Service Act.	<b>N/A</b>

**Table 3.45: Cumulative Fiduciary Risk for the County Executive of Kisii for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Long Outstanding Disciplinary Cases	5 staff with pending disciplinary cases for over 6 months.	Delayed resolution of disciplinary cases; potential for legal liabilities.	Expedite the resolution of disciplinary cases within the stipulated 6-month period.	N/A
Irregular Advance Payment for Fuel	Ksh.30,000,000 prepaid for fuel without consumption.	Prepayment for fuel without proper justification; potential for misuse of funds.	Ensure fuel payments are made only after consumption and proper verification.	<b>30,000,000</b>
Unutilized Market Facilities	Ksh.6,202,806 spent on market facilities that were not utilized.	Poor project management; lack of value for money.	Ensure projects are completed and utilized as intended to achieve value for money.	<b>6,202,806</b>
Irregular Payment of Retention Money	Ksh.5,771,846 paid as retention money without proper documentation.	Lack of proper documentation for retention money payments; potential for irregular payments.	Ensure all retention money payments are supported by proper documentation and contractual agreements.	<b>5,771,846</b>
Over-payment for Printing and Supply of Assorted Materials	Ksh.698,000 overpaid for printing and supply of materials.	Overpayment due to lack of proper procurement controls.	Strengthen procurement controls to prevent overpayments and ensure competitive pricing.	<b>698,000</b>
Incomplete Projects - Department of	Ksh.26,641,662 spent on	Poor project management; incomplete	Ensure all projects are completed within	<b>26,641,662</b>



**Table 3.45: Cumulative Fiduciary Risk for the County Executive of Kisii for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Roads and Public Works	incomplete road projects.	projects leading to waste of resources.	the stipulated time and budget.	
Irregular Procurement of Cleaning Services	Ksh.14,100,000 spent on cleaning services without proper procurement process.	Non-compliance with procurement regulations; potential for inflated costs.	Ensure all procurements are conducted through competitive and transparent processes.	<b>14,100,000</b>
Irregular Procurement of Insurance Services	Ksh.202,421,473 spent on medical insurance without proper documentation.	Lack of proper documentation for insurance services; potential for irregular payments.	Ensure all insurance contracts are properly documented and services are delivered as per the contract.	<b>202,421,473</b>
Upgrading of Mosochi Market Health Centre	Ksh.36,439,523 spent on upgrading without proper procurement documents.	Lack of proper procurement documentation; potential for irregular payments.	Ensure all procurements are supported by proper documentation and competitive processes.	<b>36,439,523</b>
Installation of Generator at Gusii Stadium Office	Ksh.9,375,400 spent on generator installation without proper procurement documents.	Lack of proper procurement documentation; potential for irregular payments.	Ensure all procurements are supported by proper documentation and competitive processes.	<b>9,375,400</b>
Funding of Idle Projects	Ksh.5,157,390 spent on idle projects.	Poor project management; idle projects leading to waste of resources.	Ensure all projects are utilized as intended to achieve value for money.	<b>5,157,390</b>



**Table 3.45: Cumulative Fiduciary Risk for the County Executive of Kisii for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Payment for Works not Done	Ksh.370,000 paid for electrical works not done.	Payment for incomplete works; potential for fraud.	Ensure all payments are made only for completed and verified works.	<b>370,000</b>
Proposed Levelling of Marani Stadium	Ksh.2,837,795 spent on levelling works with poor workmanship.	Poor workmanship leading to waste of resources.	Ensure all works are completed to the required standards and quality.	<b>2,837,795</b>
Irregular Appointment of a Private Investor	Irregular appointment of a private investor for a banana processing plant.	Lack of transparency in the appointment process; potential for favoritism.	Ensure all appointments are made through transparent and competitive processes.	<b>N/A</b>
Unutilized ECDE Classrooms	Ksh.809,208 spent on ECDE classrooms that were not utilized.	Poor project management; lack of value for money.	Ensure all projects are completed and utilized as intended to achieve value for money.	<b>809,208</b>
Project Implementation Status - Department of Education	Ksh.4,025,118 spent on incomplete ECDE classrooms.	Poor project management; incomplete projects leading to waste of resources.	Ensure all projects are completed within the stipulated time and budget.	<b>4,025,118</b>
Project Implementation Status - Department of Lands	Ksh.7,795,328 spent on incomplete road projects.	Poor project management; incomplete projects leading to waste of resources.	Ensure all projects are completed within the stipulated time and budget.	<b>7,795,328</b>
Project Implementation Status -	Ksh.17,291,477 spent on	Poor project management; incomplete	Ensure all projects are completed within	<b>17,291,477</b>



**Table 3.45: Cumulative Fiduciary Risk for the County Executive of Kisii for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Department of Culture	incomplete cultural projects.	projects leading to waste of resources.	the stipulated time and budget.	
Construction of County Aggregation and Industrial Park	Ksh.95,588,294 spent on construction without proper documentation.	Lack of proper documentation; potential for irregular payments.	Ensure all procurements are supported by proper documentation and competitive processes.	<b>95,588,294</b>
Failure to Perform Project Handover and Acceptance after Completion	Ksh.6,172,615 spent on construction without handover and acceptance minutes.	Lack of proper handover and acceptance procedures; potential for incomplete works.	Ensure all projects are handed over and accepted with proper documentation.	<b>6,172,615</b>
Renovations done in Unoccupied House	Ksh.1,931,878 spent on renovations of an unoccupied house.	Poor project management; lack of value for money.	Ensure all projects are utilized as intended to achieve value for money.	<b>1,931,878</b>
Irregular Advance Payment in Construction of New County Headquarters	Ksh.99,999,113 paid as advance payment without proper justification.	Advance payment without proper justification; potential for misuse of funds.	Ensure all advance payments are properly justified and documented.	<b>99,999,113</b>
Delayed Alteration and Renovations of Governor's Office	Ksh.24,921,817 spent on delayed renovations of the Governor's office.	Delayed project completion; potential for waste of resources.	Ensure all projects are completed within the stipulated time and budget.	<b>24,921,817</b>
Delayed Installation of	Ksh.4,126,029 spent on delayed	Delayed project	Ensure all projects are	<b>4,126,029</b>

