

**Table 3.14: Cumulative Fiduciary Risk for the County Executive of Embu 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>
	successful candidates' list.		of the payroll to verify the legitimacy of all employees.	
<b>Outstanding Imprest</b>	Outstanding imprest of Ksh.12,774,887 issued between July 2023 and June 2024, not surrendered within the required 7 working days.	Failure to account for imprest, leading to potential misuse of public funds.	Ensure all imprest is accounted for within the stipulated time frame. Implement stricter controls over the issuance and surrender of imprest.	<b>12,774,887</b>
<b>Incomplete Renovation Works at Manyatta Market</b>	Renovation works at Manyatta Market incomplete, with substandard materials and lack of proper documentation for variations.	Poor workmanship and lack of proper project oversight, leading to incomplete and substandard projects.	Ensure proper project oversight and quality control. Require contractors to adhere to project specifications and provide proper documentation for any variations.	<b>1,999,004</b>
<b>Unutilized Milk Cooler Shed</b>	Milk cooler shed constructed at Mbui Njeru not in use, with no project signboard or evidence of utilization.	Lack of utilization of completed projects, leading to wastage of public funds.	Ensure all completed projects are put to use and properly maintained. Conduct regular inspections to verify the utilization of projects.	<b>1,495,650</b>
<b>Irregular Implementation of</b>	Expenditure of Ksh. 2,965,321 on projects	Lack of proper agreements for shared services,	Ensure all shared services with the National	<b>2,965,321</b>

**Table 3.14: Cumulative Fiduciary Risk for the County Executive of Embu 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>
National Government Functions	implemented by the National Government without partnership agreements.	leading to potential legal and financial risks.	Government are supported by proper partnership agreements. Align county projects with national policies and standards.	
Anomalies in Presentation of Financial Statements	Financial statements not presented in accordance with IPSAS and PSASB templates, lacking details on engagement with County Assembly and Senate.	Lack of transparency and compliance with financial reporting standards.	Ensure financial statements are prepared in accordance with IPSAS and PSASB templates. Provide detailed information on engagement with oversight bodies.	N/A
<b>Total Cumulative Fiduciary Risk Exposure</b>				<b>Ksh. 20,176,685,462</b>

### **3.15 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF KITUI**

**150** Analysis of the audit report for the County Executive of Kitui for the FY 2023/2024 shows a cumulative total of **Ksh. 9,586,502,301** as the total financial exposure from fiduciary risks as shown in Table 3.15.

**Table 3.15: Cumulative Fiduciary Risk for the County Executive of Kitui 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>Unreconciled Cash and Cash Equivalents</b>	Cash and cash equivalents balance of Ksh. 670,054,589 has unreconciled items.	Unpresented cheques and receipts not recorded in bank statements totaling Ksh.	Ensure proper reconciliation of cash and bank balances. Implement strict cut-off	<b>1,493,983,181</b>

**Table 3.15: Cumulative Fiduciary Risk for the County Executive of Kitui 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>
		749,570,308 and Ksh. 744,412,873 respectively.	procedures for financial reporting.	
<b>Unconfirmed Revenue</b>	Miscellaneous receipts of Ksh. 3,111,155,760 not fully confirmed.	Unbanked revenue of Ksh. 3,794,256 and outstanding property rates of Ksh. 1,098,129,827 not collected.	Strengthen revenue collection systems and ensure all revenue is banked promptly. Conduct regular audits of revenue collection processes.	<b>1,101,924,083</b>
<b>Variances in Financial Statements</b>	Variances between financial statements and IFMIS balances.	Significant variances in transfers to other government entities (Ksh. 356,290,154) and other grants and transfers (Ksh. 356,290,154).	Reconcile financial statements with IFMIS data. Ensure accurate recording and reporting of financial transactions.	<b>712,580,308</b>
<b>Pending Accounts Payables</b>	Pending bills of Ksh. 861,319,545 not settled.	Bills not settled as a first charge in the subsequent year. Failure to settle bills distorts financial statements and affects budgetary provisions.	Prioritize settlement of pending bills as a first charge.	<b>861,319,545</b>
<b>Stalled Projects</b>	Stalled projects, including Kabati	Projects worth Ksh.	Monitor project implementation	<b>410,783,058</b>

**Table 3.15: Cumulative Fiduciary Risk for the County Executive of Kitui 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>
	Slaughterhouse (Ksh.4.4 M), maternity ward at KCRH(Ksh.242.8 M), X-ray building (Ksh.2.2M) and oxygen plant at KCRH(Ksh.14.5M )	404,585,303 stalled, with contractors abandoning sites. Kabati Slaughterhouse not operational despite payment of Ksh. 6,197,755.	closely. Ensure contractors deliver as per contract terms. Take legal action against non-performing contractors.	
<b>Non-Compliance with Fiscal Responsibility</b>	Wage bill at 38% of total revenue, exceeding the 35% limit.	Compensation of employees at Ksh. 5,002,692,126 (38% of total revenue). Non-compliance with fiscal responsibility regulations.	Reduce wage bill to within the 35% threshold. Implement staff rationalization and optimize staffing levels.	<b>5,002,692,126</b>
<b>Non-Compliance with Ethnic Diversity</b>	91% of employees from the dominant ethnic community.	5,061 out of 5,568 employees from the dominant ethnic group, violating the National Cohesion and Integration Act, 2008.	Ensure compliance with ethnic diversity requirements. Recruit staff from diverse ethnic backgrounds to meet the 30% threshold.	-
<b>Irregular Payments to Council of Governors</b>	Ksh. 3,220,000 paid to the Council of Governors.	Payment made without legal framework, contrary to the Intergovernmental Relations Act, 2012.	Cease irregular payments to the Council of Governors. Ensure all payments are supported by legal frameworks and approvals.	<b>3,220,000</b>
<b>Understaffing in</b>	Internal audit function	Lack of adequate	Recruit additional	-

**Table 3.15: Cumulative Fiduciary Risk for the County Executive of Kitui 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>Internal Audit</b>	understaffed with only 10 out of 23 required staff.	internal audit staff affects the effectiveness of internal controls and governance.	internal audit staff to meet the approved establishment. Strengthen internal audit functions to ensure compliance and accountability.	
<b>Weak Asset Management</b>	Lack of proper asset management, including unregistered vehicles and untagged assets.	Motor vehicles and other assets not properly registered or tagged, leading to risks of loss or misappropriation.	Update the asset register and ensure all assets are tagged and properly recorded. Implement a disposal plan for unserviceable assets.	-
<b>Total Cumulative Fiduciary Risk Exposure</b>				<b>Ksh. 9,586,502,301</b>

### **3.16 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF MACHAKOS**

**151** Analysis of the audit report for the County Executive of Machakos for the FY 2023/2024 shows a cumulative total of **Ksh. 28,270,270,713** as the total financial exposure from fiduciary risks as shown in Table 3.16.

**Table 3.16: Cumulative Fiduciary Risk for the County Executive of Machakos 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>Variances in Financial Statements</b>	Unreconciled variances between financial statements and IFMIS balances,	- Unexplained variances in transfers, grants, and expenditures. - Lack of reconciliations provided for audit.	- Ensure proper reconciliation of financial statements with IFMIS. - Provide detailed	<b>1,605,460,343</b>

**Table 3.16: Cumulative Fiduciary Risk for the County Executive of Machakos 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>
	including transfers, grants, and other expenditures.		explanations for variances.	
<b>Unsupported Use of Goods and Services</b>	Payments for goods and services without supporting documentation.	- Ksh. 117,301,735 in payments lacked supporting vouchers.	- Ensure all payments are supported by proper documentation. - Strengthen internal controls over expenditure verification.	<b>117,301,735</b>
<b>Unsupported Acquisition of Assets</b>	Payments for assets (e.g., seeds, breeding stock) without proper documentation.	- Ksh. 54,936,968 in payments for assets lacked supporting documents.	- Ensure all asset acquisitions are properly documented. - Conduct regular audits of asset purchases.	<b>54,936,968</b>
<b>Variances in Legal Expenses</b>	Unreconciled legal fees and pending bills.	- Ksh. 20,524,998 variance in legal fees. - Lack of case files to support payments.	- Reconcile legal fees and provide supporting case files. - Ensure proper documentation for all legal expenses.	<b>20,524,998</b>
<b>Pending Bills</b>	Unsettled pending bills totaling Ksh. 5,540,163,283, including recurrent and development expenditures.	- Bills not settled as first charge in subsequent years. - Lack of evidence for bill settlements.	- Prioritize settlement of pending bills as first charge. - Maintain updated creditors' ledgers.	<b>5,540,163,283</b>
<b>Non-Compliance with Fiscal Responsibility</b>	Wage bill exceeds 35% of total revenue (52% of total receipts).	- Wage bill at Ksh. 5,959,269,959 exceeds the 35% threshold.	- Reduce wage bill to comply with fiscal responsibility regulations. - Implement measures to	<b>5,959,269,959</b>

**Table 3.16: Cumulative Fiduciary Risk for the County Executive of Machakos 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>
			optimize staffing levels.	
<b>Irregular Payments to Council of Governors</b>	Payment of Ksh. 3,220,000 to the Council of Governors without legal framework.	- Payments made without proper legal basis or supporting documents.	- Cease payments to the Council of Governors unless legally mandated. - Ensure all payments are supported by legal frameworks.	<b>3,220,000</b>
<b>Stalled Projects</b>	54 projects with a contract of Ksh. 1,132,065,268 stalled after incurring Ksh. 314,262,161 in costs.	- Projects stalled at various stages of completion. - Lack of progress reports and contractor performance monitoring.	- Monitor project implementation closely. - Terminate non-performing contractors and recover funds.	<b>314,262,161</b>
<b>Irregular Procurement Processes</b>	Irregularities in procurement of goods and services, including lack of competitive bidding and non-compliance with procurement laws.	- Non-compliance with procurement laws in awarding contracts. - Lack of competitive bidding in some cases.	- Ensure all procurement processes comply with the Public Procurement and Asset Disposal Act. - Strengthen procurement oversight.	<b>Not quantified</b>
<b>Unsupported Recruitment of Staff</b>	Recruitment of 530 officers without proper documentation or need assessment.	- Lack of merit lists, score sheets, and board minutes for recruitment.	- Ensure all recruitment processes are transparent and documented. - Conduct need assessments before recruitment.	<b>Not quantified</b>
<b>Irregular Payments for Consultancy Services</b>	Payments for consultancy services without proper	- Ksh. 41,459,880 paid without VAT deduction. - Full payment	- Ensure proper documentation and approval for consultancy	<b>41,459,880</b>

**Table 3.16: Cumulative Fiduciary Risk for the County Executive of Machakos 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>
	documentation or approval.	made before approval of final draft.	payments. - Deduct VAT as required by law.	
<b>Un-Remitted and Withheld Taxes</b>	Failure to remit taxes, leading to penalties and interest.	- Ksh. 153,701,376 in principal taxes, with penalties and interest of Ksh. 49,928,668.	- Remit all taxes promptly to avoid penalties. - Negotiate with KRA to resolve outstanding tax issues.	<b>203,630,044</b>
<b>Lack of Updated Fixed Assets Register</b>	Lack of updated fixed assets register, leading to potential loss or misplacement of assets.	- Assets not tagged or properly recorded. - Lack of updated register for assets worth Ksh. 14,410,041,342.	- Update and maintain a fixed assets register. - Tag all assets for easy identification and tracking.	<b>14,410,041,342</b>
<b>Total Cumulative Fiduciary Risk Exposure</b>				<b>Ksh. 28,270,270,713</b>

### 3.17 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF MAKUENI

152 Analysis of the audit report for the County Executive of Makueni for the FY 2023/2024 shows a cumulative total of **Ksh. 2,719,625,674** as the total financial exposure from fiduciary risks as shown in Table 3.17.

