

Table 3.9: Cumulative Fiduciary Risk for the County Executive of Mandera for the Financial Year 2023/2024

Fiduciary Risk	Concise Detail of the Risk	Key Observations	Key Recommendations	Fiduciary Risk Amount (Kshs.)
Unsupported Direct Payments to KRA	Payments to KRA were not supported by proper documentation or processed through IFMIS.	Kshs. 39,522,351 paid directly to KRA without supporting details or IFMIS processing.	Ensure all payments are supported by proper documentation and processed through IFMIS.	39,522,351
Unsupported Pharmaceutical Payments	Payments for pharmaceuticals lacked supporting documents.	Kshs. 148,365,078 spent on pharmaceuticals without requisitions, inspection reports, or counter receipts.	Ensure all pharmaceutical purchases are supported by proper documentation and follow procurement guidelines.	148,365,078
Unsupported Deposits and Retentions	Deposits and retentions lacked supporting documentation.	Kshs. 10,641,645 in deposits and retentions without ageing analysis, contracts, or payment certificates.	Maintain proper documentation for deposits and retentions, including ageing analysis and contracts.	10,641,645
Unsupported Consultancy Services	Payments for consultancy services lacked proper documentation.	Kshs. 5,000,000 paid for consultancy services without a report from the contract implementation team.	Ensure all consultancy payments are supported by proper documentation and reports.	5,000,000
Unsupported Legal Services	Payments for legal services lacked proper authorization.	Kshs. 45,500,000 spent on legal services without written approval from	Ensure all legal service payments are authorized and supported by proper documentation.	45,500,000

Table 3.9: Cumulative Fiduciary Risk for the County Executive of Mandera for the Financial Year 2023/2024

Fiduciary Risk	Concise Detail of the Risk	Key Observations	Key Recommendations	Fiduciary Risk Amount (Kshs.)
		the County Executive Committee.		
Unutilized Regional Livestock Market	A completed livestock market was not in use, raising questions about value for money.	Kshs. 22,000,000 paid for a completed livestock market that was not in use.	Ensure completed projects are utilized and provide value for money.	22,000,000
Anomalies in Construction of Classrooms	ECDE classrooms were not constructed as per the Bill of Quantities.	Kshs. 6,796,822 spent on ECDE classrooms that were not constructed as per the Bill of Quantities and were not branded as County projects.	Ensure construction projects adhere to the Bill of Quantities and are properly branded.	6,796,822
Expenditure on National Government Functions	County funds were used for projects that fall under National Government functions.	Kshs. 74,363,509 spent on projects that are the responsibility of the National Government, such as school infrastructure and military facilities.	Ensure County funds are used only for County functions as per the Constitution.	74,363,509
Accumulation of Pending Bills	Pending bills were not properly documented or aged.	Kshs. 2,226,355,163 in pending bills, with Kshs. 1,136,973,354 outstanding for over two years.	Clear pending bills promptly and maintain proper documentation and ageing analysis.	2,226,355,163

Table 3.9: Cumulative Fiduciary Risk for the County Executive of Mandera for the Financial Year 2023/2024

Fiduciary Risk	Concise Detail of the Risk	Key Observations	Key Recommendations	Fiduciary Risk Amount (Kshs.)
Failure to Operationalize Emergency Fund	Emergency fund was not operationalized despite being established.	Kshs. 453,352,964 allocated for emergency relief but no funds were set aside in the annual budget.	Operationalize the emergency fund and allocate funds as required by law.	453,352,964
Failure to Operationalize Climate Change Fund	Climate change fund was not properly administered.	Kshs. 325,046,431 transferred to the Climate Change Fund but administered by the wrong officer.	Ensure the Climate Change Fund is administered by the designated Fund Administrator.	325,046,431
Payment of Salaries Outside IPPD	Manual payroll was used, increasing the risk of errors and manipulation.	Kshs. 188,987,235 paid to 552 employees through a manual payroll, including 446 National Police Reservists.	Ensure all salaries are processed through the Integrated Payroll and Personnel Database (IPPD).	188,987,235
Failure to Publish Finance Manual	Finance manual was not published, increasing the risk of non-compliance.	No finance manual was published, contrary to the Public Finance Management Regulations.	Publish the finance manual to ensure compliance with financial regulations.	N/A
Failure to Insure County Buildings	County buildings were not insured, exposing the County to potential losses.	Kshs. 380,016 spent on insurance costs, but County buildings were not insured.	Ensure all County buildings are insured to mitigate potential losses.	N/A
Weaknesses in Fixed Asset Management	Fixed assets were not properly	Kshs. 42,723,737,078 in fixed assets,	Implement proper asset management policies and	N/A

Fiduciary Risk	Concise Detail of the Risk	Key Observations	Key Recommendations	Fiduciary Risk Amount (Kshs.)
	managed or recorded.	but no policies or procedures were in place for asset management.	maintain a register of land and buildings.	
Lack of Risk Management Policy	No risk management policy or fraud prevention mechanism was in place.	No risk management policy, fraud prevention mechanism, or disaster recovery plan was in place.	Develop and implement a risk management policy, fraud prevention mechanism, and disaster recovery plan.	N/A
Total Cumulative Fiduciary Risk Exposure			Ksh. 3,545,931,198	

3.10 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF MARSABIT

145 Analysis of the audit report for the County Executive of Marsabit for the FY 2023/2024 shows a cumulative total of **Ksh. 4,204,105,980** as the total financial exposure from fiduciary risks shown in Table 3.10.