**Table 3.45: Cumulative Fiduciary Risk for the County Executive of Kisii for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Metro Optical Cable at Governor's Office	installation of optical cable.	completion; potential for waste of resources.	completed within the stipulated time and budget.	
Irregular Procurement of Fuel	Ksh.1,749,804 spent on fuel through direct procurement without justification.	Non-compliance with procurement regulations; potential for inflated costs.	Ensure all procurements are conducted through competitive and transparent processes.	<b>1,749,804</b>
Irregular Acquisition of Software	Ksh.1,699,000 spent on software without perpetual license.	Lack of proper licensing; potential for additional costs.	Ensure all software acquisitions include perpetual licenses to avoid additional costs.	<b>1,699,000</b>
Funding of Unutilized Road	Ksh.977,524 spent on unutilized road.	Poor project management; lack of value for money.	Ensure all projects are utilized as intended to achieve value for money.	<b>977,524</b>
Lack of Title Deeds for Land Parcels Occupied by Projects	Ksh.22,699,014 spent on water projects without title deeds.	Lack of proper land ownership documentation; potential for legal disputes.	Ensure all land parcels used for projects have proper title deeds.	<b>22,699,014</b>
Failure to Remit Retirement Contributions	Ksh.1,605,562,651 owed to LAPFUND and Ksh.137,530,132 owed to CPF Financial Services.	Non-compliance with retirement contribution regulations; potential for legal liabilities.	Ensure all retirement contributions are remitted on time to avoid penalties and legal disputes.	<b>1,743,092,783</b>



**Table 3.45: Cumulative Fiduciary Risk for the County Executive of Kisii for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Irregularity in Security a Bank Loan	Ksh.751,850,064 obtained as a loan without proper approval.	Non-compliance with loan approval procedures; potential for financial strain.	Ensure all loans are properly approved and documented to avoid financial strain.	<b>751,850,064</b>
Sustainability of Climate Change Initiatives	Ksh.1,854,000 spent on tree planting without proper care.	Poor project management; lack of sustainability.	Ensure all climate change initiatives are properly managed and sustained.	<b>1,854,000</b>
Irregularities in Imprest Management	Ksh.96,872,664 spent on domestic travel and subsistence without proper imprest management.	Non-compliance with imprest management regulations; potential for misuse of funds.	Ensure all imprests are properly managed and accounted for.	<b>96,872,664</b>
Failure to Submit Financial Statements for Audit	Financial statements for Ogembo Municipality and sub-county hospitals not submitted for audit.	Non-compliance with audit requirements; potential for lack of accountability .	Ensure all financial statements are submitted for audit as required by law.	<b>N/A</b>
Weaknesses in Revenue Collection System	Manual invoicing and uncollected revenue of Ksh.546,132,152.	Inefficient revenue collection system; potential for revenue leakage.	Automate revenue collection systems to improve efficiency and accountability.	<b>546,132,152</b>
Weak Information Technology Internal Controls	Lack of IT continuity plans, disaster recovery plans, and security policies.	Weak IT controls; potential for data loss and	Implement robust IT controls, including continuity and	<b>N/A</b>

<b>Table 3.45: Cumulative Fiduciary Risk for the County Executive of Kisii for the Financial Year 2023/2024</b>				
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
		security breaches.	disaster recovery plans.	
Weaknesses in Internal Audit Function and Audit Committee	Internal audit function not adequately facilitated; audit committee not in place.	Weak internal audit function; potential for lack of oversight.	Strengthen the internal audit function and establish an audit committee to ensure proper oversight.	N/A
Lack of an Approved Staff Establishment and Organogram	No approved staff establishment or organogram.	Lack of proper organizational structure; potential for inefficiency.	Develop and approve a staff establishment and organogram to improve organizational efficiency.	N/A
Staff Acting Without Formal Appointment	Staff acting in positions without formal appointments.	Lack of proper appointment procedures; potential for favoritism.	Ensure all staff appointments are formalized and documented.	N/A
Adjustments in Supplementary Budget	Ksh.1,879,905,409 reallocated from capital development projects.	Non-compliance with budget reallocation procedures; potential for misallocation of funds.	Ensure all budget reallocations are properly justified and documented.	<b>1,879,905,409</b>
<b>Cumulative Fiduciary Risk Exposure Total</b>			<b>Ksh. 12,420,546,708</b>	

### **3.45 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF NYAMIRA**

**180** Analysis of the audit report for the County Executive of Nyamira for the FY 2023/2024 shows a cumulative total of **Ksh. 1,618,469,075** as the total financial exposure from fiduciary risks as shown in Table 3.46.



**Table 3.46: Cumulative Fiduciary Risk for the County Executive of Nyamira for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>
Compensation of Employees	Unexplained variances between bank remittances and payroll records.	Variance of Ksh.392,523,174 in employee remittances.	Ensure accurate payroll records and reconcile with bank statements.	392,523,174
Unsupported Expenditure	Irregular issuance of imprest for research studies without proper documentation.	Ksh.13,487,200 unsupported expenditure on research studies.	Strengthen internal controls on imprest issuance and ensure proper documentation.	13,487,200
Unsupported Cash and Cash Equivalents	Lack of supporting documents for bank balances.	Ksh.124,722,994 in 11 bank accounts unsupported.	Ensure proper documentation and reconciliation of bank accounts.	124,722,994
Undisclosed Pension Contributions	Unremitted pension contributions to LAPFUND.	Ksh.310,956,550 in unremitted pension contributions.	Remit all outstanding pension contributions and provide court judgment for audit.	310,956,550
Pending Bills	Long outstanding pending bills distorting the budget.	Ksh.776,779,157 in pending bills, including Ksh.191,936,374 from prior years.	Clear pending bills promptly to avoid budget distortions and interest costs.	776,779,157
Non-Compliance with Development Expenditure	Development expenditure below the required 30% threshold.	Only 25% of total expenditure on development, below the 30% legal requirement.	Ensure compliance with the 30% minimum development expenditure requirement.	N/A
Irregularities in Human Resource Management	Non-compliance with wage bill limits and ethnic	Wage bill at 53% of revenue, exceeding the 35% limit; 94%	Adhere to wage bill limits and ensure ethnic diversity in staff recruitment.	N/A