**Table 3.17: Cumulative Fiduciary Risk for the County Executive of Makueni 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>Misclassification of Expenditure</b>	Ksh. 54,886,832 irregularly charged to "other operating expenses" instead of acquisition of assets and compensation of employees.	Expenditure misclassification distorts financial statements and affects budget accuracy.	Ensure proper classification of expenditures and adherence to budget codes.	<b>54,886,832</b>

**Table 3.17: Cumulative Fiduciary Risk for the County Executive of Makueni 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>Failure to Observe Year-End Cut-Off</b>	Ksh. 1,121,367,449 (receipts) and Ksh. 707,690,719 (payments) recorded in July 2024, outside the financial year.	Transactions recorded outside the financial year violate accounting standards and distort financial reporting.	Implement strict year-end cut-off procedures to ensure transactions are recorded in the correct financial period.	<b>1,829,058,168</b>
<b>Pending Accounts Payables</b>	Ksh. 686,830,832 in pending bills (Ksh. 676,145,218 for suppliers and Ksh. 10,685,614 for staff) not settled as of 30 June 2024.	Failure to settle bills on time affects financial planning and may lead to penalties or legal disputes.	Prioritize settlement of pending bills as a first charge in the subsequent financial year.	<b>686,830,832</b>
<b>Irregularities in HR Management</b>	187 employees earned net pay below one-third of basic salary; 95% of new recruits from the dominant ethnic community; only 3% of recruits were persons with disabilities.	Non-compliance with fiscal responsibility, ethnic diversity, and disability inclusion laws.	Ensure compliance with fiscal responsibility (35% wage bill limit), ethnic diversity (30% threshold), and disability inclusion (5% threshold).	<b>Not quantified</b>
<b>Non-Compliance with Fiscal Responsibility</b>	Compensation of employees (Ksh. 3,837,996,248) represents 46% of total revenue (Ksh. 8,259,693,356), exceeding the 35% limit.	High wage bill limits funds available for development and service delivery.	Reduce wage bill to 35% of total revenue by rationalizing staff numbers and optimizing payroll.	<b>Not quantified</b>
<b>Delayed Project Operationalization</b>	Post-harvest facilities at Kalawani, Kyumbuni, and Kilungu (total	Incomplete operationalization of projects denies the public value for money and	Expedite operationalization of completed projects and ensure all necessary works	<b>142,248,886</b>

**Table 3.17: Cumulative Fiduciary Risk for the County Executive of Makueni 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>
	cost: Ksh. 142,248,886) not fully operationalized despite completion.	delays service delivery.	(e.g., fencing, landscaping) are completed.	
<b>Stalled Mulima Water Project</b>	Ksh. 3,000,956 project stalled; contractor not on site; incomplete works (e.g., repair of masonry tanks).	Stalled projects lead to wastage of public funds and delay service delivery.	Terminate non-performing contractors and re-award contracts to competent firms.	<b>3,000,956</b>
<b>Irregular Payments to Council of Governors</b>	Ksh. 3,600,000 paid to the Council of Governors, contrary to the Intergovernmental Relations Act, 2012.	Payments to the Council of Governors should be funded by the National Government, not the County.	Cease payments to the Council of Governors and seek reimbursement from the National Government.	<b>3,600,000</b>
<b>Understaffing of Internal Audit Function</b>	Internal Audit Department has only 6 staff against an approved establishment of 28.	Understaffing compromises the effectiveness of internal controls and risk management.	Recruit additional staff to meet the approved establishment and strengthen internal audit capacity.	<b>Not quantified</b>
<b>Total Cumulative Fiduciary Risk Exposure</b>				<b>Ksh. 2,719,625,674</b>

### 3.18 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF NYANDARUA

153 Analysis of the audit report for the County Executive of Nyandarua for the FY 2023/2024 shows a cumulative total of Ksh. **6,790,678,446** as the total financial exposure from fiduciary risks as shown in Table 3.18.

**Table 3.18: Cumulative Fiduciary Risk for the County Executive of Nyandarua 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>Budgetary Control and Performance</b>	Under-funding of Ksh. 2,047,687,963 (26% of budget) and under-utilization of Ksh. 60,658,493. Late exchequer releases affected service delivery.	<ul style="list-style-type: none"> <li>- Late disbursements impacted project implementation.</li> <li>- Low absorption of development budget (47%).</li> </ul>	<ul style="list-style-type: none"> <li>- Improve budget planning and execution.</li> <li>- Ensure timely disbursement of funds.</li> <li>- Monitor project implementation closely.</li> </ul>	<b>2,047,687,963</b>
<b>Pending Bills</b>	Pending bills totalling Ksh. 2,965,410,323, including long-outstanding bills and unremitted payroll deductions.	<ul style="list-style-type: none"> <li>- Bills not settled as first charge.</li> <li>- Unremitted payroll deductions (Ksh. 7,736,275).</li> <li>- Unreconciled variances in pending bills.</li> </ul>	<ul style="list-style-type: none"> <li>- Prioritize settlement of pending bills.</li> <li>- Reconcile and clear outstanding payroll deductions.</li> <li>- Maintain updated creditors' ledgers.</li> </ul>	<b>2,965,410,323</b>
<b>Compensation of Employees</b>	Wage bill at 43% of total revenue, exceeding the 35% threshold. Payment of salaries outside IPPD system (Ksh. 57,777,835).	<ul style="list-style-type: none"> <li>- Non-compliance with fiscal responsibility.</li> <li>- Salaries paid outside IPPD system.</li> <li>- Lack of approved staff establishment.</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce wage bill to comply with fiscal responsibility.</li> <li>- Ensure all salaries are paid through IPPD.</li> <li>- Develop and approve a staff establishment plan.</li> </ul>	<b>57,777,835</b>
<b>Non-Compliance with Ethnic Diversity</b>	96% of employees from the dominant ethnic community, contrary to the National Cohesion and Integration Act, 2008.	<ul style="list-style-type: none"> <li>- Recruitment practices favor the dominant ethnic group.</li> <li>- Failure to meet diversity requirements.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure recruitment practices comply with ethnic diversity laws.</li> <li>- Implement measures to achieve a balanced workforce.</li> </ul>	<b>N/A</b>

**Table 3.18: Cumulative Fiduciary Risk for the County Executive of Nyandarua 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>Irregular Payments to Council of Governors</b>	Payment of Ksh. 1,360,000 to the Council of Governors, contrary to the Intergovernmental Relations Act, 2012.	- Operational expenses of the Council should be funded by the National Government.	- Cease payments to the Council of Governors. - Seek clarification on funding mechanisms.	<b>1,360,000</b>
<b>Stalled Projects</b>	Stalled construction of County Headquarters (Ksh. 339,836,213 paid) and other projects with low absorption rates.	- Delays in project completion. - Poor project management and oversight. - Additional costs due to delays and variations.	- Strengthen project management and oversight. - Ensure timely completion of projects. - Monitor contractor performance and enforce penalties for delays.	<b>339,836,213</b>
<b>Irregular Revenue Collection System</b>	Extension of revenue collection system contract without proper approval.	- Contract extended without evaluation committee approval. - Lack of proper documentation.	- Ensure all contract extensions are properly approved. - Maintain proper documentation for all procurement processes.	<b>N/A</b>
<b>Un-Remitted Taxes</b>	Unremitted taxes totaling Ksh. 153,701,376, with penalties and interest of Ksh. 49,928,668.	- Failure to deduct and remit taxes on time. - Losses due to penalties and interest.	- Ensure timely remittance of taxes. - Negotiate with KRA to reduce penalties and interest.	<b>203,630,044</b>
<b>Lack of Audit Committee</b>	No functional Audit Committee, affecting internal controls and governance.	- Audit Committee term expired in October 2023. - Lack of oversight and	- Appoint a new Audit Committee promptly. - Ensure audit plans are approved and implemented.	<b>N/A</b>

**Table 3.18: Cumulative Fiduciary Risk for the County Executive of Nyandarua 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>
		approval of audit plans.		
<b>Weaknesses in Internal Audit Function</b>	Internal Audit Department lacks functional independence and has understaffing (6 out of 28 positions filled).	- Lack of approved audit work plans. - Understaffing affects audit effectiveness.	- Strengthen the Internal Audit Department. - Fill vacant positions and ensure functional independence.	N/A
<b>Irregular Leasing of Medical Equipment</b>	Leased medical equipment payments totaling Ksh. 1,139,829,968 without proper documentation or asset register.	- Lack of inspection and acceptance certificates. - Equipment not included in the asset register.	- Maintain proper records of leased assets. - Ensure all leased equipment is inspected and recorded.	<b>1,139,829,968</b>
<b>Irregularities in Project Implementation</b>	Poor quality of work in projects like County Aggregation and Industrial Parks (Ksh. 35,526,100 paid).	- Slow progress and poor quality of work. - Lack of proper oversight and monitoring.	- Strengthen project monitoring and evaluation. - Ensure contractors adhere to quality standards.	<b>35,526,100</b>
<b>Total Cumulative Fiduciary Risk Exposure</b>				<b>Ksh. 6,790,678,446</b>

### 3.19 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF NYERI

154 Analysis of the audit report for the County Executive of Nyeri for the FY 2023/2024 shows a cumulative total of **Ksh. 8,102,802,799** as the total financial exposure from fiduciary risks as shown in Table 3.19.