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Unsupported Legal Fees	Ksh. 10,300,000 paid as legal fees without evidence of compliance with the Advocates Remuneration Order (2014).	Legal fees were disproportionate to the damages claimed (Ksh. 1,028,000). The County lost the case, resulting in a total expenditure of Ksh. 4,328,000, including legal fees.	Ensure legal fees comply with the Advocates Remuneration Order and are proportionate to the case value.	4,328,000
Irregular Motor Vehicle Insurance	Ksh. 16,561,854 paid for motor vehicle insurance, including premiums for	52 motor vehicles were insured despite being grounded/unserviceable. Six vehicles	Conduct regular audits of motor vehicle status and ensure	16,561,854

Table 3.10: Cumulative Fiduciary Risk for the County Executive of Marsabit for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	grounded/unserviceable vehicles and duplicate registration numbers.	had duplicate registration numbers, leading to double insurance premiums.	proper documentation to avoid unnecessary insurance payments.	
Irregular Payment of Allowances	Ksh. 1,162,080 paid as special house allowances to 20 employees hired after 2014, contrary to Salaries and Remuneration Commission (SRC) guidelines.	Payments were made despite SRC Circular Ref. No. SRC/ADM/1/13 Vol. III (126) of 10 December 2014, which prohibited such allowances.	Align employee allowances with SRC guidelines and recover irregular payments.	1,162,080
Misclassification of Expenditure	Ksh. 7,937,309 paid for domestic travel and subsistence allowances but charged to operating expenses.	Misclassification of expenditure contrary to Section 154(2) of the Public Finance Management Act, 2012.	Ensure proper classification of expenditures in line with budgetary provisions.	7,937,309
Irregular Commitments	Ksh. 159,250,917 in commitments for goods and services made after 31 May 2024 without written approval from Accounting Officers.	Commitments were made after the deadline, contrary to Regulation 50(1) of the Public Finance Management (County Governments) Regulations, 2015.	Ensure all commitments are approved by Accounting Officers before the deadline.	159,250,917
Wasteful Expenditure on Travel	Ksh. 3,399,484 spent on foreign travel and subsistence allowances for officers to receive donated ambulances, but only one ambulance was delivered.	Funds were spent on travel without corresponding value for money, as only one ambulance was delivered out of three.	Ensure value for money in foreign travel expenditures and monitor the delivery of donated items.	3,399,484

Table 3.10: Cumulative Fiduciary Risk for the County Executive of Marsabit for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Non-Compliance with Wage Bill	Compensation of employees amounted to Ksh. 3,007,441,497 (44% of total revenue), exceeding the 35% threshold.	The wage bill exceeded the fiscal responsibility principle, contrary to Regulation 25(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015.	Reduce the wage bill to comply with the 35% threshold and implement staff rationalization measures.	3,007,441,497
Irregular Procurement of Cereals	Ksh. 476,748,120 paid to suppliers for cereals and pulses without competitive bidding under framework agreements.	Some suppliers had identical contact details, raising concerns of collusion. No competitive process was followed, contrary to Section 114(3) of the Public Procurement and Asset Disposal Act, 2015.	Ensure competitive bidding processes are followed for all procurements under framework agreements.	476,748,120
Stalled/Incomplete Projects	projects including the construction of Level 4 Hospital at Sololo-Makutano (Ksh. 483,369,790) and water tanks distribution (Ksh. 22,500,000), were incomplete or stalled.	Projects were delayed, with no evidence of monitoring and evaluation. The Level 4 Hospital project had cost overruns and delays, with no justification for price increases.	Implement strict project monitoring and evaluation mechanisms to ensure timely completion and value for money.	505,869,790
Irregular Payment of Medical Cover	Ksh. 47,203,203 paid for staff medical insurance, exceeding the approved budget of Ksh. 60,000,000 by Ksh. 19,811,929.	Overspending on medical insurance without proper justification, contrary to Section 45(3)(a) of the Public Procurement	Ensure all procurements are within the approved budget and seek necessary approvals for	19,811,929

Table 3.10: Cumulative Fiduciary Risk for the County Executive of Marsabit for the Financial Year 2023/2024				
Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
		and Asset Disposal Act, 2015.	any overspending.	
Irregular Funding of National Gov.	Ksh. 1,595,000 spent on chairs and lockers for Goro Rukesa Mixed Secondary School, a National Government function.	Expenditure on National Government functions without proper authorization, contrary to Part 1(16) of the Fourth Schedule of the Constitution of Kenya, 2010.	Ensure all expenditures align with County Government functions as per the Constitution.	1,595,000
Unsupported Assets	Non-current assets register not updated, with no evidence of ownership documents for land and other assets.	Lack of proper asset management, leading to potential loss or misuse of public assets.	Maintain an updated and accurate fixed assets register and ensure proper documentation for all assets.	Not Quantified
Weak Internal Controls	Lack of updated ICT asset register, risk management policy, and functional audit committee.	Internal controls were weak, with no risk management policy or functional audit committee in place.	Establish a functional audit committee, develop a risk management policy, and ensure proper ICT asset management.	Not Quantified
Total Cumulative Fiduciary Risk Exposure			Ksh. 4,204,105,980	

3.11 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF ISIOLO

146 Analysis of the audit report for the County Executive of Isiolo for the FY 2023/2024 shows a cumulative total of **Ksh. 23,083,476,427** as the total financial exposure from fiduciary risks as shown in Table 3.11.

Table 3.11: Cumulative Fiduciary Risk for the County Executive of Isiolo for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Long Outstanding Pending Accounts Payables	Pending bills of Ksh.1,242,393,771, some misclassified and unsupported by documents.	Lack of prioritization as first charge; unsupported payments of Ksh.250,531,088; misclassification of Ksh.13,118,500.	Prioritize pending bills per PFM Regulations; provide supporting procurement documents.	1,242,393,771
Irregular Payment of Overtime Allowances	Ksh.1,426,900 paid without eligibility proof or approvals.	Non-compliance with HR policies; missing documentation (e.g., hours worked, approvals).	Adhere to HR manual; document eligibility and approvals for overtime payments.	1,426,900
Non-Compliance with Ethnic Diversity Laws	47% of 1,707 employees from one ethnic group, exceeding 33% limit.	Breach of National Cohesion and Integration Act; wage bill at 46% of revenue (Ksh.2,082,321,741).	Ensure ethnic diversity compliance; reduce wage bill to 35% of revenue per PFM Regulations.	2,082,321,741
Excess Advisors and Chief Officers	36 advisors (limit 4) and 31 chief officers (limit 18) appointed.	Violation of SRC guidelines and staff establishment; overstaffing increases wage bill.	Reduce advisors to 4 and chief officers to 18 per SRC and establishment guidelines.	Not quantified
Irregular Procurement of Spatial Plan	Ksh.19,694,480 paid; contract awarded to higher bidder (Ksh.98,472,400 vs. Ksh.62,173,448).	Non-compliance with PPADA; lowest bidder disqualified without justification.	Award contracts to lowest evaluated bidder; follow PPADA procedures.	19,694,480
Delay in Isiolo Market Construction	Ksh.83,825,151 paid (67% of Ksh.545,211,810); delayed by 72 months.	No justification for delay; payment without M&E reports; poor contract management.	Enforce contract timelines; ensure M&E reports before payments; address delays.	83,825,151
Irregular Abattoir Upgrade Procurement	Ksh.200,000,000 transferred; contract anomalies (e.g., same committee members).	Breach of PPADA; irregular notifications; potential overpayment risks.	Segregate procurement committees; comply with PPADA notification rules.	200,000,000