<b>Table 3.46: Cumulative Fiduciary Risk for the County Executive of Nyamira for the Financial Year 2023/2024</b>				
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>
	diversity requirements.	of staff from one ethnic group.		
Delayed Project Completion	Delays in completion of Nyamira County Headquarters, NCRH, Twin houses in motagara, Nyakeore, Kahawa and emenyenche.	Nyamira County Headquarters project delayed, with 61% of contract sum paid.	Improve project planning and feasibility studies to avoid delays.	N/A
Grounded Motor Vehicles	Lack of disposal plan for grounded vehicles.	74 grounded vehicles of undetermined value.	Prepare an annual disposal plan for unserviceable assets.	N/A
Failure to Hold Audit Committee Meetings	Audit committee meetings not held as required.	Only 2 audit committee meetings held, contrary to the requirement of quarterly meetings.	Ensure regular audit committee meetings to enhance oversight.	N/A
<b>Cumulative Fiduciary Risk Exposure Total</b>			<b>Ksh. 1,618,469,075</b>	

### **3.46 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF NAIROBI CITY**

**181** Analysis of the audit report for the County Executive of Nairobi City for the FY 2023/2024 shows a cumulative total of **Ksh. Ksh. 157,357,020,501** as the total financial exposure from fiduciary risks as shown in Table 3.47.

<b>Table 3.47: Cumulative Fiduciary Risk for the County Executive of Nairobi City for the Financial Year 2023/2024</b>				
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Inaccuracies in	Unexplained variance in	Variance of Ksh.839,933,289	Conduct a thorough	839,933,289



**Table 3.47: Cumulative Fiduciary Risk for the County Executive of Nairobi City for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Compensation of Employees	employee compensation and payroll discrepancies.	in basic salaries; 55% increase in compensation without explanation.	payroll audit and reconcile discrepancies.	
Discrepancies in Cash and Cash Equivalents	Unreconciled bank balances and missing cash books.	Unreconciled variances in bank accounts totalling Ksh.1,478,245,240; missing cash books for 11 bank accounts.	Ensure proper bank reconciliation and maintain accurate cash books.	<b>1,478,245,240</b>
Double Payments in Bank Statements	Instances of double payments to suppliers.	Double payments totalling Ksh.140,944,662; payments to multiple bank accounts for the same payee.	Implement controls to prevent duplicate payments and review payment processes.	<b>140,944,662</b>
Pending Accounts Payables	Misstatements and long-outstanding pending bills.	Pending bills totaling Ksh.118,794,238,631; some bills outstanding for over 10 years.	Develop a plan to settle pending bills and implement an ageing analysis system.	<b>118,794,238,631</b>
Irregular Payments to NMS Staff	Irregular payments to Nairobi Metropolitan Services (NMS) staff.	Ksh.146,277,985 paid to NMS staff outside the IPPD system; 2,499 employees recruited irregularly.	County government should comply the guideline on salary payment through IPPD and compliance with recruitment guidelines through CPSB.	<b>146,277,985</b>
Irregular Recruitment of County Staff	Recruitment of staff without proper documentation	3,834 staff recruited without proper documentation; some staff lacked	Ensure all recruitment processes comply with legal	-



**Table 3.47: Cumulative Fiduciary Risk for the County Executive of Nairobi City for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
	or qualifications.	required qualifications.	requirements and maintain proper records.	
Irregular Procurement of Services	Procurement of services without proper documentation or competitive bidding.	Ksh.40,883,960 spent on public participation and conference services without proper documentation.	Ensure all procurements follow competitive bidding processes and maintain proper records.	<b>40,883,960</b>
Irregular Hire of Heavy Machinery	Overpayment and unconfirmed work hours for hired machinery.	Overpayment of Ksh.6,562,063; no evidence of work hours for machinery hired at Dandora Dumpsite.	Conduct a needs assessment and ensure proper documentation of work hours.	<b>6,562,063</b>
Irregular Procurement of Garbage Skips	Procurement of garbage skips without market survey.	Ksh.51,600,000 spent on garbage skips without market survey; only 41 skips delivered.	Conduct market surveys before procurement and ensure timely delivery of goods.	<b>51,600,000</b>
Irregular Payment for Consultancy	Payment for consultancy services without proper documentation.	Ksh.4,999,999 paid for tourism policy development without proper tender documentation.	Ensure all consultancy services are procured through competitive bidding and maintain proper records.	<b>4,999,999</b>
Irregular Procurement of Construction	Irregular award of construction contracts and stalled projects.	Ksh.1,881,496,045 awarded for construction projects without proper advertisement; several projects stalled.	Ensure all construction contracts are awarded through competitive bidding and	<b>1,881,496,045</b>



**Table 3.47: Cumulative Fiduciary Risk for the County Executive of Nairobi City for the Financial Year 2023/2024**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
			monitor project progress.	
Irregular Procurement of Electrical Materials	Procurement of electrical materials without proper specifications.	Ksh.38,442,000 spent on electrical materials that did not meet specifications.	Ensure materials meet user specifications before procurement.	<b>38,442,000</b>
Irregular Procurement of Road Materials	Procurement of road materials without proper documentation.	Ksh.15,000,000 spent on quarry chips without proper delivery notes.	Ensure proper documentation for all road material procurements.	<b>15,000,000</b>
Irregular Procurement of Bitumen	Procurement of bitumen without competitive bidding.	Ksh.33,000,000 spent on bitumen without competitive bidding.	Ensure all procurements are conducted through competitive bidding.	<b>33,000,000</b>
Irregular Procurement of Events Management	Procurement of events management services without justification.	Ksh.49,955,400 spent on events management services without justification.	Ensure all events management services are procured through competitive bidding.	<b>49,955,400</b>
Irregular Payment of Legal Fees	Payment of legal fees without proper documentation.	Ksh.483,835,759 paid in legal fees without proper documentation.	Ensure all legal fees are properly documented and justified.	<b>483,835,759</b>
Irregular Procurement of Non-Pharmaceuticals	Procurement of non-pharmaceuticals without proper documentation.	Ksh.13,890,000 spent on non-pharmaceuticals without proper documentation.	Ensure all non-pharmaceutical procurements are properly documented.	<b>13,890,000</b>
Irregular Procurement of Fuel	Procurement of fuel without proper documentation.	Ksh.7,379,642 spent on fuel without proper documentation.	Ensure all fuel procurements are properly documented.	<b>7,379,642</b>