**Table 3.19: Cumulative Fiduciary Risk for the County Executive of Nyeri 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>Receipts and Payments Outside</b>	Receipts and payments totaling Ksh. 1.51 billion	Transactions recorded outside the financial year,	Ensure all transactions are recorded within the financial year and	<b>1,514,891,784 (Receipts)</b> <b>1,528,872,371 (Payments)</b>

**Table 3.19: Cumulative Fiduciary Risk for the County Executive of Nyeri 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>Reporting Period</b>	and Ksh. 1.53 billion, respectively, were recorded outside the financial year (July 2024).	violating Regulation 97(1) of the Public Finance Management (County Governments) Regulations, 2015.	adhere to cut-off procedures.	
<b>Irregular Charge of Bank Accounts</b>	Recurrent expenditure (Ksh. 292.4 million) was paid from the development account, and development expenditure (Ksh. 108.05 million) was paid from the recurrent account.	Mixing of funds between recurrent and development accounts, leading to misallocation of resources.	Strengthen internal controls to ensure proper segregation of funds between recurrent and development accounts.	<b>400,454,277</b>
<b>Irregular Voided Payments</b>	722 transactions totaling Ksh. 527.25 million were voided without evidence of Controller of Budget approval. 10 transactions (Ksh. 3.92 million) were later paid.	Lack of proper documentation and approval for voided transactions, raising concerns about transparency and accountability.	Ensure all voided transactions are properly documented and approved by the Controller of Budget.	<b>527,252,503</b>
<b>Staff Sharing Bank Accounts</b>	6 staff members shared 3 bank accounts, with	Risk of fraud and mismanagement of funds due to	Enforce strict payroll controls to ensure each staff member has a	<b>681,442</b>

**Table 3.19: Cumulative Fiduciary Risk for the County Executive of Nyeri 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>
	Ksh. 681,442 paid to these accounts over 6 months.	shared bank accounts.	unique bank account.	
<b>Pending Bills</b>	Pending bills totaling Ksh. 141.14 million, including Ksh. 7.54 million outstanding for over a year and Ksh. 25.37 million committed in June 2024 without approval.	Failure to settle pending bills as a first charge, violating Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015.	Prioritize settlement of pending bills and ensure all commitments are approved by the accounting officer.	<b>141,137,831</b>
<b>Non-Compliance with Fiscal Responsibility (Wage Bill)</b>	Compensation of employees (Ksh. 3.98 billion) accounted for 55% of total revenue, exceeding the 35% limit.	Excessive wage bill, violating Regulation 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015.	Implement measures to reduce the wage bill to within the prescribed limit of 35% of total revenue.	<b>3,981,766,676</b>
<b>Unremitted Payroll Deductions</b>	Ksh. 7.74 million in payroll deductions (e.g., union dues, SACCOs) were not remitted to respective institutions.	Risk of legal action and loss of employee benefits due to non-remittance of deductions.	Ensure timely remittance of all payroll deductions to the respective institutions.	<b>7,736,275</b>
<b>Non-Compliance</b>	94% of employees	Violation of Section 7(2) of	Ensure diversity in recruitment by	<b>N/A</b>

**Table 3.19: Cumulative Fiduciary Risk for the County Executive of Nyeri 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>with Staff Ethnic Diversity</b>	(3,330 out of 3,558) were from the dominant ethnic community. 97% of new recruits (150 out of 155) were from the dominant ethnic group.	the National Cohesion and Integration Act, 2008, and Section 65(1)(e) of the County Governments Act, 2012.	adhering to the 30% threshold for non-dominant ethnic communities.	
<b>Non-Compliance with One-Third Basic Salary Rule</b>	214 employees had net salaries below one-third of their basic pay, with some having negative net pay due to excessive deductions.	Violation of Section 19(3) of the Employment Act, 2007, and Section C.1(3) of the Public Service Commission Human Resource Policies.	Review and limit employee deductions to ensure compliance with the one-third basic salary rule.	<b>N/A</b>
<b>Failure to Meet Recruitment Threshold for Persons with Disabilities</b>	No persons with disabilities were recruited out of 155 new employees.	Violation of Section B.23(2) of the Human Resource Policies and Procedures Manual for the Public Service, 2016, which sets a 5% threshold for persons with disabilities.	Ensure at least 5% of new recruits are persons with disabilities.	<b>N/A</b>
<b>Total Cumulative Fiduciary Risk Exposure</b>				<b>Ksh. 8,102,802,799</b>

### 3.20 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF KIRINYAGA

155 Analysis of the audit report for the County Executive of Kirinyaga for the FY 2023/2024 shows a cumulative total of **Ksh. 5,187,617,420** as the total financial exposure from fiduciary risks as shown in Table 3.20.

**Table 3.20: Cumulative Fiduciary Risk for the County Executive of Kirinyaga 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>Variances in Financial Statements and IFMIS Balances</b>	Significant variances between financial statements and IFMIS balances in compensation of employees, use of goods and services, acquisition of assets, and other payments.	Inaccuracies in financial reporting, potential misstatements, and lack of reconciliation between systems.	Ensure proper reconciliation between financial statements and IFMIS. Implement regular audits to verify accuracy.	<b>6,574,634</b>
<b>Irregular Payment of Revenue Collector's Allowances</b>	Allowances paid to revenue officers without an approved policy, leading to irregular payments.	Lack of policy guidance for payment of allowances, potential misuse of funds.	Develop and implement a clear policy for payment of allowances. Ensure all payments are supported by approved guidelines.	<b>4,301,100</b>
<b>Unsupported Training Expenses</b>	Training expenses lacked supporting documentation, including lists of participants and evidence of work done.	Potential misuse of funds, lack of accountability, and failure to achieve value for money in training programs.	Ensure all training expenses are supported by proper documentation. Implement stricter controls over training budgets.	<b>3,778,000</b>

**Table 3.20: Cumulative Fiduciary Risk for the County Executive of Kirinyaga 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 Age Analysis for Accounts Payables</b>	Pending accounts payables lacked an ageing analysis, leading to potential delays in payments and additional costs.	Risk of penalties and interest due to delayed payments. Lack of transparency in managing payables.	Conduct an ageing analysis of pending bills. Prioritize payment of long-outstanding bills to avoid penalties.	<b>1,229,536,760</b>
<b>Non-Disclosure of Bank Balances</b>	Unexplained variances in bank balances, including undisclosed funds in a commercial bank account.	Lack of transparency in financial reporting, potential mismanagement of funds.	Ensure all bank accounts are disclosed and properly reconciled. Investigate unexplained variances and take corrective action.	<b>742,415</b>
<b>Irregularities in Human Resource Management</b>	Non-compliance with fiscal responsibility principles, irregular engagement of casual workers, and non-compliance with the National Cohesion and Integration Act.	High wage bill exceeding 35% of revenue, lack of proper documentation for casual workers, and ethnic imbalance in staffing.	The COB should not approve any compensation to county staff employed by the county government without the approval of County Public Service Board  engagements and ensure compliance with the National Cohesion and Integration Act.	<b>2,613,372,430</b>
<b>Ineffective Management of Contracts</b>	Delays and irregularities in construction projects,	Projects behind schedule, payments made for incomplete	Improve project management and oversight. Ensure payments are tied	<b>216,723,995</b>

**Table 3.20: Cumulative Fiduciary Risk for the County Executive of Kirinyaga 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>(Construction Projects)</b>	including Kianyaga and Kimbimbi Sub-County Hospitals, and Ndaba Dispensary.	work, and lack of proper project management.	to project milestones and completion.	
<b>Incomplete Hospital Management Information System</b>	Incomplete implementation of the Integrated Hospital Management Information System, with only one hospital fully automated.	Lack of value for money, incomplete project delivery, and failure to achieve intended outcomes.	Ensure full implementation of the system across all hospitals. Monitor project progress and ensure completion.	<b>27,203,450</b>
<b>Ineffective Utilization of Public Resources for Legal Expenditure</b>	Lack of a legal department, leading to high legal expenditure without proper representation.	Potential misuse of funds, lack of in-house legal expertise, and failure to achieve value for money.	Establish a legal department with qualified staff. Reduce reliance on external legal services.	<b>66,212,341</b>
<b>Delay in Construction of Fire Station Project</b>	Delayed completion of the fire station project, with significant work still pending.	Risk of security issues due to incomplete construction, potential cost overruns, and lack of value for money.	Expedite the completion of the fire station project. Ensure all pending works are completed to avoid further delays.	<b>44,714,691</b>
<b>Irregularities in Construction of County Aggregation and Industrial Parks (CAIP)</b>	Irregularities in the construction of CAIP, including improper fund transfers, lack of geotechnical	Lack of proper planning, potential cost overruns, and failure to achieve project objectives.	Conduct proper geotechnical surveys before project commencement. Ensure funds are used as per the	<b>91,868,580</b>

**Table 3.20: Cumulative Fiduciary Risk for the County Executive of Kirinyaga 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>
	surveys, and delays in project completion.		approved budget and project plan.	
<b>Long Outstanding Pending Bills</b>	Long outstanding pending bills, including debts that did not form a first charge, leading to potential penalties and interest.	Risk of financial penalties, lack of prioritization in bill payments, and potential strain on county finances.	Prioritize payment of long outstanding bills. Ensure compliance with public finance management regulations.	<b>827,767,929</b>
<b>Lack of Internal Audit Reports</b>	No evidence of internal audit reports or plans, leading to weak internal controls and risk management.	Lack of oversight, potential mismanagement of funds, and failure to identify and mitigate risks.	Establish a functional internal audit unit. Develop and implement an internal audit plan to strengthen controls and risk management.	<b>1,718,200</b>
<b>Lack of Valuation Report and Ownership Documents</b>	Lack of valuation reports and ownership documents for non-current assets, including Kamweti Land.	Risk of asset mismanagement, lack of transparency, and potential disputes over asset ownership.	Conduct a valuation of all non-current assets. Ensure proper documentation of asset ownership.	<b>53,102,895</b>
<b>Total Cumulative Fiduciary Risk Exposure</b>				<b>Ksh. 5,187,617,420</b>

### **3.21 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF MURANG'A**

**156** Analysis of the audit report for the County Executive of Murang'a for the FY 2023/2024 shows a cumulative total of **Ksh. 6,710,110,671** as the total financial exposure from fiduciary risks as shown in Table 3.21.