Table 3.11: Cumulative Fiduciary Risk for the County Executive of Isiolo for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Irregular Cleaning Services Contract	Ksh.5,900,000 paid; exceeded RFQ threshold; no service evidence.	Breach of PPADA; lack of daily reports or schedules to confirm services rendered.	Use appropriate procurement methods; document service delivery.	5,900,000
Irregular Security Services Contract	Ksh.2,040,000 paid; undated documents, inconsistent signatures.	Non-compliance with PPADA; lack of fair competition evidence.	Ensure dated, signed procurement documents; enforce fair competition.	2,040,000
Irregular Imprest Management	Ksh.25,818,600 in imprests; used for cash procurement, unsupported allowances.	Breach of PFM Regulations; no evidence of activities or approvals; ineffective use of funds.	Limit imprests to approved purposes; provide supporting documents (e.g., attendance lists).	25,818,600
Stalled Municipal Stadium Project	Ksh.231,622,838 paid (67% of Ksh.345,998,315); stalled for 44 months.	Delayed beyond 20-month contract; no value for money achieved.	Complete or terminate stalled projects; ensure timely execution and monitoring.	231,622,838
Stalled County Headquarters Project	Ksh.180,396,810 paid (32% of Ksh.556,905,703); stalled despite rentals of Ksh.33,812,876.	Poor project management; no funding from National Treasury; wasted resources on rent.	Secure funding; complete project to avoid rental costs; improve project oversight. The county should continuously engaged the national for the release of the funds to supplement the construction of county HQ.	180,396,810
Poor Emergency Centre Construction	Ksh.32,955,140 paid (91% of Ksh.89,264,215); substandard work, equipment undelivered.	Delayed by 13 months; poor workmanship; Ksh.17,448,400 equipment missing; no EIA.	Ensure quality works; deliver equipment; conduct EIA per legal requirements.	32,955,140
Irregular Fire Station Contract	Ksh.4,950,000 pending; contract	Breach of PPADA; incomplete plumbing work (Ksh.300,000).	Adhere to PPADA timelines; complete outstanding works.	4,950,000

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	signed before 14-day lapse.			
Irregular Land Adjudication Allowances	Ksh.3,000,000 spent; Ksh.2,877,200 unsupported allowances.	No evidence of roles, attendance, or activities; accuracy unconfirmed.	Document roles and attendance for allowances; ensure transparency in payments.	3,000,000
Incomplete Project Implementation	49 of 191 projects (Ksh.238,324,621) not started; effectiveness unconfirmed.	Budgeted Ksh.1,727,219,971; only 117 projects completed; poor planning and execution.	Improve project planning and execution; ensure all budgeted projects are implemented.	238,324,621
Weak Motor Vehicle Management	Ksh.368,752,524 in vehicles; unregistered, unserviceable, or in private garages.	No disposal plan; 41 vehicle variance; risk of loss/theft; poor asset control.	Update asset register; dispose unserviceable vehicles; secure assets per PPADA Regulations.	368,752,524
Inaccurate Assets Register	Ksh.18,360,053,851 in assets; unsupported land, equipment values missing.	No ownership documents for Ksh.14,624,181,715 in land; risk of loss/encroachment.	Maintain accurate, tagged asset register; secure land titles; dispose unserviceable assets.	18,360,053,851
Total Cumulative Fiduciary Risk Exposure				Ksh. 23,083,476

3.12 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF MERU

147 Analysis of the audit report for the County Executive of Meru for the FY 2023/2024 shows a cumulative total of **Ksh. 2,580,053,749** as the total financial exposure from fiduciary risks shown Table 3.12.

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Unreconciled Transfers to Meru County	Transfers reported as Ksh.333,859,945, but Meru County	Variance of Ksh.20,825,147 unexplained and	Reconcile transfers with supporting documentation and	20,825,147

Table 3.12: Cumulative Fiduciary Risk for the County Executive of Meru for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Revenue Board	Revenue Board reported Ksh.354,685,092.	unreconciled, affecting accuracy of financial statements.	adjust financial records accordingly.	
Unsupported Assets (Land)	Non-current assets total Ksh.11,784,945,465, including Ksh.42,337,783 for land with no title deeds.	Lack of ownership documents and valuation for land; verification exercise incomplete.	Complete asset verification, obtain title deeds, and update the asset register with accurate valuations.	42,337,783
Failure to Reconcile Kenya Power Debt	Pending accounts payable include Ksh.20,529,158 owed to Kenya Power, but records show Ksh.35,775,596.	Unreconciled variance of Ksh.15,246,438, casting doubt on accuracy of payables.	Reconcile debt with Kenya Power records and ensure proper documentation for audit verification.	15,246,438
Unsupported Finance Costs	Finance costs of Ksh.41,158,510 include an unexplained journal entry of Ksh.1,700,000.	Lack of clarity on how Ksh.1,700,000 was derived; insufficient supporting evidence.	Provide detailed explanations and supporting documents for all finance cost entries.	1,700,000
Leasing of Medical Equipment	Leasing costs of Ksh.124,723,404 deducted at source with no records on treatment in books.	No evidence of conditional grants, payments, or agreements; accuracy unconfirmed.	Maintain proper records of leasing agreements, deductions, and payments for audit verification.	124,723,404
Long Outstanding Accounts Payable	Pending accounts payable increased to Ksh.1,329,144,337 from Ksh.1,044,715,617 (27% rise).	Lack of task force report to support payables; distorts financial statements and future budgets.	Appoint a task force to review and settle pending bills, prioritizing older debts per financial regulations.	284,428,720
Failure to Provide Project Status	Pending accounts payable of Ksh.1,329,144,337 with no project	Unable to confirm value for money or completion status	Submit detailed project status reports (completion,	1,329,144,337