<b>Table 3.47: Cumulative Fiduciary Risk for the County Executive of Nairobi City for the Financial Year 2023/2024</b>				
<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Irregular Procurement of Affordable Housing	Irregular procurement of affordable housing projects.	Ksh.31,047,436,654 spent on affordable housing projects without proper documentation.	Ensure all housing projects are procured through competitive bidding and maintain proper records.	<b>31,047,436,654</b>
Stalled Projects	1. Desert Playground in California- ii. Construction of Social hall at Kahawa west iii. Other stalled projects valued at Kshs.2,282,899,172 -Contract period had lapsed and no extension request had been lodged by the contractor.	Ksh.2,282,899,172 worth of projects stalled.	Develop a plan to complete stalled projects and ensure proper project management.	<b>2,282,899,172</b>
<b>Cumulative Fiduciary Risk Exposure Total</b>			<b>Ksh. 157,357,020,501</b>	



## ANNEXURES

ANNEX 1: TOTAL CUMULATIVE FIDUCIARY RISK EXPOSURE FOR EACH COUNTY EXECUTIVE FOR THE FY 2023/24 IN KSH.		
County Code	County Name	Total Cumulative Fiduciary Risk Exposure in Ksh.
1	Mombasa	7,642,557,573
2	Kwale	6,555,394,768
3	Kilifi	12,104,461,668
4	Tana river	7,579,369,426
5	Lamu	14,548,918,017
6	Taita Taveta	2,084,257,583
7	Garissa	2,114,435,697
8	Wajir	3,357,000,000
9	Mandera	3,545,931,198
10	Marsabit	4,204,105,980
11	Isiolo	23,083,476,427
12	Meru	2,580,053,749
13	Tharaka Nithi	5,641,128,993
14	Embu	20,176,685,462
15	Kitui	9,586,502,301
16	Machakos	28,270,270,713
17	Makueni	2,719,625,674
18	Nyandarua	6,790,678,446
19	Nyeri	8,102,802,799
20	Kirinyaga	5187617420
21	Murang'a	6,710,110,671
22	Kiambu	15,221,734,203
23	Turkana	4,743,672,458

ANNEX 1: TOTAL CUMULATIVE FIDUCIARY RISK EXPOSURE FOR EACH COUNTY EXECUTIVE FOR THE FY 2023/24 IN KSH.		
County Code	County Name	Total Cumulative Fiduciary Risk Exposure in Ksh.
24	West Pokot	3,550,990,949
25	Samburu	3,584,984,925
26	Trans Nzoia	2,471,157,610
27	Uasin Gishu	1,256,596,771
28	Elgeyo Marakwet	6,307,035,710
29	Nandi	2,545,178,560
30	Baringo	2,421,076,803
31	Laikipia	5,507,847,900
32	Nakuru	16048243665
33	Narok	3,160,381,931
34	Kajiado	22,650,343,688
35	Kericho	6,796,834,267
36	Bomet	2,511,781,153
37	Kakamega	41,522,700,392
38	Vihiga	3,406,078,808
39	Bungoma	5,831,873,351
40	Busia	6,255,000,000
41	Siaya	3,472,009,619
42	Kisumu	15,099,856,271
43	Homa Bay	2,217,831,804
44	Migori	2104511193
45	Kisii	12,420,546,708
46	Nyamira	1,618,469,075
47	Nairobi	157,357,020,501
<b>Totals</b>		<b>532,669,142,880</b>



**ANNEX 2: SUMMARY OF FIDUCIARY RISK EXPOSURE ON SELECT AUDIT ISSUES FOR COUNTY EXECUTIVES FOR THE  
FY 2023/24 IN KSH.**

Counties	Unsupported Expenditure	Irregular Expenditure	Unaccounted Expenditure	Unbudgeted Expenditure/excesses	Nugatory Expenditure	Imprest	Unbanked Revenue	Stalled Project	Value for Money	Unremitted Deductions	Contingent liability	Wasteful expenditure	Total
Baringo	49,248,800	56,378,186						20,846,989	564,902,907				691,376,882
Bomet		413,288,107		55,725,410	28,183,617			2,243,910	467,411,586				966,852,630
Bungoma	21,594,790	300,365,500							114,915,997	566,828,951			1,003,705,238
Busia	43,357,942	8,546,000				1,343,500		17,057,955	242,138,599				312,443,996
Elgeyo Marakwet	2,730,778			390,259,731	23,175,940			2,400,000	153,097,456				571,663,905
Embu	3,000,000			448,829,291	4,460,971	12,774,887		49,703,439	1,999,004	431,803,980			952,571,572
Garissa	68,054,773	3,050,000			19,496,178			58,691,740	219,827,435				369,120,126

ANNEX 2: SUMMARY OF FIDUCIARY RISK EXPOSURE ON SELECT AUDIT ISSUES FOR COUNTY EXECUTIVES FOR THE FY 2023/24 IN KSH.													
Counties	Unsupported Expenditure	Irregular Expenditure	Unaccounted Expenditure	Unbudgeted Expenditure/excesses	Nugatory Expenditure	Imprest	Unbanked Revenue	Stalled Project	Value for Money	Unremitted Deductions	Contingent liability	Wasteful expenditure	Total
Homa Bay	13,193,015	9,052,700			6,650,000			3,523,481	74,212,711				106,631,907
Isiolo	32,955,140	50,235,500	17,448,400	-	-	-	-	412,019,648	400,439,113				913,097,801
Kajiado	5,621,276	119,918,772							45,390,885				170,930,933
Kakamega	53,759,174					18,325,045		3,149,921,423	329,800,311				3,551,805,953
Kericho	67,496,553								209,533,122				277,029,675
Kiambu	7,235,122	746,644,408	-	-	414,879,815	-	-	-	22,541,905	-	517,322,175	19,349,095	1,727,972,520
Kilifi	888,641,649	394,953,072	-	-	-	90,140,166	-	-	33,499,810	-			1,407,234,697
Kirinyaga	3,778,000	139,676,462	-	-	-	-	-	-	564,490,217	-			707,944,679