**Table 3.21: Cumulative Fiduciary Risk for the County Executive of Murang'a 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>Variance in IFMIS and Financial Statements</b>	Variance between the Statement of Receipts and Payments and IFMIS Votebook.	Significant variances in expenditure categories, e.g., Compensation of Employees (Ksh.333,496,106), Use of Goods and Services (Ksh.304,436,829), and Acquisition of Assets (Ksh.515,662,761).	Ensure reconciliation between IFMIS and financial statements. Implement stricter controls to prevent discrepancies.	<b>1,669,246,6</b>
<b>Unreconciled Pending Bills</b>	Pending bills balance of Ksh.1,342,502,610, with a variance of Ksh.14,797,051.	Pending bills include amounts from previous years (e.g., 2015-2016). Lack of detailed analysis of individual pending bills.	Prioritize and clear pending bills. Implement a system to track and reconcile pending bills regularly.	<b>1,342,502,6</b>
<b>Unsupported Expenditure on Hospitality</b>	Ksh.631,884 spent on hospitality without supporting documents (e.g., requisitions, invoices, attendance registers).	Lack of documentation to support hospitality expenses, raising questions about the legitimacy of the expenditure.	Strengthen internal controls on hospitality expenses. Ensure all expenditures are supported by proper documentation.	<b>631,884</b>
<b>Irregularities in Compensation of Employees</b>	Excess staff (77 employees) not in the approved establishment. 93% of employees from the same ethnic community. Non-compliance with the One-Third Basic Salary Rule	Overstaffing, ethnic imbalance, and excessive wage bill (54% of total revenue). Non-compliance with the National Cohesion and Integration Act, 2008, and the	Review and align staff establishment with approved guidelines. Ensure compliance with ethnic diversity laws. Implement salary deduction limits as per the Employment Act.	<b>3,685,639,7</b>

**Table 3.21: Cumulative Fiduciary Risk for the County Executive of Murang'a 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 Fiscal Responsibility on Wage Bill.	Public Finance Management Regulations.		
<b>Irregularities in Imprest Management</b>	Outstanding imprest of Ksh.2,794,575, with some dating back to September 2023.	Imprest not surrendered or accounted for within the required timeframe. Lack of operationalization of the IFMIS imprest management module.	Enforce imprest surrender timelines. Operationalize the IFMIS imprest management module to track and recover outstanding imprest.	<b>2,794,575</b>
<b>Anomalies in Project Implementation</b>	Poor workmanship in the construction of a septic tank (Ksh.1,886,520) and incomplete Mabae Dispensary project (Ksh.1,839,222).	Septic tank overflowing due to poor workmanship. Mabae Dispensary completed but not in use, indicating poor project planning and oversight.	Conduct regular project monitoring and evaluation. Ensure contractors adhere to quality standards. Prioritize the use of completed projects.	<b>3,725,742</b>
<b>Failure to Remit Donor Project Balances</b>	Failure to remit Ksh.5,569,290 and Ksh.177 to the National Programme Account for the Agricultural Sector Development Support Programme Phase II (ASDSP II).	Non-compliance with project management guidelines. Failure to close bank accounts and remit balances as required.	Ensure timely remittance of donor project balances. Close project-related bank accounts as per guidelines.	<b>5,569,467</b>
<b>Failure to Implement Audit Recommendations</b>	No evidence of progress in implementing prior year audit recommendations.	Lack of action on previous audit findings, leading to recurring issues. Non-compliance with the Public Audit Act, 2015.	Establish a mechanism to track and implement audit recommendations. Ensure accountability for	<b>N/A</b>

**Table 3.21: Cumulative Fiduciary Risk for the County Executive of Murang'a 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>
			addressing audit findings.	
<b>Lack of Asset Disposal Plan</b>	Grounded and unserviceable vehicles and motorcycles not disposed of. Lack of critical information in the asset register (e.g., registration numbers, chassis numbers).	Inefficient management of assets. Lack of an approved asset disposal plan, leading to potential loss of value.	Develop and implement an asset disposal plan. Ensure all assets are properly recorded and disposed of in a timely manner.	N/A
<b>Total Cumulative Fiduciary Risks Exposure</b>				<b>Ksh. 6,710,110,6</b>

### **3.22 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF KIAMBU**

157 Analysis of the audit report for the County Executive of Kiambu for the FY 2023/2024 shows a cumulative total of **Ksh. 15,221,734,203** as the total financial exposure from fiduciary risks as shown in Table 3.22.

**Table 3.22: Cumulative Fiduciary Risk for the County Executive of Kiambu 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>Payment of Salary Outside Payroll</b>	Salaries paid outside the Integrated Payroll and Personnel Database (IPPD) system, including manual payroll payments.	- Unreconciled variance of Ksh. 13.6 million. - Manual payroll system used for Ksh. 65.2 million over six months. - Deductions not itemized in manual payroll.	Ensure all salary payments are processed through IPPD. Reconcile payroll records and discontinue manual payroll systems.	<b>78,800,000</b>

**Table 3.22: Cumulative Fiduciary Risk for the County Executive of Kiambu 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>Irregular Payments for Goods/Services</b>	Irregular payments for domestic travel, extraneous allowances, and facilitation during revenue collection.	<ul style="list-style-type: none"> <li>- Meal allowances paid for normal duties (Ksh. 2.2 million).</li> <li>- Extraneous allowances paid outside payroll (Ksh. 4.3 million).</li> <li>- Facilitation during revenue collection (Ksh. 1.7 million).</li> </ul>	Strengthen controls over travel and subsistence allowances. Ensure all allowances are taxed and justified.	<b>8,246,328</b>
<b>Misclassification of Expenditure</b>	Misclassification of expenditure under acquisition of assets, including extraneous allowances and unplanned procurement.	<ul style="list-style-type: none"> <li>- Ksh. 19.1 million misclassified as asset acquisition.</li> <li>- Unbudgeted procurement of litter bins and skip bins (Ksh. 12.9 million).</li> </ul>	Reclassify expenditures accurately. Ensure procurement aligns with budget and procurement plans.	<b>19,121,974</b>
<b>Irregular Procurement of Drugs</b>	Irregular procurement of pharmaceuticals and drugs without proper tender documents, user requisitions, or market surveys.	<ul style="list-style-type: none"> <li>- Ksh. 51.7 million paid to KEMSA without tender documents.</li> <li>- Unsupplied drugs worth Ksh. 1.4 million.</li> </ul>	Strengthen procurement processes for pharmaceuticals. Ensure all procurements are supported by proper documentation.	<b>53,111,995</b>
<b>Irregular Payment of Pending Bills</b>	Unverified and unpaid pending bills, including customer	<ul style="list-style-type: none"> <li>- Pending bills totalling Ksh. 6.6 billion.</li> </ul>	Verify and prioritize payment of pending bills. Ensure all pending	<b>6,620,512,229</b>

**Table 3.22: Cumulative Fiduciary Risk for the County Executive of Kiambu 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>
	refundable deposits and unverified payments.	- Ksh. 24.9 million paid without verification. - Customer refundable deposits not disclosed.	bills are audited and supported by proper documentation.	
<b>High Contingent Liabilities</b>	Contingent liabilities related to court cases against the County Executive.	- Contingent liabilities amounting to Ksh. 517.3 million. - No evidence of risk mitigation strategies.	Develop a risk management strategy to address contingent liabilities. Expedite resolution of court cases to avoid financial losses.	<b>517,322,175</b>
<b>Non-Compliance with Wage Bill</b>	Compensation of employees exceeds the 35% limit of total revenue.	- Compensation of employees at 48% of total revenue (Ksh. 7.9 billion).	Reduce wage bill to comply with fiscal responsibility principles. Rationalize staff numbers to align with approved establishment.	<b>7,890,419,502</b>
<b>Late Remittance of Statutory Deductions</b>	Late remittance of NSSF and NHIF deductions.	- Late remittance of NSSF and NHIF deductions totalling Ksh. 34.2 million.	Ensure timely remittance of statutory deductions. Implement penalties for late payments.	<b>34,200,000</b>
<b>Unapproved Payroll Data</b>	Payroll data not reviewed or approved by Accounting Officers.	- Payroll data not approved before salary payments.	Ensure payroll data is reviewed and approved by designated Accounting Officers.	-
<b>Non-Compliance with Ethnic Diversity</b>	Non-compliance with the National Cohesion and	- 85% of staff from one ethnic community.	Ensure diversity in recruitment to comply with the law.	-

**Table 3.22: Cumulative Fiduciary Risk for the County Executive of Kiambu 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>
	Integration Act, 2008, in staff recruitment.	- 87% of new recruits from the dominant ethnic group.	Implement measures to achieve ethnic balance in staff composition.	
<b>Non-Compliance with One-Third Salary Rule</b>	Employees receiving net salaries less than one-third of their basic salary.	- 1,575 employees affected.	Ensure compliance with the Employment Act, 2007, regarding salary deductions. Review payroll to prevent over-commitment of salaries.	-
<b>Failure to Follow Career Progression</b>	Staff skipping job groups without proper progression.	- 29 staff members skipped job groups within a year.	Ensure career progression follows HR policies. Monitor and enforce compliance with career progression guidelines.	-
<b>Casual Employment of Revenue Officers</b>	Revenue officers employed on a casual basis for continuous work.	- 243 revenue officers employed as casuals for continuous work.	ensure compliance with the Employment Act, 2007 on staff recruitment and Conduct staff rationalization to assess the need for casual workers.	-
<b>Total Cumulative Fiduciary Risk Exposure</b>				<b>Ksh. 15,221,734,203</b>

### **3.23 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF TURKANA**

**158** Analysis of the audit report for the County Executive of Turkana for the FY 2023/2024 shows a cumulative total of **Ksh. 4,743,672,458** as the total financial exposure from fiduciary risks as shown in Table 3.23.

**Table 3.23: Cumulative Fiduciary Risk for the County Executive of Turkana 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>Non-Inclusion of Assets of Defunct Local Authorities</b>	Assets from defunct local authorities (land, buildings, vehicles, etc.) were not included in the non-current assets register.	Assets of undetermined value were excluded from the register, and the verification process was incomplete.	Complete the verification and valuation process for assets from defunct local authorities and include them in the assets register.	<b>Undetermined</b>
<b>Under-Funding and Under-Absorption of Budget</b>	Under-funding of Ksh. 2,009,756,783 (13% of budget) and under-absorption of Ksh. 958,751,951 (66% of conditional grants).	Late disbursement of funds and under-funding affected project implementation and service delivery.	Improve budget planning and ensure timely disbursement of funds to avoid under-funding and under-absorption.	<b>2,968,508,734</b>
<b>Pending Accounts Payables</b>	Pending bills of Ksh. 801,687,224 were not settled, affecting subsequent year's budget.	Failure to settle pending bills during the year they relate to distorts financial statements and affects future budgets.	Prioritize the settlement of pending bills to avoid accumulation and ensure proper financial planning.	<b>801,687,224</b>
<b>Non-Compliance with One-Third Basic Salary Rule</b>	830 employees earned net salaries less than one-third of their basic salary.	Over-commitment of salaries, exposing employees to financial hardship.	Ensure compliance with the Employment Act and Public Service Commission guidelines to prevent over-	<b>Undetermined</b>