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	status details provided.	of projects linked to payables.	contract price, payments) for all pending bills.	
Irregular Procurement Process - ICT Services	Use of goods and services (Ksh.1,647,803,703) includes ICT costs of Ksh.4,890,500 with anomalies.	Incomplete inspection committee (2 members) and unjustified fiber cabling purchase (Ksh.2,500,500).	Ensure compliance with procurement laws (e.g., full inspection committee) and justify all ICT expenditures.	4,890,500
Budgetary Control and Performance	Under-funding of Ksh.1,536,799,806 (14% of budget) due to late exchequer releases.	Late receipts (Ksh.850,090,881 after 25 June 2024) impacted service delivery; not a direct financial loss.	Improve coordination with National Treasury for timely exchequer releases; enhance budget planning.	0 (Not a direct loss)
Contingent Liability	Contingent liabilities of Ksh.756,757,420 with incomplete schedules.	Lack of detailed litigation schedules (amounts, status, fees); potential financial risk if realized.	Compile and submit a complete schedule of contingent liabilities for transparency and risk management.	756,757,420 (Potential)
Prior Year Unresolved Issues	Previous audit issues remain unresolved as of 30 June 2024.	Persistent failure to address prior findings undermines accountability and governance.	Resolve prior year audit issues with clear action plans and timelines; report progress to the Auditor-General.	Not quantified
Total Cumulative Fiduciary Risk Exposure				Ksh.2,580,053,749

3.13 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF THARAKA-NITHI

148 Analysis of the audit report for the County Executive of Tharaka-Nithi for the FY 2023/2024 shows a cumulative total of **Ksh. 5,641,128,993** as the total financial exposure from fiduciary risks as shown Table 3.13.

Table 3.13: Cumulative Fiduciary Risk for the County Executive of Tharaka-Nithi for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Misclassification of Expenditure	Ksh.66,039,293 paid as casual wages for temporary employees was misclassified as basic salaries for permanent employees.	Distortion of financial statements due to misclassification of expenditure.	Ensure proper classification of expenditures in line with IPSAS standards.	66,039,293
Unaccounted Contractors' Retention	Retention money of Ksh.77,541,652 not accounted for in the County Deposit Bank Account, leaving an unexplained variance of Ksh.76,734,652.	Lack of accountability for contractors' retention funds, leading to potential loss of public funds.	Reconcile and account for all retention funds. Ensure proper documentation and tracking of contractors' retentions.	76,734,652
Variance in Acquisition of Assets	Assets worth Ksh.719,632,632 acquired during the year were not supported by non-current asset registers.	Inaccurate recording of assets, leading to potential mismanagement or loss of public assets.	Update and maintain an accurate non-current asset register. Conduct regular physical verification of assets.	719,632,632
Variance in Pending Bills	Pending bills of Ksh.842,939,684 include unexplained variances, such as Ksh.4,683 due to LAPFUND.	Lack of reconciliation and justification for pending bills, leading to potential misuse of funds.	Settle pending bills promptly and ensure proper reconciliation of all payables.	842,939,684
Budgetary Control and Performance	Under-funding of Ksh.1,266,056,799 (21% of the budget) and under-utilization of Ksh.91,582,292 (2% of actual receipts).	Poor budgetary control and performance, affecting service delivery and development projects.	Improve budgetary planning and monitoring to ensure full utilization of allocated funds.	1,266,056,799

Table 3.13: Cumulative Fiduciary Risk for the County Executive of Tharaka-Nithi for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Unresolved Prior Year Audit Issues	Several prior year audit issues remain unresolved, including misclassification of expenditure and unaccounted retention funds.	Recurrence of audit issues indicates a lack of corrective action and accountability.	Implement prior year audit recommendations and establish a follow-up mechanism to address unresolved issues.	-
Non-Compliance with Fiscal Responsibility	Wage bill of Ksh.2,354,655,972 represents 50% of total revenue, exceeding the 35% threshold.	Excessive wage bill, leading to fiscal indiscipline and reduced funds for development projects.	Reduce the wage bill to within the 35% threshold as per PFM regulations.	2,354,655,972
Irregular Payments to Council of Governors	Payment of Ksh.5,000,000 to the Council of Governors without justification.	Unlawful payment to an independent entity, contrary to the Intergovernmental Relations Act, 2012.	Ensure all payments are lawful and supported by proper documentation.	5,000,000
Voided Transactions	615 voided transactions totaling Ksh.293,323,824 were not supported by proper documentation or approval from the Controller of Budget.	Lack of transparency and accountability in voiding transactions, leading to potential misuse of funds.	Ensure all voided transactions are properly documented and approved by the Controller of Budget.	293,323,824
Personal Emoluments Outside Payroll	Ksh.16,746,137 paid to 112 employees outside the Integrated Payroll and Personnel Database (IPPD).	Risk of fraud and manipulation due to payments outside the official payroll system.	Ensure all salaries are paid through the IPPD system to enhance transparency and accountability.	16,746,137
Total Cumulative Fiduciary Risk Exposure				Ksh. 5,641,128,993

3.14 FIDUCIARY RISKS EXPOSURE FOR THE COUNTY EXECUTIVE OF EMBU

149 Analysis of the audit report for the County Executive of Embu for the FY 2023/2024 shows a cumulative total of **Ksh. 20,176,685,462** as the total financial exposure from fiduciary risks shown in Table 3.14.

Table 3.14: Cumulative Fiduciary Risk for the County Executive of Embu for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Unreconciled Pending Payables	Pending accounts payables of Ksh.1,755,700,997, including Ksh.67,910,596 owed to Kenya Power, with an unexplained variance of Ksh.16,936,837.	Failure to reconcile payables with Kenya Power and Local Authorities Provident Fund (LAPFUND). Lack of supporting documentation for pending bills.	Ensure timely reconciliation of payables and provide supporting documentation for all pending bills. Implement a task force to review and settle long-outstanding bills.	1,755,700,997
Incomplete Asset Register	Non-current assets balance of Ksh.12,703,331,982, including Ksh.3,814,395,773 for land, but no list of parcels, locations, or title deeds provided.	Lack of ownership documents for land and other assets. Assets not tagged or properly recorded, exposing them to risk of loss or encroachment.	Conduct a comprehensive asset verification exercise. Update the asset register with all necessary details, including ownership documents, and ensure proper tagging of assets.	12,703,331,982
Unsupported Leasing of Medical Equipment	Leasing of medical equipment amounting to Ksh.122,723,404, but no records provided for audit on how the	Lack of evidence for deductions at source, conditional grant amounts, and service	Maintain proper records of leased equipment, including service agreements and payment details. Ensure all deductions and	122,723,404