**ANNEX 2: SUMMARY OF FIDUCIARY RISK EXPOSURE ON SELECT AUDIT ISSUES FOR COUNTY EXECUTIVES FOR THE  
FY 2023/24 IN KSH.**

Counties	Unsupported Expenditure	Irregular Expenditure	Unaccounted Expenditure	Unbudgeted Expenditure/excesses	Nugatory Expenditure	Imprest	Unbanked Revenue	Stalled Project	Value for Money	Unremitted Deductions	Contingent liability	Wasteful expenditure	Total
Kisii	92,759,029	113,076,575			1,709,797,627	5,151,666			13,574,856	27,024,835			1,961,384,588
Kisumu	48,648,334	78,848,512							10,880,291			3,000,000	141,377,137
Kitui		110,332,992					3,794,256		197,888,241	6,673,380			318,688,869
Kwale	3,233,328	116,151,685							95,308,265				214,693,278
Laikipia	20,250,408	10,575,060		17,317,623						105,055,570			153,198,661
Lamu	-	347,738,734	-	-	-	-	-	43,067,292	103,339,435	-			494,145,461
Machakos	211,046,660	29,237,955						314,262,161	16,404,804				570,951,580
Makueni		3,600,000						67,973,897	105,242,396				176,816,293
Mandera	1,104,719,605	92,862,921							22,000,000				1,219,582,526

**ANNEX 2: SUMMARY OF FIDUCIARY RISK EXPOSURE ON SELECT AUDIT ISSUES FOR COUNTY EXECUTIVES FOR THE  
FY 2023/24 IN KSH.**

Counties	Unsupp orted Expendi ture	Irregula r Expendi ture	Unacco unted Expendi ture	Unbudge ted Expendit ure/exces s	Nugator y Expendi ture	Impres t	Unba nked Reve nue	Stalled Project	Value for Money	Unrem itted Deducti ons	Contin gent liabilit y	Wastef ul expend iture	Total
Marsab it	599,855, 953	392,731, 349	-	-	-	-	-	-	666,511, 816	-		3,399,4 84	1,662,49 8,602
Meru	1,700,00 0	2,390,00 0						36,886,1 05			756,75 7,420	2,500,5 00	800,234, 025
Migori	191,595, 218	5,000,00 0							108,366, 252				304,961, 470
Momb asa	20,193,7 30	-	-	-	69,818,1 55	25,797, 432	-	-	18,000,0 00	-			133,809, 317
Muran g'a	631,884					2,794,5 75			1,839,22 2				5,265,68 1
Nairobi City	31,747,2 37	32,580,2 50,673		12,373,47 2,846	190,792, 573			2,324,28 4,219	542,583, 600	3,098,56 8,562			51,141,6 99,710
Nakuru	135,527, 590	51,609,6 62							440,432, 013				627,569, 265
Nandi	263,123, 996	500,480, 222	3,300,00 0	-	-	6,294,7 45	-	-	102,244, 601	18,793,0 83			894,236, 647
Narok	140,190, 414	163,154, 849		639,546,2 37	1,790,32 3,295					134,981, 919			2,868,19 6,714
Nyami ra	14,740,0 00	-	-	-	199,369, 538	-	-	-	409,930, 154	111,587, 011			735,626, 703



**ANNEX 2: SUMMARY OF FIDUCIARY RISK EXPOSURE ON SELECT AUDIT ISSUES FOR COUNTY EXECUTIVES FOR THE  
FY 2023/24 IN KSH.**

Counties	Unsupported Expenditure	Irregular Expenditure	Unaccounted Expenditure	Unbudgeted Expenditure/excesses	Nugatory Expenditure	Imprest	Unbanked Revenue	Stalled Project	Value for Money	Unremitted Deductions	Contingent liability	Wasteful expenditure	Total
Nyandarua	-	267,135,515	-	-	64,392,576	-	-	339,836,213	35,526,100	-		7,200,447	714,090,851
Nyeri		8,000,000							39,729,202	7,736,275			55,465,477
Samburu	194,397,084	880,820,681	-	-	-	39,270,626	-	-	255,849,734	70,346,146			1,440,684,271
Siaya		78,155,223	3,360,000		3,600,000	5,307,721			1,336,721				91,759,665
Taita Taveta	35,486,153								41,992,180				77,478,333
Tana river	74,791,887	213,751,469	37,519,432	-	175,774,713	10,066,200	-	1,682,696	392,060,553	-			905,646,950
Tharaka Nithi	-	-	76,734,652	-	-	-	-	-	708,993,774	-			785,728,426
Trans Nzoia					943,241				32,730,332	923,644,572			957,318,145
Turkana						85,093,020		640,047,602	56,713,710				781,854,332
Uasin Gishu	414,338,213	96,637,745	-	-	-	-	-	14,539,711	1,060,576,391	-			1,586,092,060

**ANNEX 2: SUMMARY OF FIDUCIARY RISK EXPOSURE ON SELECT AUDIT ISSUES FOR COUNTY EXECUTIVES FOR THE  
FY 2023/24 IN KSH.**