**Table 3.23: Cumulative Fiduciary Risk for the County Executive of Turkana 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>
			commitment of salaries.	
<b>Non-Compliance with Ethnic Diversity in Employment</b>	84.25% of employees were from one ethnic community, and 97% of new recruits were from the dominant community.	Violation of the National Cohesion and Integration Act and County Governments Act, which require diversity in employment.	Ensure compliance with ethnic diversity requirements in recruitment and employment.	<b>Undetermined</b>
<b>Unsettled Imprest</b>	Outstanding imprest balance of Ksh. 85,093,020 was not surrendered.	Failure to account for imprests issued to officers, leading to potential loss of funds.	Recover outstanding imprests and enforce accountability for imprest holders.	<b>85,093,020</b>
<b>Idle Cash in Bank for County Aggregation and Industrial Park</b>	Ksh. 100,000,000 deposited in the project bank account remained idle.	Funds were not utilized for the intended project, leading to inefficiency.	Expedite the utilization of funds for the County Aggregation and Industrial Park project.	<b>100,000,000</b>
<b>Non-Functional High Mast Lighting</b>	Ksh. 5,315,000 spent on high mast lighting in Lodwar Municipality was non-functional.	Poor project implementation and lack of proper inspection led to non-functional infrastructure.	Ensure proper inspection and commissioning of projects before payment and hold contractors accountable for non-performance.	<b>5,315,000</b>
<b>Incomplete Construction Projects</b>	construction of projects (e.g., Naakot Dispensary, Nasura	Poor project management, delays, and lack of contractor	Strengthen project management and ensure contractors complete projects	<b>Undetermined</b>

**Table 3.23: Cumulative Fiduciary Risk for the County Executive of Turkana 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, Kakuma Stadium) were incomplete, with payments made for incomplete work.	accountability led to incomplete projects.	as per contract terms.	
<b>Delay in Settlement of Legal Cases</b>	Contingent liabilities of Ksh. 165,669,147 related to ongoing legal cases.	Delays in settling legal cases could lead to increased costs and penalties.	Expedite the settlement of legal cases to avoid additional costs and penalties.	<b>165,669,147</b>
<b>Stalled Completion of Kataboi Eco Lodge</b>	Ksh. 18,269,805 paid for the completion of Kataboi Eco Lodge, but the project remains incomplete.	Poor project management and lack of contractor accountability led to stalled projects.	Terminate non-performing contracts and recover funds where necessary.	<b>18,269,805</b>
<b>Stalled Construction of Plastic Re-Use Facility</b>	Ksh. 4,895,620 paid for the construction of a plastic re-use facility, but the project remains incomplete.	Lack of contractor accountability and poor project management led to stalled projects.	Ensure proper project oversight and hold contractors accountable for delays.	<b>4,895,620</b>
<b>Incomplete Construction of Kalokol</b>	Ksh. 11,678,590 paid for the construction	Poor project management and lack of contractor	Strengthen project management and ensure contractors complete projects	<b>11,678,590</b>

**Table 3.23: Cumulative Fiduciary Risk for the County Executive of Turkana 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>Resource Centre</b>	of Kalokol Resource Centre, but the project remains incomplete.	accountability led to incomplete projects.	as per contract terms.	
<b>Delay in Completion of Turkana County Headquarters Building</b>	Ksh. 439,858,419 spent on the construction of the County Headquarters , but the project remains incomplete.	Delays in project completion and cost escalations due to poor project management.	Expedite the completion of the project and ensure proper oversight to avoid further cost escalations.	<b>439,858,419</b>
<b>Stalled Construction of Governor's Residence</b>	Ksh. 120,500,965 paid for the construction of the Governor's residence, but the project remains incomplete.	Lack of contractor accountability and poor project management led to stalled projects.	Terminate non-performing contracts and recover funds where necessary.	<b>120,500,965</b>
<b>Stalled Construction of Modern Business Centre</b>	Ksh. 22,195,934 paid for the construction of a modern business centre, but the project remains incomplete.	Lack of contractor accountability and poor project management led to stalled projects.	Ensure proper project oversight and hold contractors accountable for delays.	<b>22,195,934</b>
<b>Total Cumulative Fiduciary Risk Exposure</b>				<b>Ksh. 4,743,672,458</b>

### 3.24 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF WEST POKOT

159 Analysis of the audit report for the County Executive of West Pokot for the FY 2023/2024 shows a cumulative total of **Ksh. 3,550,990,949** as the total financial exposure from fiduciary risks as shown in Table 3.24.

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk Amount (Ksh.)</b>
<b>Inaccuracies in Exchequer Releases</b>	Variance between reported Exchequer releases and actual transfers to the County Executive.	Reported Exchequer releases: Ksh.5,967,223,847; Actual transfers: Ksh.5,965,061,666. Variance of Ksh.2,162,181 unexplained.	Reconcile Exchequer releases and provide explanations for variances.	<b>2,162,181</b>
<b>Inaccuracies in Transfers</b>	Transfers to other government entities did not include returns to the County Revenue Fund (CRF).	Transfers to other entities: Ksh.777,775,955 ; CRF returns: Ksh.46,884,886 not included.	Ensure all transfers, including CRF returns, are accurately recorded and reported.	<b>46,884,886</b>
<b>Unsupported Own Source Revenue</b>	Lack of automation and updated valuation roll for revenue collection.	Own source revenue: Ksh.185,477,320 reported, but revenue streams not fully automated.	Automate revenue collection systems and update the valuation roll.	<b>185,477,320</b>
<b>Pending Accounts Payables</b>	Unsettled pending bills carried forward to the next financial year.	Pending bills: Ksh.321,655,764 (Ksh.170,428,094 for construction, Ksh.54,529,388 for goods, Ksh.96,698,282 for services).	Prioritize settlement of pending bills to avoid distortions in financial statements.	<b>321,655,764</b>
<b>Completed but</b>	Projects completed but	10 projects worth Ksh.23,532,775	Ensure completed	<b>23,532,775</b>

**Table 3.24: Cumulative Fiduciary Risk for the County Executive of West Pokot 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>Unutilized Projects</b>	not in use, leading to wastage of public funds.	completed but not utilized (health facilities and roads).	projects are handed over and utilized promptly.	
<b>Stalled Construction Projects</b>	Projects stalled due to contractor abandonment or delays.	- Male ward at Kacheliba Sub-county Hospital: Ksh.7,298,186 paid, 70% complete. - Pkopoch Tourist Hotel: Ksh.84,740,392 paid, stalled at first floor. - Ladies Hostel at Chesta Teachers Training College: Ksh.33,547,063 paid, 70% complete.	Monitor project implementation and enforce contractor accountability.	<b>125,585,641</b>
<b>Non-Compliance with Fiscal Responsibility</b>	Wage bill exceeds the 35% limit of total revenue.	Compensation of employees: Ksh.2,613,594,025 (44% of total revenue).	Reduce wage bill to comply with fiscal responsibility regulations.	<b>2,613,594,025</b>
<b>Non-Compliance with One-Third Rule</b>	Employees receiving net salaries below one-third of their basic salary.	Employees overcommitting salaries, contrary to Section 19(3) of the Employment Act, 2007.	Ensure salary deductions do not exceed two-thirds of basic pay.	<b>Not quantified</b>
<b>Failure to Publish Tenders</b>	Tenders and contracts not published on the Public Procurement	320 tenders advertised, but awarded contracts not published.	Publish all tenders and contracts on the Public Procurement	<b>Not quantified</b>

**Table 3.24: Cumulative Fiduciary Risk for the County Executive of West Pokot 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>
	Information Portal.		Information Portal.	
<b>Irregular Commitments of Funds</b>	Funds committed after the statutory deadline without written approval.	Ksh.232,098,357 committed after 31 May 2024 without approval.	Ensure all commitments are made within the statutory deadline and with proper approval.	<b>232,098,357</b>
<b>Non-Compliance with Staff Ethnic Composition</b>	Overrepresentation of one ethnic community in staff recruitment.	90% of new recruits (18 out of 20) from the dominant community, contrary to Section 65(e) of the County Government Act, 2012.	Ensure diversity in staff recruitment, with at least 30% of new hires from non-dominant communities.	<b>Not quantified</b>
<b>Total Cumulative Fiduciary Risk Exposure</b>				<b>Ksh. 3,550,990,949</b>

### 3.25 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF SAMBURU

160 Analysis of the audit report for the County Executive of Samburu for the FY 2023/2024 shows a cumulative total of **Ksh. 3,584,984,925** as the total financial exposure from fiduciary risks as shown in Table 3.25.

**Table 3.25: Cumulative Fiduciary Risk for the County Executive of Samburu 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 Cash and Cash Equivalents</b>	Cash and cash equivalents balance of Ksh. 142,476,191 was unsupported. Bank	- Bank reconciliation discrepancies of Ksh. 102,198,283. - No approval for 25 active bank accounts.	- Ensure proper bank reconciliations. - Obtain approvals for all bank accounts. - Provide	<b>142,476,191</b>

**Table 3.25: Cumulative Fiduciary Risk for the County Executive of Samburu 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>
	reconciliation issues and lack of approval for 25 active bank accounts.	- Lack of certificates of bank balances.	certificates of bank balances.	
<b>Budgetary Control and Performance</b>	Under-funding of Ksh. 1,253,589,462 (18% of budget). Late exchequer releases affected service delivery.	- Under-funding of Ksh. 1,253,589,462. - Late exchequer releases of Ksh. 1,454,521,248 in June and August 2024.	- Improve budget planning and execution. - Ensure timely disbursement of funds.	<b>1,253,589,462</b>
<b>Pending Bills Not Paid as First Charge</b>	Pending bills of Ksh. 465,119,507 were not paid as first charge, affecting subsequent budgets.	- Pending bills of Ksh. 465,119,507 not settled. - Failure to prioritize debt service payments.	- Prioritize payment of pending bills. - Ensure debt service payments are a first charge.	<b>465,119,507</b>
<b>Irregular Staff Recruitment</b>	Ksh. 60,069,840 paid to 29 staff in the "Governor's Delivery Unit" without proper recruitment processes.	- No approval from County Public Service Board. - No advertisement, shortlisting, or interviews conducted.	The COB should not approve any compensation to county staff employed by the county government without the approval of County Public Service Board	<b>60,069,840</b>
<b>Salaries Paid Outside IPPD System</b>	Ksh. 319,651,201 paid outside the Integrated Payroll and	- 350 officers paid outside IPPD. - Non-compliance	- Ensure all salaries are processed through IPPD.	<b>319,651,201</b>