Table 3.14: Cumulative Fiduciary Risk for the County Executive of Embu for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	amount was treated in the books.	provider agreements.	payments are properly documented and reconciled.	
Long Outstanding Accounts Payables	Pending bills balance of Ksh.2,207,376,005, with an increase of Ksh.280,385,506 from the previous year.	Failure to settle bills during the year they relate to, leading to distortions in financial statements and adverse effects on budgetary provisions.	Prioritize the settlement of pending bills as a first charge on the County Revenue Fund. Implement measures to prevent the accumulation of long-outstanding payables.	2,207,376,005
Irregular Payments to Council of Governors	Payment of Ksh.3,000,000 to the Council of Governors without supporting documents or legal framework.	Payments made without proper justification or legal basis, contrary to the Intergovernmental Relations Act, 2012.	Ensure all payments to external entities are supported by legal frameworks and proper documentation. Avoid making payments to entities funded by the National Government.	3,000,000
Late Approval of County Appropriation Act	County Appropriation Act, 2023, approved and assented to on 16 and 21 August 2023, but debit transactions were made before approval.	Transactions made before the approval of the Appropriation Act, violating Public Finance Management Regulations.	Ensure timely approval of the County Appropriation Act before any transactions are made. Adhere to the legal timelines for budget approval and implementation.	N/A

Table 3.14: Cumulative Fiduciary Risk for the County Executive of Embu for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Unbudgeted Transfers to Embu Level 5 Hospital	Unbudgeted transfer of Ksh.448,829,291 to Embu Level 5 Hospital, exceeding the supplementary budget allocation.	Transfers made without proper budgetary approval, violating Public Finance Management Regulations.	Ensure all transfers are within the approved budget limits. Seek supplementary budget approval for any additional funding requirements.	448,829,291
Stalled Governor's Official Residence Project	Construction of Governor's residence stalled at 55% completion, with no evidence of contractor extension or default notice.	Project delays and poor management, leading to potential loss of public funds and deterioration of the building.	Issue a default notice to the contractor and seek legal remedies for project delays. Ensure proper project management and timely completion of all construction projects.	49,703,439
Non-Compliance with Fiscal Responsibility on Wage Bill	Compensation of employees amounting to Ksh. 2,434,981,502, representing 41% of total revenue, exceeding the 35% threshold.	Excessive wage bill, violating Public Finance Management Regulations.	Implement measures to reduce the wage bill to within the prescribed limit. Conduct a staff rationalization exercise to optimize staffing levels.	2,434,981,502
Non-Adherence to One-Third Basic Salary Rule	1,366 employees had salary deductions exceeding two-thirds of their basic salary, violating the	Excessive salary deductions, leading to financial strain on employees.	Ensure compliance with the Employment Act by limiting salary deductions to two-thirds of	N/A

Table 3.14: Cumulative Fiduciary Risk for the County Executive of Embu for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	Employment Act, 2007.		basic pay. Monitor payroll deductions to prevent over-commitment of salaries.	
Failure to Remit Payroll Deductions	Overdue outstanding remittances of Ksh.431,803,980, including contributions to LAPFUND, LAPTRUST, and other entities.	Failure to remit payroll deductions, exposing the County to legal risks and employee grievances.	Remit all outstanding payroll deductions to the respective entities promptly. Implement a system to track and ensure timely remittance of deductions.	431,803,980
Non-Compliance with the National Cohesion and Integration Act	60% of senior management employees (352 out of 525) were from the dominant ethnic community, violating the National Cohesion and Integration Act, 2008.	Lack of ethnic diversity in senior management positions, contrary to legal requirements.	Ensure compliance with the National Cohesion and Integration Act by promoting ethnic diversity in recruitment and appointments.	N/A
Irregular Recruitment Processes	88% of newly recruited employees (799 out of 911) were from the dominant ethnic community, and 614 recruits in the payroll could not be traced in the	Lack of transparency and fairness in recruitment processes, with potential for favoritism and irregularities.	Ensure transparent and fair recruitment processes, with proper documentation and adherence to legal requirements. Conduct an audit	N/A

Table 3.14: Cumulative Fiduciary Risk for the County Executive of Embu for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	successful candidates' list.		of the payroll to verify the legitimacy of all employees.	
Outstanding Imprest	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.	12,774,887
Incomplete Renovation Works at Manyatta Market	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.	1,999,004
Unutilized Milk Cooler Shed	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.	1,495,650
Irregular Implementation of	Expenditure of Ksh. 2,965,321 on projects	Lack of proper agreements for shared services,	Ensure all shared services with the National	2,965,321

Table 3.14: Cumulative Fiduciary Risk for the County Executive of Embu for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
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
Total Cumulative Fiduciary Risk Exposure				Ksh. 20,176,685,462

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

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Unreconciled Cash and Cash Equivalents	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	1,493,983,181

Table 3.15: Cumulative Fiduciary Risk for the County Executive of Kitui for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
		749,570,308 and Ksh. 744,412,873 respectively.	procedures for financial reporting.	
Unconfirmed Revenue	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.	1,101,924,083
Variances in Financial Statements	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.	712,580,308
Pending Accounts Payables	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.	861,319,545
Stalled Projects	Stalled projects, including Kabati	Projects worth Ksh.	Monitor project implementation	410,783,058

Table 3.15: Cumulative Fiduciary Risk for the County Executive of Kitui for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	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.	
Non-Compliance with Fiscal Responsibility	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.	5,002,692,126
Non-Compliance with Ethnic Diversity	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.	-
Irregular Payments to Council of Governors	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.	3,220,000
Understaffing in	Internal audit function	Lack of adequate	Recruit additional	-

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Internal Audit	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.	
Weak Asset Management	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.	-
Total Cumulative Fiduciary Risk Exposure				Ksh. 9,586,502,301

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.