Counties	Unsupp orted Expendi ture	Irregula r Expendi ture	Unacco unted Expendi ture	Unbudge ted Expendit ure/exces s	Nugator y Expendi ture	Impres t	Unba nked Reve nue	Stalled Project	Value for Money	Unrem itted Deducti ons	Conti nent liabilit y	Wastef ul expend iture	Total
Vihiga		35,675,614				16,638,638			525,513,763				577,828,015
Wajir	109,461,159	664,837,218	18,976,140	-	-	-	-	-	95,455,794	-			888,730,311
West Pokot								92,038,578	23,532,775				115,571,353
<b>Totals</b>	<b>4,969,104,894</b>	<b>39,085,163,361</b>	<b>157,338,624</b>	<b>13,925,151,138</b>	<b>4,701,658,239</b>	<b>318,998,221</b>	<b>3,794,256</b>	<b>7,591,027,059</b>	<b>9,568,758,033</b>	<b>5,503,044,284</b>	<b>1,274,079,595</b>	<b>35,449,526</b>	<b>87,133,567,230</b>



ANNEX 3: STOCK OF PENDING BILLS FOR COUNTY EXECUTIVES AS AT THE END OF THE FY 2023/24 IN KSH.				
S/No	County	Recurrent	Development	Total
1	Nairobi	112,563,910,799	5,751,842,791	118,315,753,590
2	Kiambu	4,069,015,330	2,318,872,476	6,387,887,806
3	Mombasa	2,738,362,340	1,702,209,902	4,440,572,242
4	Machakos	1,730,056,963	2,388,349,707	4,118,406,670
5	Bungoma	1,978,302,057	1,528,214,428	3,506,516,486
6	Kisumu	1,661,420,756	1,340,669,158	3,002,089,914
7	Kajiado	890,814,132	1,455,782,205	2,346,596,337
8	Wajir	1,322,376,590	1,007,941,081	2,330,317,671
9	Kisii	485,084,888	1,828,433,549	2,313,518,437
10	Mandera	-	2,226,355,164	2,226,355,164
11	Kwale	1,117,867,909	1,015,720,218	2,133,588,127
12	Tana River	1,170,296,619	951,046,432	2,121,343,051
13	Embu	923,910,054	888,655,736	1,812,565,790
14	Kakamega	543,846,663	1,109,793,717	1,653,640,381
15	Laikipia	883,462,160	760,607,838	1,644,069,998
16	Taita-Taveta	921,955,832	708,347,293	1,630,303,125
17	Vihiga	577,909,066	888,370,981	1,466,280,047
18	Busia	1,310,232,841	110,359,586	1,420,592,427
19	Murang'a	1,183,396,100	205,092,392	1,388,488,492
20	Trans Nzoia	483,133,403	799,226,738	1,282,360,141
21	Kilifi	620,073,974	586,137,042	1,206,211,016
22	Kericho	181,301,858	953,411,837	1,134,713,695
23	Isiolo	671,996,503	437,765,312	1,109,761,816
24	Nakuru	966,040,527	55,227,446	1,021,267,973

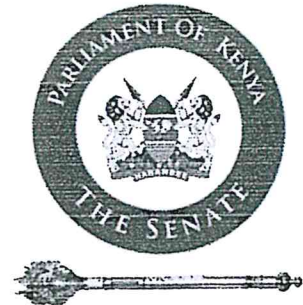
ANNEX 3: STOCK OF PENDING BILLS FOR COUNTY EXECUTIVES AS AT THE END OF THE FY 2023/24 IN KSH.				
S/No	County	Recurrent	Development	Total
25	Narok	-	764,639,834	764,639,834
26	Turkana	7,555,965	742,302,496	749,858,462
27	Migori	360,712,911	379,244,575	739,957,485
28	Marsabit	-	700,000,000	700,000,000
29	Uasin Gishu	250,098,396	449,140,094	699,238,490
30	Homa Bay	93,107,438	600,604,237	693,711,674
31	Tharaka-Nithi	408,829,599	218,502,579	627,332,178
32	Meru	133,999,742	452,824,205	586,823,947
33	Kirinyaga	415,041,433	166,204,622	581,246,055
34	Makueni	364,448,192	170,410,250	534,858,442
35	West Pokot	335,407,919	168,037,969	503,445,888
36	Bomet	88,008,922	360,758,925	448,767,847
37	Kitui	100,133,497	293,843,290	393,976,787
38	Garissa	17,031,929	360,167,253	377,199,182
39	Baringo	243,387,349	125,863,182	369,250,531
40	Siaya	202,659,007	101,250,773	303,909,780
41	Nyandarua	79,081,025	158,447,942	237,528,967
42	Samburu	84,901,048	126,077,450	210,978,498
43	Nandi*	96,463,404	81,506,757	177,970,161
44	Nyamira	43,333,294	62,718,867	106,052,161
45	Lamu	21,198,181	18,336,383	39,534,564
46	Nyeri	1,986,059	5,406,954	7,393,013
47	Elgeyo-Marakwet	1,492,200		1,492,200
<b>Total</b>		<b>142,343,644,874</b>	<b>37,524,721,666</b>	<b><u>179,868,366,542</u></b>



ANNEX 4: COUNTY GOVERNMENT WITH HIGH WAGE BILL BEYOND STATUTORY THRESHOLD OF 35% TO TOTAL REVENUE		
S/No	Counties	Percentage (%)
1	Mombasa	57
2	Lamu	39
3	Taita Taveta	52
4	Garissa	49
5	Mandera	38
6	Marsabit	44
7	Isiolo	46
8	Meru	50
9	Tharaka- Nithi	50
10	Embu	41
11	Kitui	38
12	Machakos	52
13	Makueni	46
14	Nyandarua	43
15	Nyeri	55
16	Kirinyaga	49
17	Murang'a	54
18	West Pokot	44
19	Samburu	41
20	Trans Nzoia	37

ANNEX 4: COUNTY GOVERNMENT WITH HIGH WAGE BILL BEYOND STATUTORY THRESHOLD OF 35% TO TOTAL REVENUE		
S/No	Counties	Percentage (%)
21	Elgeyo- Marakwet	55
22	Baringo	48
23	Laikipia	55
24	Kajiado	41
25	Kericho	50
26	Bomet	50
27	Kakamega	45
28	Vihiga	48
29	Bungoma	47
30	Busia	39
31	Kisumu	52
32	Homa Bay	53
33	Migori	38
34	Kisii	60
35	Nyamira	53
36	Nairobi	56