**Table 3.25: Cumulative Fiduciary Risk for the County Executive of Samburu 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>
	Personnel Database (IPPD) system.	with National Treasury guidelines.		
<b>Non-Compliance with Ethnic Diversity</b>	72% of staff (1,749 out of 2,229) from the dominant ethnic community, contrary to the National Cohesion and Integration Act.	<ul style="list-style-type: none"> <li>- Non-compliance with Section 7(1) and (2) of the National Cohesion and Integration Act.</li> <li>- Lack of ethnic diversity in recruitment.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure compliance with ethnic diversity laws.</li> <li>- Implement fair recruitment practices.</li> </ul>	-
<b>Irregular Engagement of Casuals</b>	Ksh. 36,441,690 paid to casual workers without proper rationalization or muster rolls.	<ul style="list-style-type: none"> <li>- Casual workers engaged for over 3 months without review.</li> <li>- No muster rolls provided.</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct staff rationalization.</li> </ul>	<b>36,441,690</b>
<b>Non-Remittance of Statutory Deductions</b>	Ksh. 9,732,171 (NSSF) and Ksh. 60,613,975 (other pension schemes) not remitted.	<ul style="list-style-type: none"> <li>- Non-compliance with Section 20(1A) of the NSSF Act.</li> <li>- Late remittance of statutory deductions.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure timely remittance of statutory deductions.</li> <li>- Penalize non-compliance.</li> </ul>	<b>70,346,146</b>
<b>Irregular Use of Framework Contracting</b>	Ksh. 31,080,000 spent on foodstuffs for ECDE centers through irregular	<ul style="list-style-type: none"> <li>- Use of framework contracting not justified.</li> <li>- Non-compliance with Public Procurement</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure proper procurement methods.</li> <li>- Justify use of framework contracting.</li> </ul>	<b>31,080,000</b>

**Table 3.25: Cumulative Fiduciary Risk for the County Executive of Samburu 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>
	framework contracting.	and Asset Disposal Act.		
<b>Irregular Payments to Councils</b>	Ksh. 3,000,000 (Council of Governors) and Ksh. 3,604,800 (Frontier Counties Development Council) paid without legal basis.	- Payments made to entities not established under the law. - Non-compliance with Public Finance Management Act.	- Cease payments to unestablished entities. - Ensure compliance with legal frameworks.	<b>6,604,800</b>
<b>Irregular Commitments of Funds</b>	Ksh. 156,235,210 committed after 31 May 2024 without Accounting Officer's approval.	- Late commitments of funds. - Non-compliance with Public Finance Management Regulations.	- Ensure timely commitments of funds. - Obtain proper approvals for late commitments.	<b>156,235,210</b>
<b>Stalled Construction Projects</b>	Ksh. 107,790,785 paid for incomplete construction of inpatient block at Samburu County Referral Hospital.	- Contractor not on site. - Incomplete works (doors, windows, electrical works, etc.).	- Ensure completion of stalled projects. - Hold contractors accountable for delays.	<b>107,790,785</b>
<b>Irregular Fencing Works</b>	Ksh. 10,247,500 spent on fencing works for ECDE centers with untreated cypress posts.	- Use of untreated cypress posts. - Discrepancies in Bill of Quantities and	- Ensure proper materials are used. - Conduct proper inspections of works.	<b>10,247,500</b>

**Table 3.25: Cumulative Fiduciary Risk for the County Executive of Samburu 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>
		payment certificates.		
<b>Insufficient Budgetary Allocation</b>	Ksh. 32,301,200 spent on 60 ECDE pit latrines, exceeding the approved budget of Ksh. 12,000,000 for 20 latrines.	<ul style="list-style-type: none"> <li>- Budget overrun.</li> <li>- Non-compliance with Public Procurement and Asset Disposal Act.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure budgetary compliance.</li> <li>- Avoid overcommitment of funds.</li> </ul>	<b>32,301,200</b>
<b>Stalled Governor's Official Residence</b>	Ksh. 60,440,153 paid for incomplete construction of Governor's residence, exceeding SRC ceiling of Ksh. 45,000,000.	<ul style="list-style-type: none"> <li>- Project stalled for over a year.</li> <li>- Exceeded SRC ceiling without Senate approval.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure completion of the project.</li> <li>- Obtain necessary approvals for over-expenditure.</li> </ul>	<b>60,440,153</b>
<b>Inadequate Road Inspections</b>	Ksh. 169,859,258 spent on road construction without proper inspection procedures.	<ul style="list-style-type: none"> <li>- Lack of documented inspection procedures.</li> <li>- Non-compliance with Public Procurement and Asset Disposal Act.</li> </ul>	<ul style="list-style-type: none"> <li>- Develop standard inspection procedures.</li> <li>- Ensure proper oversight of road projects.</li> </ul>	<b>169,859,258</b>
<b>Unutilized Projects</b>	Ksh. 57,371,296 spent on completed but unutilized projects in Health,	<ul style="list-style-type: none"> <li>- Projects not handed over or equipped.</li> <li>- Lack of value for money.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure projects are utilized.</li> <li>- Conduct post-project evaluations.</li> </ul>	<b>57,371,296</b>

**Table 3.25: Cumulative Fiduciary Risk for the County Executive of Samburu 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>
	Sports, Livestock, and Education departments.			
<b>Long Outstanding Imprests</b>	Ksh. 39,270,626 in outstanding imprests not surrendered or recovered.	- Imprests not surrendered on time. - Lack of recovery actions.	- Recover outstanding imprests. - Enforce timely surrender of imprests.	<b>39,270,626</b>
<b>Irregular Commitments of Equalization Funds</b>	Ksh. 566,090,060 committed for infrastructural projects without receiving equalization funds.	- Funds committed without availability. - Non-compliance with Public Procurement and Asset Disposal Act.	- Ensure funds are available before committing. - Avoid overcommitment of funds.	<b>566,090,060</b>
<b>Total Cumulative Fiduciary Risk Exposure</b>				<b>Ksh. 3,584,984,925</b>

### 3.26 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF TRANS NZOIA

161 Analysis of the audit report for the County Executive of Trans Nzoia for the FY 2023/2024 shows a cumulative total of **Ksh. 2,471,157,610** as the total financial exposure from fiduciary risks as shown in Table 3.26.

**Table 3.26: Cumulative Fiduciary Risk for the County Executive of Trans Nzoia 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 Cash and Cash Equivalents</b>	Cash and cash equivalents balance of Ksh. 120,193,069 was unsupported. Bank reconciliation	Lack of supporting documentation for cash balances.	Ensure proper documentation and reconciliation of cash and bank balances.	<b>120,193,069</b>

**Table 3.26: Cumulative Fiduciary Risk for the County Executive of Trans Nzoia 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>
	statements, cashbooks, and board of survey reports were missing.			
<b>Inaccuracies in Exchequer Releases</b>	Variance of Ksh. 2,162,181 between Exchequer releases and County Revenue Fund statements. Revenue streams were not fully automated.	Inaccurate reporting of Exchequer releases and incomplete automation of revenue collection.	Fully automate revenue collection systems and reconcile Exchequer releases accurately.	<b>2,162,181</b>
<b>Inaccuracies in Compensation of Employees</b>	Salaries amounting to Ksh. 11,010,887 were paid outside the Integrated Payroll and Personnel Database (IPPD).	Non-compliance with National Treasury guidelines on payroll management.	Ensure all salary payments are processed through the IPPD system.	<b>11,010,887</b>
<b>Unsupported Acquisition of Assets</b>	Final payment of Ksh. 17,281,841 for upgrading Kiminini Township roads was unsupported. No certificate of measured works was provided.	Lack of supporting documentation for asset acquisition.	Ensure proper documentation and certification for all asset acquisitions.	<b>17,281,841</b>

**Table 3.26: Cumulative Fiduciary Risk for the County Executive of Trans Nzoia 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>Pending Accounts Payables</b>	Pending accounts payables of Ksh. 1,371,609,319 were not settled, including Ksh. 641,244,901 for construction, Ksh. 507,881,305 for goods, and Ksh. 222,483,113 for services.	Failure to settle bills during the year they relate to, distorting financial statements.	Prioritize and settle pending bills to avoid distortions in financial statements.	<b>1,371,609,319</b>
<b>Non-Compliance with Fiscal Responsibility on Wage Bill</b>	Compensation of employees amounted to 37% of total revenue, exceeding the 35% limit.	Breach of Public Finance Management Regulations on wage bill limits.	Reduce wage bill to comply with the 35% limit set by regulations.	<b>N/A (Regulatory breach)</b>
<b>Irregular Hiring of Temporary Employees</b>	575 casuals were hired for over 12 months without County Public Service Board approval.	Non-compliance with Employment Act and County Public Human Resource Manual.	The COB should not approve any compensation to county staff employed by the county government without the approval of County Public Service Board	<b>N/A (Regulatory breach)</b>
<b>Non-Remittance of Statutory Dues</b>	Statutory deductions (PAYE, NSSF, NHIF) totaling Ksh. 923,644,572 were not remitted to relevant authorities.	Failure to remit statutory deductions on time, risking fines and penalties.	Ensure timely remittance of statutory deductions to avoid penalties.	<b>923,644,572</b>

**Table 3.26: Cumulative Fiduciary Risk for the County Executive of Trans Nzoia 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>Irregular Recruitment of New Staff</b>	258 officers were recruited without vacancy declarations or approved staff establishment.	Non-compliance with County Public Service Human Resource Manual.	Ensure all recruitments are based on approved staff establishments and vacancy declarations.	<b>N/A (Regulatory breach)</b>
<b>Non-Compliance with One-Third Rule of Basic Salary</b>	Employees received net salaries less than one-third of their basic salaries, with some receiving negative salaries.	Breach of Employment Act, 2007.	Ensure salary deductions do not exceed two-thirds of basic salaries.	<b>N/A (Regulatory breach)</b>
<b>Non-Compliance with Law on Staff Ethnic Composition</b>	53% of employees were from the dominant community, exceeding the one-third limit.	Breach of National Cohesion and Integration Act, 2008.	Ensure ethnic diversity in staff recruitment to comply with the law.	<b>N/A (Regulatory breach)</b>
<b>Non-Compliance with Law on Persons with Disabilities Reservations</b>	Only 1.4% of employees were persons with disabilities, below the 5% reservation.	Breach of Persons with Disabilities Act, 2013.	Ensure compliance with the 5% reservation for persons with disabilities.	<b>N/A (Regulatory breach)</b>
<b>Non-Compliance with Effective Citizen Participation in Budgeting</b>	No evidence of public participation in budgeting and implementation.	Breach of County Governments Act, 2012.	Ensure public participation in budgeting and implementation processes.	<b>N/A (Regulatory breach)</b>
<b>Irregular Award of Legal Services</b>	24 cases were handled by 7 out of 36 prequalified law firms through direct tendering.	Non-compliance with Public Procurement and Asset Disposal Act, 2015.	Ensure fair and competitive procurement of legal services.	<b>N/A (Regulatory breach)</b>