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Variances in Financial Statements	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	1,605,460,343

Table 3.16: Cumulative Fiduciary Risk for the County Executive of Machakos for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	including transfers, grants, and other expenditures.		explanations for variances.	
Unsupported Use of Goods and Services	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.	117,301,735
Unsupported Acquisition of Assets	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.	54,936,968
Variances in Legal Expenses	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.	20,524,998
Pending Bills	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.	5,540,163,283
Non-Compliance with Fiscal Responsibility	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	5,959,269,959

Table 3.16: Cumulative Fiduciary Risk for the County Executive of Machakos for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
			optimize staffing levels.	
Irregular Payments to Council of Governors	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.	3,220,000
Stalled Projects	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.	314,262,161
Irregular Procurement Processes	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.	Not quantified
Unsupported Recruitment of Staff	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.	Not quantified
Irregular Payments for Consultancy Services	Payments for consultancy services without proper	- Ksh. 41,459,880 paid without VAT deduction. - Full payment	- Ensure proper documentation and approval for consultancy	41,459,880

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	documentation or approval.	made before approval of final draft.	payments. - Deduct VAT as required by law.	
Un-Remitted and Withheld Taxes	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.	203,630,044
Lack of Updated Fixed Assets Register	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.	14,410,041,342
Total Cumulative Fiduciary Risk Exposure				Ksh. 28,270,270,713

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.

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Misclassification of Expenditure	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.	54,886,832

Table 3.17: Cumulative Fiduciary Risk for the County Executive of Makueni for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Failure to Observe Year-End Cut-Off	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.	1,829,058,168
Pending Accounts Payables	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.	686,830,832
Irregularities in HR Management	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).	Not quantified
Non-Compliance with Fiscal Responsibility	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.	Not quantified
Delayed Project Operationalization	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	142,248,886

Table 3.17: Cumulative Fiduciary Risk for the County Executive of Makueni for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	cost: Ksh. 142,248,886) not fully operationalized despite completion.	delays service delivery.	(e.g., fencing, landscaping) are completed.	
Stalled Mulima Water Project	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.	3,000,956
Irregular Payments to Council of Governors	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.	3,600,000
Understaffing of Internal Audit Function	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.	Not quantified
Total Cumulative Fiduciary Risk Exposure				Ksh. 2,719,625,674

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

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Budgetary Control and Performance	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"> - Late disbursements impacted project implementation. - Low absorption of development budget (47%). 	<ul style="list-style-type: none"> - Improve budget planning and execution. - Ensure timely disbursement of funds. - Monitor project implementation closely. 	2,047,687,963
Pending Bills	Pending bills totalling Ksh. 2,965,410,323, including long-outstanding bills and unremitted payroll deductions.	<ul style="list-style-type: none"> - Bills not settled as first charge. - Unremitted payroll deductions (Ksh. 7,736,275). - Unreconciled variances in pending bills. 	<ul style="list-style-type: none"> - Prioritize settlement of pending bills. - Reconcile and clear outstanding payroll deductions. - Maintain updated creditors' ledgers. 	2,965,410,323
Compensation of Employees	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"> - Non-compliance with fiscal responsibility. - Salaries paid outside IPPD system. - Lack of approved staff establishment. 	<ul style="list-style-type: none"> - Reduce wage bill to comply with fiscal responsibility. - Ensure all salaries are paid through IPPD. - Develop and approve a staff establishment plan. 	57,777,835
Non-Compliance with Ethnic Diversity	96% of employees from the dominant ethnic community, contrary to the National Cohesion and Integration Act, 2008.	<ul style="list-style-type: none"> - Recruitment practices favor the dominant ethnic group. - Failure to meet diversity requirements. 	<ul style="list-style-type: none"> - Ensure recruitment practices comply with ethnic diversity laws. - Implement measures to achieve a balanced workforce. 	N/A

Table 3.18: Cumulative Fiduciary Risk for the County Executive of Nyandarua for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Irregular Payments to Council of Governors	Payment of Ksh. 1,360,000 to the Council of Governors, contrary to the Intergovernmental Relations Act, 2012.	<ul style="list-style-type: none"> - Operational expenses of the Council should be funded by the National Government. 	<ul style="list-style-type: none"> - Cease payments to the Council of Governors. - Seek clarification on funding mechanisms. 	1,360,000
Stalled Projects	Stalled construction of County Headquarters (Ksh. 339,836,213 paid) and other projects with low absorption rates.	<ul style="list-style-type: none"> - Delays in project completion. - Poor project management and oversight. - Additional costs due to delays and variations. 	<ul style="list-style-type: none"> - Strengthen project management and oversight. - Ensure timely completion of projects. - Monitor contractor performance and enforce penalties for delays. 	339,836,213
Irregular Revenue Collection System	Extension of revenue collection system contract without proper approval.	<ul style="list-style-type: none"> - Contract extended without evaluation committee approval. - Lack of proper documentation. 	<ul style="list-style-type: none"> - Ensure all contract extensions are properly approved. - Maintain proper documentation for all procurement processes. 	N/A
Un-Remitted Taxes	Unremitted taxes totaling Ksh. 153,701,376, with penalties and interest of Ksh. 49,928,668.	<ul style="list-style-type: none"> - Failure to deduct and remit taxes on time. - Losses due to penalties and interest. 	<ul style="list-style-type: none"> - Ensure timely remittance of taxes. - Negotiate with KRA to reduce penalties and interest. 	203,630,044
Lack of Audit Committee	No functional Audit Committee, affecting internal controls and governance.	<ul style="list-style-type: none"> - Audit Committee term expired in October 2023. - Lack of oversight and 	<ul style="list-style-type: none"> - Appoint a new Audit Committee promptly. - Ensure audit plans are approved and implemented. 	N/A

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
		approval of audit plans.		
Weaknesses in Internal Audit Function	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
Irregular Leasing of Medical Equipment	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.	1,139,829,968
Irregularities in Project Implementation	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.	35,526,100
Total Cumulative Fiduciary Risk Exposure				Ksh. 6,790,678,446

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.