### **13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION**

**MINUTES OF THE EIGHTH SITTING OF THE COUNTY PUBLIC ACCOUNTS COMMITTEE WITH THE COUNTY EXECUTIVE OF NYAMIRA TO CONSIDER REPORTS OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE COUNTY EXECUTIVE OF NYAMIRA COUNTY EXECUTIVE FOR FINANCIAL YEAR 2023/2024, THE RECEIVER OF REVENUE STATEMENT AND THE COUNTY REVENUE FUND FOR FINANCIAL YEAR 2023/2024 HELD ON WEDNESDAY, 26<sup>TH</sup> MARCH, 2025 AT COMMITTEE ROOM 9, SECOND FLOOR, BUNGE TOWER AT 9.00 A.M.**

#### **PRESENT**

- |   |                    |
|---|--------------------|
| 1. Sen. Moses Otieno Kajwang', CBS, MP  | - Chairperson      |
| 2. Sen. Johnes Mwashushe Mwaruma, MP    | - Vice Chairperson |
| 3. Sen. Fatuma Adan Dullo, CBS, MP      | - Member           |
| 4. Sen. Okong'o Mogeni, CBS, SC, MP     | - Member           |
| 5. Sen. (Dr.) Lelegwe Ltumbesi, CBS, MP | - Member           |
| 6. Sen. Enoch Kiio Wambua, CBS, MP      | - Member           |
| 7. Sen. Mwenda Gataya Mo Fire, CBS, MP  | - Member           |
| 8. Sen. Edwin Watenya Sifuna, CBS, MP   | - Member           |

#### **ABSENT WITH APOLOGY**

- |  |          |
|--|----------|
| 1. Sen. Samson Kiprotich Cherarkey, MP | - Member |
|--|----------|

#### **SECRETARIAT**

- |                                   |  |
|-----------------------------------|--|
| 1. Mr. Fredick Muthengi<br>Office | - Deputy Director Parliamentary Budget |
| 2. Mr. Joash Kosiba               | - Chief fiscal analysts                |
| 3. Mr. George Otieno              | - Principal Clerk Assistant II         |
| 4. Mr. Crispus Tima               | - Clerk Assistant I                    |
| 5. Mr. David Angwenyi             | - Clerk Assistant I                    |
| 6. Mr. Malcom Ngugi               | - Legal Counsel                        |
| 7. Mr. Osman Mohamed              | - Researcher                           |
| 8. Ms. Joan Mahinda               | - Researcher                           |
| 9. Ms. Annette Khayela            | - Researcher                           |
| 10. Mr. Salat Hussein             | - Fiscal analysts                      |
| 11. Mr. Willian Zenton            | - Audio Officer                        |





- |                        |                    |
|------------------------|--------------------|
| 12. Mr. John Chege     | - Serjeant-at-arms |
| 13. Ms. Emily Murabula | - Intern           |

## **IN ATTENDANCE**

### **A. COUNTY GOVERNMENT OF NYAMIRA**

- |                      |                         |
|----------------------|-------------------------|
| 1. Hon. Amos Nyaribo | - Governor              |
| 2. Mr. Jones Omwenga | - CECM-Finance          |
| 3. Mr. Steven Oboso  | - CECM-Lands            |
| 4. Dr. Mogui Donald  | - CECM-Health           |
| 5. Mr. Erastus Orina | - County Attorney       |
| 6. Dr. Asmath Maobe  | - Chief Officer Finance |
| 7. Mr. Harbert Obegi | - Senior Accountant     |
| 8. Ms. Rael Nyandika | - Senior Accountant     |
| 9. Mr. Aloys Matara  | - Accountant            |
| 10. Mr. Misati Amos  | - SCMO-Finance          |

### **B. COUNTY ASSEMBLY OF NYAMIRA**

- |                       |       |
|-----------------------|-------|
| 1. Hon. Josiah Magoma | - MCA |
| 2. Hon. Miinda Riechi | - MCA |
| 3. Hon. Cheloo Kegwa  | - MCA |
| 4. Hon. James Matinda | - MCA |

### **C. OFFICE OF THE AUDITOR GENERAL**

- |                        |                         |
|------------------------|-------------------------|
| 1. Mr. Francis Kaboi   | - Deputy Director-OAG   |
| 2. Mr. Joseph Irungu   | - Principal Auditor-OAG |
| 3. Mr. Patrick Muriuki | - Liaison Officer-OAG   |

### **D. OFFICE OF THE CONTROLLER OF BUDGET**

- |                         |                  |
|-------------------------|------------------|
| 1. Mr. Gilbert Gachanja | -Liaison Officer |
|-------------------------|------------------|

### **E. OFFICE OF THE ETHICS AND ANTI-CORRUPTION COMMISSION**

- |                        |                  |
|------------------------|------------------|
| 1. Ms. Patricia Chebet | -Liaison Officer |
|------------------------|------------------|

## **MIN. NO. SEN/CPAC/042/2025 PRAYER**

The meeting was called to order by the Chairperson at thirty minutes past nine O'clock followed by a word of prayer.

## **MIN. NO. SEN/CPAC/043/2025 ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. Edwin Watenya Sifuna, CBS, MP and seconded by Sen. Fatuma Adan Dullo, CBS, MP, as follows –

1. Prayer.
2. Adoption of Agenda.





3. Confirmation of Minutes of previous Meetings.
4. Matters arising from Minutes of previous Meetings.
5. Introductions.
6. Administration of Oath of Witness and Tabling of Documents;
7. Preliminaries;
8. Consideration and Adoption of Reports for the forty-Seven (47) County Executives and forty-seven (47) County Assemblies;
9. Brief on the Audit Report of the Financial Statements of the County Executive of Nyamira for Financial Year 2023/2024 (*Committee Paper No. 012*).
10. Meeting with County Executive of Nyamira to consider Reports of the Auditor-General on the Financial Statements of the Nyamira County Executive for Financial Year 2023/2024, the Receiver of Revenue Statement and the County Revenue Fund for Financial Year 2023/2024.
11. Any Other Business.
12. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPAC/044/2025                      ADMINISTRATION OF OATH OF  
WITNESS AND TABLING OF  
DOCUMENTS**

The Governor of Nyamira County took Oath of Witness and tabled the Management responses and supporting documents for the Nyamira County Executive for Financial Year 2023/2024, the Receiver of Revenue Statement and the County Revenue Fund for Financial Year 2023/2024.