**Table 3.26: Cumulative Fiduciary Risk for the County Executive of Trans Nzoia 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>Avoidable Expenditure on Interest Payments</b>	Ksh. 943,241 in accrued interest due to delayed settlement of a court order.	Poor management of public resources leading to avoidable wastage.	Settle court orders promptly to avoid additional interest payments.	<b>943,241</b>
<b>Poor Implementation of School Feeding Program</b>	Only 10% of the expected milk packets were supplied, and the program was stopped.	Failure to enforce contract terms and ensure program objectives were met.	Terminate non-performing contracts and enforce penalties for non-compliance.	<b>6,387,500</b>
<b>Incomplete Construction of County Headquarters</b>	Construction of the County Headquarters was 63% complete, with no interim certificates of completion provided.	Lack of due diligence in contractor selection and incomplete project documentation.	Ensure proper project documentation and contractor performance monitoring.	<b>N/A (Project delay)</b>
<b>Incomplete Construction of Tom Mboya Mother and Child Hospital</b>	Construction of the hospital was incomplete, with no approved extension for the delayed completion date.	Project delays and lack of proper documentation for extensions.	Ensure timely completion of projects and proper documentation for extensions.	<b>N/A (Project delay)</b>
<b>Delayed Completion of County Aggregation and Industrial Park</b>	The project was incomplete, with no title deed for the land provided.	Lack of ownership documents and incomplete project implementation.	Ensure proper land ownership documentation and timely project completion.	<b>N/A (Project delay)</b>
<b>Irregularities in the Construction of Mitume Fresh Produce Market</b>	No title deed or allotment letter for the land was provided, and the market was not in use.	Lack of proper documentation and non-utilization of completed projects.	Ensure proper documentation and utilization of completed projects.	<b>N/A (Project delay)</b>

**Table 3.26: Cumulative Fiduciary Risk for the County Executive of Trans Nzoia 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>Delayed Completion of Multi-Storey Business Complex</b>	The project was 92% complete but had stalled, with no evidence of subsequent approvals or site meeting minutes.	Lack of proper project management and documentation.	Ensure proper project management and documentation for multi-year projects.	<b>N/A (Project delay)</b>
<b>Slow Implementation of Rehabilitation and Modernization of Kenyatta Stadium</b>	The project was behind schedule due to boundary disputes.	Delays in project implementation due to unresolved disputes.	Resolve boundary disputes to ensure timely project completion.	<b>N/A (Project delay)</b>
<b>Stalled Construction of Trans Nzoia Teaching and Referral Hospital</b>	The project was 90% complete but had stalled, with no certificate of occupation.	Lack of proper project management and documentation.	Ensure timely completion and proper documentation for the hospital project.	<b>N/A (Project delay)</b>
<b>Poor Implementation of Matumbei - Kimothoni Water Project</b>	The pipelines did not distribute water evenly, with some areas lacking access.	Poor project implementation and lack of proper water distribution.	Ensure proper implementation and monitoring of water projects.	<b>N/A (Project delay)</b>
<b>Unused Early Childhood Development Education (ECDE) Classrooms</b>	Completed ECDE classrooms were not in use and lacked emergency exits.	Non-utilization of completed projects and lack of compliance with safety standards.	Ensure utilization of completed projects and compliance with safety standards.	<b>N/A (Project delay)</b>
<b>Poor Implementation of Pipeline Extension at Kokwo -</b>	The pipelines did not distribute water evenly, with some areas lacking access.	Poor project implementation and lack of proper water distribution.	Ensure proper implementation and monitoring of water projects.	<b>N/A (Project delay)</b>

**Table 3.26: Cumulative Fiduciary Risk for the County Executive of Trans Nzoia 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>Khalwenge Water Project</b>				
<b>Poor Implementation of Pipeline Extension and Stalled Borehole at Mitume Usafi Estate</b>	The pipelines did not distribute water evenly, and the borehole project had stalled.	Poor project implementation and lack of proper water distribution.	Ensure proper implementation and monitoring of water projects.	<b>N/A (Project delay)</b>
<b>Inefficiencies in the New County Revenue Software Collection System</b>	No revenue was collected in January 2024 due to a lack of seamless changeover from the old to the new revenue system.	Inefficient implementation of the new revenue collection system.	Ensure seamless transition and proper implementation of the new revenue system.	<b>N/A (System inefficiency)</b>
<b>Lack of Risk Management Policy</b>	No Risk Management Policy or strategy was in place.	Lack of risk management strategies and fraud prevention mechanisms.	Develop and implement a Risk Management Policy.	<b>N/A (Policy gap)</b>
<b>Lack of Fixed Assets Register</b>	Non-current assets balance of Ksh. 14,973,306,886 was not supported by a fixed assets register.	Lack of proper asset management and documentation.	Maintain a fixed assets register with detailed asset information.	<b>N/A (Asset management gap)</b>
<b>Unrecorded Purchases of Land</b>	Nine parcels of land costing Ksh. 17,925,000 were not recorded in the fixed assets register.	Lack of proper documentation and recording of land acquisitions.	Ensure proper recording and documentation of land acquisitions.	<b>17,925,000</b>

**Table 3.26: Cumulative Fiduciary Risk for the County Executive of Trans Nzoia 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>Lack of Management Responses to Internal Audit Reports</b>	No management responses were provided to internal audit reports.	Lack of accountability and follow-up on audit recommendations.	Ensure timely responses and implementation of internal audit recommendations.	<b>N/A (Governance gap)</b>
<b>Total Cumulative Fiduciary Risk Exposure</b>				<b>Ksh. 2,471,157,610</b>

### **3.27 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF UASIN GISHU**

**162** Analysis of the audit report for the County Executive of Uasin Gishu for the FY 2023/2024 shows a cumulative total of **Ksh. 1,256,596,771** as the total financial exposure from fiduciary risks as shown in Table 3.27.

**Table 3.27: Cumulative Fiduciary Risk for the County Executive of Uasin Gishu 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>Variances in Financial Statements and IFMIS Reports</b>	Discrepancies between financial statements and IFMIS reports, including variances in receipts, payments, and transfers.	- Variances in receipts, payments, and transfers between financial statements and IFMIS. - Unsupported expenditures and misclassifications.	- Ensure accurate reconciliation between financial statements and IFMIS. - Strengthen internal controls to prevent misclassifications and unsupported expenditures.	<b>55,167,873</b>
<b>Unsupported Domestic and Travel Subsistence</b>	Imprest issued for training, medical activities, and road department expenses lacked supporting	- Lack of documentation for imprest issued for training, medical activities, and road department expenses. - No evidence of criteria for	- Ensure all imprest is supported by proper documentation. - Implement strict controls on the issuance and use of imprest.	<b>6,719,470</b>

**Table 3.27: Cumulative Fiduciary Risk for the County Executive of Uasin Gishu 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>
	documentation.	selecting participants or usage of funds.		
<b>Unsupported Health Expenses for Commissioning of Mama Rachel Maternity Hospital</b>	Payments for the commissioning of Mama Rachel Maternity Hospital were not supported by documentation.	<ul style="list-style-type: none"> <li>- Payments totalling Ksh. 5,465,500 were not supported by documentation.</li> <li>- Lack of evidence of expenditure.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure all payments are supported by proper documentation.</li> <li>- Conduct regular audits of health-related expenditures.</li> </ul>	<b>5,465,500</b>
<b>Unsupported Fuel, Oil, and Lubricants</b>	Expenditure on fuel, oil, and lubricants lacked supporting documentation, including daily work tickets and fuel usage records.	<ul style="list-style-type: none"> <li>- No daily work tickets or fuel usage records provided.</li> <li>- Lack of independent fuel register.</li> </ul>	<ul style="list-style-type: none"> <li>- Maintain detailed records of fuel usage.</li> <li>- Implement a fuel management system to track usage and prevent misuse.</li> </ul>	<b>177,043,731</b>
<b>Unsupported and Misclassified Foreign Travel</b>	Foreign travel expenses were unsupported and misclassified as domestic travel.	<ul style="list-style-type: none"> <li>- Ksh. 7,843,246 of foreign travel expenses were unsupported.</li> <li>- Ksh. 3,139,886 was misclassified as domestic travel.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure proper classification of travel expenses.</li> <li>- Require supporting documentation for all travel expenses.</li> </ul>	<b>11,447,682</b>
<b>Anomalies in Pending Bills</b>	Pending bills were not properly documented, and there were unexplained variances in	<ul style="list-style-type: none"> <li>- Unexplained variance of Ksh. 633,070,932 in pending bills.</li> <li>- Lack of ageing analysis for pending bills.</li> <li>- Unpaid bills</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct an ageing analysis of pending bills.</li> <li>- Prioritize the settlement of pending bills to avoid accumulation.</li> </ul>	<b>707,393,356</b>

**Table 3.27: Cumulative Fiduciary Risk for the County Executive of Uasin Gishu 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 amounts reported.	from previous years.		
<b>Non-Compliance with National Cohesion and Integration Act</b>	86% of staff were from the dominant ethnic community, contrary to the requirement of no more than one-third from the same ethnic group.	<ul style="list-style-type: none"> <li>- Lack of diversity in staff recruitment.</li> <li>- Non-compliance with the National Cohesion and Integration Act.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure compliance with the National Cohesion and Integration Act in recruitment.</li> <li>- Promote diversity in staff hiring.</li> </ul>	N/A
<b>Irregular Payment of Special House Allowance</b>	Special house allowance was paid in addition to rental house allowance, resulting in duplicate payments.	<ul style="list-style-type: none"> <li>- Duplicate payment of housing benefits.</li> <li>- Non-compliance with Salaries and Remuneration Commission guidelines.</li> </ul>	<ul style="list-style-type: none"> <li>- Review and align housing allowances with SRC guidelines.</li> <li>- Avoid duplicate payments for housing benefits.</li> </ul>	<b>5,793,756</b>
<b>Irregular Payment of Acting Allowance</b>	Acting allowances were paid for more than six months, contrary to guidelines.	<ul style="list-style-type: none"> <li>- Acting allowances paid beyond the six-month limit.</li> <li>- Non-compliance with Public Service Human Resource Manual.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure acting allowances are paid within the prescribed limits.</li> <li>- Monitor acting appointments to avoid overpayments.</li> </ul>	<b>1,760,000</b>
<b>Non-Compliance with One-Third Rule on Salary Deductions</b>	764 staff members received net salaries below one-third of their basic salaries, contrary to the Employment Act.	<ul style="list-style-type: none"> <li>- Over-deduction of salaries.</li> <li>- Non-compliance with the Employment Act.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure compliance with the Employment Act regarding salary deductions.</li> <li>- Monitor payroll to prevent over-deductions.</li> </ul>	N/A