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Receipts and Payments Outside	Receipts and payments totaling Ksh. 1.51 billion	Transactions recorded outside the financial year,	Ensure all transactions are recorded within the financial year and	1,514,891,784 (Receipts) 1,528,872,371 (Payments)

Table 3.19: Cumulative Fiduciary Risk for the County Executive of Nyeri for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Reporting Period	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.	
Irregular Charge of Bank Accounts	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.	400,454,277
Irregular Voided Payments	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.	527,252,503
Staff Sharing Bank Accounts	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	681,442

Table 3.19: Cumulative Fiduciary Risk for the County Executive of Nyeri for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	Ksh. 681,442 paid to these accounts over 6 months.	shared bank accounts.	unique bank account.	
Pending Bills	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.	141,137,831
Non-Compliance with Fiscal Responsibility (Wage Bill)	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.	3,981,766,676
Unremitted Payroll Deductions	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.	7,736,275
Non-Compliance	94% of employees	Violation of Section 7(2) of	Ensure diversity in recruitment by	N/A

Table 3.19: Cumulative Fiduciary Risk for the County Executive of Nyeri for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
with Staff Ethnic Diversity	(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.	
Non-Compliance with One-Third Basic Salary Rule	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.	N/A
Failure to Meet Recruitment Threshold for Persons with Disabilities	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.	N/A
Total Cumulative Fiduciary Risk Exposure				Ksh. 8,102,802,799

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

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
Variances in Financial Statements and IFMIS Balances	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.	6,574,634
Irregular Payment of Revenue Collector's Allowances	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.	4,301,100
Unsupported Training Expenses	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.	3,778,000

Table 3.20: Cumulative Fiduciary Risk for the County Executive of Kirinyaga for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
Lack of Age Analysis for Accounts Payables	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.	1,229,536,760
Non-Disclosure of Bank Balances	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.	742,415
Irregularities in Human Resource Management	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.	2,613,372,430
Ineffective Management of Contracts	Delays and irregularities in construction projects,	Projects behind schedule, payments made for incomplete	Improve project management and oversight. Ensure payments are tied	216,723,995

Table 3.20: Cumulative Fiduciary Risk for the County Executive of Kirinyaga for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
(Construction Projects)	including Kianyaga and Kimbimbi Sub-County Hospitals, and Ndaba Dispensary.	work, and lack of proper project management.	to project milestones and completion.	
Incomplete Hospital Management Information System	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.	27,203,450
Ineffective Utilization of Public Resources for Legal Expenditure	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.	66,212,341
Delay in Construction of Fire Station Project	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.	44,714,691
Irregularities in Construction of County Aggregation and Industrial Parks (CAIP)	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	91,868,580

Table 3.20: Cumulative Fiduciary Risk for the County Executive of Kirinyaga for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
	surveys, and delays in project completion.		approved budget and project plan.	
Long Outstanding Pending Bills	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.	827,767,929
Lack of Internal Audit Reports	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.	1,718,200
Lack of Valuation Report and Ownership Documents	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.	53,102,895
Total Cumulative Fiduciary Risk Exposure				Ksh. 5,187,617,420

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

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
Variance in IFMIS and Financial Statements	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.	1,669,246,6
Unreconciled Pending Bills	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.	1,342,502,6
Unsupported Expenditure on Hospitality	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.	631,884
Irregularities in Compensation of Employees	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.	3,685,639,7

Table 3.21: Cumulative Fiduciary Risk for the County Executive of Murang'a for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
	and Fiscal Responsibility on Wage Bill.	Public Finance Management Regulations.		
Irregularities in Imprest Management	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.	2,794,575
Anomalies in Project Implementation	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.	3,725,742
Failure to Remit Donor Project Balances	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.	5,569,467
Failure to Implement Audit Recommendations	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	N/A

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
			addressing audit findings.	
Lack of Asset Disposal Plan	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
Total Cumulative Fiduciary Risks Exposure				Ksh. 6,710,110,6

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.

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Payment of Salary Outside Payroll	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.	78,800,000

Table 3.22: Cumulative Fiduciary Risk for the County Executive of Kiambu for the Financial Year 2023/2024

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

Table 3.22: Cumulative Fiduciary Risk for the County Executive of Kiambu for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	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.	
High Contingent Liabilities	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.	517,322,175
Non-Compliance with Wage Bill	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.	7,890,419,502
Late Remittance of Statutory Deductions	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.	34,200,000
Unapproved Payroll Data	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.	-
Non-Compliance with Ethnic Diversity	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

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	Integration Act, 2008, in staff recruitment.	- 87% of new recruits from the dominant ethnic group.	Implement measures to achieve ethnic balance in staff composition.	
Non-Compliance with One-Third Salary Rule	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.	-
Failure to Follow Career Progression	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.	-
Casual Employment of Revenue Officers	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.	-
Total Cumulative Fiduciary Risk Exposure				Ksh. 15,221,734,203

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

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
Non-Inclusion of Assets of Defunct Local Authorities	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.	Undetermined
Under-Funding and Under-Absorption of Budget	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.	2,968,508,734
Pending Accounts Payables	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.	801,687,224
Non-Compliance with One-Third Basic Salary Rule	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-	Undetermined

Table 3.23: Cumulative Fiduciary Risk for the County Executive of Turkana for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
			commitment of salaries.	
Non-Compliance with Ethnic Diversity in Employment	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.	Undetermined
Unsurrendered Imprest	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.	85,093,020
Idle Cash in Bank for County Aggregation and Industrial Park	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.	100,000,000
Non-Functional High Mast Lighting	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.	5,315,000
Incomplete Construction Projects	construction of projects (e.g., Naakot Dispensary, Nasura	Poor project management, delays, and lack of contractor	Strengthen project management and ensure contractors complete projects	Undetermined

Table 3.23: Cumulative Fiduciary Risk for the County Executive of Turkana for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
	Dispensary, Kakuma Stadium) were incomplete, with payments made for incomplete work.	accountability led to incomplete projects.	as per contract terms.	
Delay in Settlement of Legal Cases	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.	165,669,147
Stalled Completion of Kataboi Eco Lodge	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.	18,269,805
Stalled Construction of Plastic Re-Use Facility	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.	4,895,620
Incomplete Construction of Kalokol	Ksh. 11,678,590 paid for the construction	Poor project management and lack of contractor	Strengthen project management and ensure contractors complete projects	11,678,590

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
Resource Centre	of Kalokol Resource Centre, but the project remains incomplete.	accountability led to incomplete projects.	as per contract terms.	
Delay in Completion of Turkana County Headquarters Building	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.	439,858,419
Stalled Construction of Governor's Residence	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.	120,500,965
Stalled Construction of Modern Business Centre	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.	22,195,934
Total Cumulative Fiduciary Risk Exposure				Ksh. 4,743,672,458

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.