**MIN. NO. SEN/CPAC/045/2025                      CONFIRMATION OF MINUTES**

The Committee confirmed the following sets of minutes-

- i) The Minutes of the Fifth Sitting held on Monday, 17<sup>th</sup> March, 2025; were confirmed as a true record of the proceedings and signed by the Chairperson after being proposed by Sen. Johnes Mwashushe Mwaruma, MP and seconded by Sen. Sen. (Dr.) Lelegwe Ltumbesi, CBS, MP.
- ii) The Minutes of the Sixth Sitting held on Tuesday, 18<sup>th</sup> March, 2025; were confirmed as a true record of the proceedings and signed by the Chairperson after being proposed by Sen. (Dr.) Lelegwe Ltumbesi, CBS, MP and seconded by Sen. Fatuma Adan Dullo, CBS, MP.
- iii) The Minutes of the Seventh Sitting held on Monday, 24<sup>th</sup> November, 2024; were confirmed as a true record of the proceedings and signed by the Chairperson after being proposed by Sen. Johnes Mwashushe Mwaruma, MP and seconded by Sen. Enoch Kiio Wambua, CBS, MP.

Members raised concern on the format of drafting the Minutes and the way  
interrogated  
issues were being captured in the Minutes.





The Committee directed, the secretariate to have a standard way of drafting the minutes and on the how issues interrogated are being captured.

**MIN. NO. SEN/CPAC/046/2025                      MATTERS ARISING FROM THE PREVIOUS MINUTES**

There was no matter arising from Minutes of previous Meetings.

**MIN. NO. SEN/CPAC/047/2025 PRELIMINARIES**

In the preliminary, the Clerk informed the Committee that, the secretariate had prepared for consideration by the Committee Forty-Seven (47) reports of the County Executives and forty-seven (47) reports of the County Assemblies from various Counties, noting that some Counties had submitted their management responses beyond the timelines stipulated in the invitation letters.

Upon deliberations, the Committee resolved to invoke Article 125 of the Constitution and Section 18 and 20 of the Parliamentary Powers and Privileges Act, Cap 6, that empower the Senate and any of its Committees to summon any person to appear before it for purpose of giving evidence or providing information.

**MIN. NO. SEN/CPAC/048/2025                      CONSIDERATION AND ADOPTION OF REPORTS FOR THE FORTY-SEVEN (47) COUNTY EXECUTIVES AND FORTY-SEVEN (47) COUNTY ASSEMBLIES**

The Committee considered and adopted the report of the County Public Accounts Committee on the Assessment of Risk Exposure on County Executive on County Executives for the financial year 2023/2024 having been proposed by Sen. Enoch Kiio Wambua, CBS, MP and seconded by Sen. Okong'o Mogeni, CBS, SC, MP.

Further, the Committee considered and adopted its Report on the Report of the Auditor

General for the forty-Seven (47) County Executives and forty-seven (47) County Assemblies having been proposed by Sen. Enoch Kiio Wambua, CBS, MP and seconded by Sen. Okong'o Mogeni, CBS, SC, MP.

The Committee directed the secretariat to incorporate the amendments given by the members of the Committee and present the aforementioned reports for Tabling in the House.

**MIN. NO. SEN/CPAC/049/2025                      MEETING WITH COUNTY EXECUTIVE OF NYAMIRA TO CONSIDER REPORTS OF THE AUDITOR-GENERAL ON THE**





**NYAMIRA COUNTY EXECUTIVE FOR  
FINANCIAL YEAR 2023/2024, THE  
RECEIVER OF REVENUE STATEMENT  
AND THE COUNTY REVENUE FUND FOR  
FINANCIAL YEAR 2023/2024**

The Committee considered and noted the contents of Committee Paper No. 12 (*Meeting with the County Executive of Nyamira*).

The Auditors from the hub raised concern, informing the Committee that management responses were submitted late; hence they were not ready to proceed and guide the Committee.

The Committee displayed its displeasure owing to the fact the management responses were submitted to auditor, the very day the Governor was meant to appear before the Committee.

Consequently, the Committee was informed that the County Assembly has not been able to consider the Auditor-General Reports, noting that the management responses were sort by the County Assembly, but were not submitted as sort.

After deliberations the Committee resolved to-

- i) Reschedule the meeting to a later date that will be communicated to the Governor in due course to respond to the audit issues raised in the aforementioned reports.
- ii) Do a special inquiry on the Governance of Nyamira, and confirm whether the approvals were done within the law.
- iii) The Office of the Auditor-General to undertake a special audit on the financial statements of the Reports of the Auditor-General on the Financial Statements of the Nyamira County Executive for Financial Year 2023/2024, the Receiver of Revenue Statement and the County Revenue Fund for Financial Year 2023/2024.
- iv) The Committee further directed the management to resubmit the management responses that are clear, legible with no ambiguity to the auditor and Senate.

The Committee urged the County executive and the County Assembly of Nyamira to come together and provide leadership in working towards achieving a common goal aimed at improving the lives of the people of Nyamira County.

**MIN. NO. SEN/CPAC/050/2025      ANY OTHER BUSINESS**

The Chairperson, thanked the Secretariate for burning the midnight oil in seeing the exercise of drafting these reports come true. Further, the Chairperson also thanked the technical team led by the Office of the Auditor-General, the Ethics and Anti-Corruption Commission and the National Treasury for their input in fine tuning the final drafts of the reports.





MIN. NO. SEN/CPAC/051/2025

DATE OF NEXT MEETING &  
ADJOURNMENT

The Chairperson adjourned the meeting at thirty minutes past six o'clock in the evening. The next meeting would be on notice.

SIGNED: .....

DATE: .....

26 March 2025

(CHAIRPERSON: SEN. KAJWANG' MOSES OTIENO, CBS, MP.)