**Table 3.27: Cumulative Fiduciary Risk for the County Executive of Uasin Gishu 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>Payment of ECD Teachers Outside IPPD</b>	ECD teachers were paid outside the Integrated Payroll and Personnel Database (IPPD) system.	<ul style="list-style-type: none"> <li>- Payments made outside the IPPD system.</li> <li>- Non-compliance with National Treasury guidelines.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure all personnel payments are processed through the IPPD system.</li> <li>- ensure payments for ECD teachers within the IPPD system.</li> </ul>	<b>29,956,721</b>
<b>Irregular Procurement of Employee Insurance Covers</b>	Insurance policies for employees were procured irregularly, with no evidence of claims being compensated.	<ul style="list-style-type: none"> <li>- No claims compensated despite reported incidents.</li> <li>- Lack of supporting documentation for insurance policies.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure proper procurement and management of employee insurance policies.</li> <li>- Monitor claims and ensure timely compensation.</li> </ul>	<b>36,952,233</b>
<b>Unsupported Payment of Staff Medical Insurance Cover</b>	Staff medical insurance cover was not properly documented, and only 62% of staff were covered.	<ul style="list-style-type: none"> <li>- Lack of documentation for staff covered under the insurance scheme.</li> <li>- Only 62% of staff were covered.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure all staff are covered under the medical insurance scheme.</li> <li>- Maintain proper documentation for insurance coverage.</li> </ul>	<b>216,000,000</b>
<b>Anomalies in ICT Equipment</b>	ICT equipment procured for a data hub project was not operational and lacked proper documentation.	<ul style="list-style-type: none"> <li>- Equipment not tagged or labelled.</li> <li>- Equipment not operational for over two years.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure proper documentation and tagging of ICT equipment.</li> <li>- Monitor the use of ICT equipment to ensure it is operational.</li> </ul>	<b>N/A</b>
<b>Failure to Adhere to DANIDA</b>	Late disbursement of DANIDA	- Late disbursement of funds to health	- Ensure timely disbursement of DANIDA funds.	<b>2,896,449</b>

**Table 3.27: Cumulative Fiduciary Risk for the County Executive of Uasin Gishu 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>Funds Agreement</b>	funds to health facilities and failure to prepare quarterly returns.	facilities. - Failure to prepare quarterly returns as required by the donor agreement.	- Prepare and submit quarterly returns as required by the donor agreement.	
<b>Total Cumulative Fiduciary Risk Exposure</b>				<b>Ksh. 1,256,596,771</b>

### **3.28 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF ELGEYO/MARAKWET**

**163** Analysis of the audit report for the County Executive of Elgeyo/Marakwet the FY 2023/2024 shows a cumulative total of Ksh. **6,307,035,710** as the total financial exposure from fiduciary risks as shown in Table 3.28.

**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>Variances between Financial Statements and IFMIS Records</b>	Significant variances between financial statements and IFMIS records for various expenditure items.	No explanation provided for variances in salaries, allowances, and other expenses.	Management should reconcile financial statements with IFMIS records and provide explanations for variances.	<b>4,649,608,582</b>
<b>Unsupported Health Facilities Operational Bank Balances</b>	Health facilities' operational bank balances were not supported by reconciliation statements or certificates.	Bank reconciliation statements, certificates of bank balances, and Board of Survey reports were not provided.	Management should provide supporting documents for all operational bank accounts.	<b>41,337,214</b>
<b>Unsupported Pending Bills</b>	Pending bills increased by 456% from the	Bills remained outstanding for over 12 months	Management should ensure pending bills are	<b>103,636,606</b>

**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>
	previous year, with Ksh.60,188,747 unsupported.	despite budgeted revenues being received.	adequately supported and paid as first charge.	
<b>Unsupported Expenditure on Legal Services</b>	Legal fees paid without approval from the Executive Committee or supporting documents.	Payments were not supported by itemized fee notes, contract agreements, or evidence of court attendance.	Management should ensure legal services are procured and paid in compliance with regulations.	<b>2,730,778</b>
<b>Excessive Budgetary Allocation to the County Assembly</b>	The County Assembly was allocated 15.6% of total revenue, exceeding the 7% limit.	Allocation exceeded the legal threshold by Ksh.390,259,731.	Management should adhere to the 7% limit for County Assembly allocations.	<b>390,259,731</b>
<b>Failure to Operationalize the Office of the County Attorney</b>	The Office of the County Attorney was not constituted as required by law.	The County Attorney was not appointed, leading to outsourcing of legal services.	Management should establish the Office of the County Attorney and appoint a County Attorney.	<b>N/A</b>
<b>Failure to Adhere to the National Cohesion and Integration Act, 2008</b>	95% of employees were from the local dominant ethnic community, and all new recruits were from the same community.	Recruitment practices did not promote ethnic diversity, contravening the law.	Management should ensure recruitment practices comply with the National Cohesion and Integration Act.	<b>N/A</b>
<b>Non-submission of Financial Statements for Level 4 Hospitals</b>	Five Level 4 hospitals did not submit financial statements for audit.	Financial statements for Chesoi, Kamwosor, Kaptarakwa, Kocholwo, and Tot Sub County Hospitals were not submitted.	Management should ensure all Level 4 hospitals submit financial statements for audit.	<b>N/A</b>

**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>Conflict of Laws - Elgeyo Marakwet Equitable Development Act, 2015</b>	The County used its Equitable Development Act, which conflicts with national laws on procurement and project implementation.	Development funds were used to pay allowances to Ward Development Committees, contravening national laws.	Management should align the Equitable Development Act with national laws.	<b>20,730,000</b>
<b>Conflict of Interest by Members of County Assembly</b>	Members of the County Assembly were involved in executive functions, such as awarding tenders and monitoring projects.	This contravened the separation of powers between the County Executive and the County Assembly.	Management should ensure separation of powers and prevent County Assembly members from engaging in executive functions.	<b>N/A</b>
<b>Partial Funding of Projects</b>	Contracts were awarded for projects that were not fully funded, leading to stalled projects.	Projects worth Ksh.16,504,790 were not executed to completion due to inadequate funding.	Management should ensure projects are fully funded before contracts are awarded.	<b>16,504,790</b>
<b>Non-Compliance with Fiscal Responsibility on Wage Bill</b>	Compensation of employees amounted to 55% of total revenue, exceeding the 35% threshold.	Wage bill exceeded the legal limit by Ksh.903,554,613.	Management should reduce the wage bill to comply with the 35% threshold.	<b>903,554,613</b>
<b>Stalled Proposed Maintenance of Chepkerengoi Road</b>	A road maintenance project at the contract sum of Ksh.2.4 M has stalled, with only 40% of the	The contractor was not on site, and the project was stopped due to a court case.	Management should resolve the court case and ensure the project is completed.	<b>2,400,000</b>

**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>
	work completed after 18 months.			
<b>Irregular Funding of National Government Functions</b>	Funds were used for National Government functions, such as leveling and grading fields in primary schools.	No Memorandum of Understanding was in place, and there was no confirmation of fund utilization.	Management should ensure funds are used only for County Government functions.	<b>8,576,440</b>
<b>Irregular Payment of College Fees for KMTCC Students</b>	College fees were paid for KMTCC students, duplicating the County Bursary Fund.	KMTCC students were also sponsored under the County Bursary Fund, leading to duplication of functions.	Management should avoid duplicating functions and ensure proper vetting of bursary recipients.	<b>14,599,500</b>
<b>Anomalies in Projects Implementation</b>	Several projects were completed but not in use, had poor workmanship, or were abandoned.	Projects worth Ksh.144,563,020 were either not operational, had defects, or were abandoned.	Management should ensure proper project implementation and follow-up to ensure value for money.	<b>144,563,020</b>
<b>Non-Adherence to One-Third Pay Policy</b>	Some employees earned net salaries less than one-third of their basic salaries.	This contravened the Employment Act, 2007, which limits deductions to two-thirds of wages.	Management should ensure employees' net salaries are not less than one-third of their basic salaries.	<b>N/A</b>
<b>Irregular Implementation of Income Generating Activity Program (IGA)</b>	The IGA program lacked a conceptual framework, project assessment, and monitoring.	Projects worth Ksh.8,534,436 were funded without proper assessment or follow-up.	Management should develop a clear framework for the IGA program and ensure proper monitoring and evaluation.	<b>8,534,436</b>

**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 Equivalent</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>

**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>
	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.	- Lack of proper documentation for project variations. - Poor workmanship and incomplete works.	- Ensure proper documentation for all project variations. - Conduct regular site inspections to ensure quality workmanship.	<b>67,787,822</b>
<b>Delay in Completion of Construction of Avocado Aggregation Center</b>	Delayed completion of the Avocado Aggregation Center.	- 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>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.	- Lack of proper documentation for project variations. - Poor workmanship and incomplete works.	- Ensure proper documentation for all project variations. - Conduct regular site inspections to ensure quality workmanship.	<b>24,659,930</b>
<b>Irregularities in Construction of Nandi Cooperative Creameries Kabiyet Phase III</b>	Irregularities in the construction of the Nandi Cooperative Creameries Kabiyet Phase III.	- 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>64,750,673</b>
<b>Incomplete Proposed Construction of Modern Athletic Training Camp</b>	Incomplete construction of the Modern Athletic Training Camp.	- Project incomplete despite full payment. - Lack of formal handing over certificate.	- Ensure projects are completed before full payment. - Conduct proper handover procedures.	<b>53,222,000</b>
<b>Stalled Proposed Completion</b>	Stalled completion works at	- Project stalled and abandoned.	- Ensure projects are completed on	<b>9,954,900</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>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**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<b>Total Cumulative Fiduciary Risk Exposure</b>				<b>Ksh. 2,545,178,560</b>

**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**

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
<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>

<b>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risk 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.

<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>
		mismanagem ent 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 misclassificati on 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 mismanagem ent.	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.	<b>57,739,727</b>
<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.	<b>96,087,948</b>
<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.	<b>273,355,924</b>
<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.	<b>63,264,577</b>
<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.	<b>1,515,064,410</b>
<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>Fiduciary Risk</b>	<b>Concise Details</b>	<b>Key Observations</b>	<b>Key Recommendations</b>	<b>Fiduciary Risks Amount (Ksh.)</b>
Variations 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 operationalization	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	<b>486,797,871</b>
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	<b>492,584,475</b>
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	<b>533,524,214</b>
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	<b>610,293,121</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>
	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	<b>1,922,230,112</b>
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	<b>2,049,888,816</b>
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)	<b>2,049,888,816</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>
	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	<b>5,236,963,122</b>
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)	<b>5,236,963,122</b>
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)	<b>5,236,963,122</b>
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)	<b>5,236,963,122</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>
	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	<b>5,269,440,185</b>
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)	<b>5,269,440,185</b>
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	<b>5,354,259,641</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	<b>6,796,834,267</b>
<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>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	<b>1,276,353,752</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>
		the regularity of payments.	voiding transactions.	
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.	Discrepancy in financial records for strategic stocks, indicating potential mismanagement or misreporting.	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>