Table 3.24: Cumulative Fiduciary Risk for the County Executive of West Pokot for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Inaccuracies in Exchequer Releases	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.	2,162,181
Inaccuracies in Transfers	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.	46,884,886
Unsupported Own Source Revenue	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.	185,477,320
Pending Accounts Payables	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.	321,655,764
Completed but	Projects completed but	10 projects worth Ksh.23,532,775	Ensure completed	23,532,775

Table 3.24: Cumulative Fiduciary Risk for the County Executive of West Pokot for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Unutilized Projects	not in use, leading to wastage of public funds.	completed but not utilized (health facilities and roads).	projects are handed over and utilized promptly.	
Stalled Construction Projects	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.	125,585,641
Non-Compliance with Fiscal Responsibility	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.	2,613,594,025
Non-Compliance with One-Third Rule	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.	Not quantified
Failure to Publish Tenders	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	Not quantified

Table 3.24: Cumulative Fiduciary Risk for the County Executive of West Pokot for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	Information Portal.		Information Portal.	
Irregular Commitments of Funds	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.	232,098,357
Non-Compliance with Staff Ethnic Composition	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.	Not quantified
Total Cumulative Fiduciary Risk Exposure				Ksh. 3,550,990,949

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

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Unsupported Cash and Cash Equivalents	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	142,476,191

Table 3.25: Cumulative Fiduciary Risk for the County Executive of Samburu for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	reconciliation issues and lack of approval for 25 active bank accounts.	- Lack of certificates of bank balances.	certificates of bank balances.	
Budgetary Control and Performance	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.	1,253,589,462
Pending Bills Not Paid as First Charge	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.	465,119,507
Irregular Staff Recruitment	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	60,069,840
Salaries Paid Outside IPPD System	Ksh. 319,651,201 paid outside the Integrated Payroll and	- 350 officers paid outside IPPD. - Non-compliance	- Ensure all salaries are processed through IPPD.	319,651,201

Table 3.25: Cumulative Fiduciary Risk for the County Executive of Samburu for the Financial Year 2023/2024

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

Table 3.25: Cumulative Fiduciary Risk for the County Executive of Samburu for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	framework contracting.	and Asset Disposal Act.		
Irregular Payments to Councils	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.	6,604,800
Irregular Commitments of Funds	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.	156,235,210
Stalled Construction Projects	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.	107,790,785
Irregular Fencing Works	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.	10,247,500

Table 3.25: Cumulative Fiduciary Risk for the County Executive of Samburu for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
		payment certificates.		
Insufficient Budgetary Allocation	Ksh. 32,301,200 spent on 60 ECDE pit latrines, exceeding the approved budget of Ksh. 12,000,000 for 20 latrines.	- Budget overrun. - Non-compliance with Public Procurement and Asset Disposal Act.	- Ensure budgetary compliance. - Avoid overcommitment of funds.	32,301,200
Stalled Governor's Official Residence	Ksh. 60,440,153 paid for incomplete construction of Governor's residence, exceeding SRC ceiling of Ksh. 45,000,000.	- Project stalled for over a year. - Exceeded SRC ceiling without Senate approval.	- Ensure completion of the project. - Obtain necessary approvals for over-expenditure.	60,440,153
Inadequate Road Inspections	Ksh. 169,859,258 spent on road construction without proper inspection procedures.	- Lack of documented inspection procedures. - Non-compliance with Public Procurement and Asset Disposal Act.	- Develop standard inspection procedures. - Ensure proper oversight of road projects.	169,859,258
Unutilized Projects	Ksh. 57,371,296 spent on completed but unutilized projects in Health,	- Projects not handed over or equipped. - Lack of value for money.	- Ensure projects are utilized. - Conduct post-project evaluations.	57,371,296

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	Sports, Livestock, and Education departments.			
Long Outstanding Imprests	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.	39,270,626
Irregular Commitments of Equalization Funds	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.	566,090,060
Total Cumulative Fiduciary Risk Exposure				Ksh. 3,584,984,925

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.

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Unsupported Cash and Cash Equivalents	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.	120,193,069

Table 3.26: Cumulative Fiduciary Risk for the County Executive of Trans Nzoia for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	statements, cashbooks, and board of survey reports were missing.			
Inaccuracies in Exchequer Releases	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.	2,162,181
Inaccuracies in Compensation of Employees	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.	11,010,887
Unsupported Acquisition of Assets	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.	17,281,841

Table 3.26: Cumulative Fiduciary Risk for the County Executive of Trans Nzoia for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Pending Accounts Payables	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.	1,371,609,319
Non-Compliance with Fiscal Responsibility on Wage Bill	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.	N/A (Regulatory breach)
Irregular Hiring of Temporary Employees	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	N/A (Regulatory breach)
Non-Remittance of Statutory Dues	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.	923,644,572

Table 3.26: Cumulative Fiduciary Risk for the County Executive of Trans Nzoia for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Irregular Recruitment of New Staff	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.	N/A (Regulatory breach)
Non-Compliance with One-Third Rule of Basic Salary	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.	N/A (Regulatory breach)
Non-Compliance with Law on Staff Ethnic Composition	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.	N/A (Regulatory breach)
Non-Compliance with Law on Persons with Disabilities Reservations	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.	N/A (Regulatory breach)
Non-Compliance with Effective Citizen Participation in Budgeting	No evidence of public participation in budgeting and implementation.	Breach of County Governments Act, 2012.	Ensure public participation in budgeting and implementation processes.	N/A (Regulatory breach)
Irregular Award of Legal Services	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.	N/A (Regulatory breach)

Table 3.26: Cumulative Fiduciary Risk for the County Executive of Trans Nzoia for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Avoidable Expenditure on Interest Payments	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.	943,241
Poor Implementation of School Feeding Program	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.	6,387,500
Incomplete Construction of County Headquarters	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.	N/A (Project delay)
Incomplete Construction of Tom Mboya Mother and Child Hospital	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.	N/A (Project delay)
Delayed Completion of County Aggregation and Industrial Park	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.	N/A (Project delay)
Irregularities in the Construction of Mitume Fresh Produce Market	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.	N/A (Project delay)

Table 3.26: Cumulative Fiduciary Risk for the County Executive of Trans Nzoia for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Delayed Completion of Multi-Storey Business Complex	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.	N/A (Project delay)
Slow Implementation of Rehabilitation and Modernization of Kenyatta Stadium	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.	N/A (Project delay)
Stalled Construction of Trans Nzoia Teaching and Referral Hospital	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.	N/A (Project delay)
Poor Implementation of Matumbei - Kimothoni Water Project	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.	N/A (Project delay)
Unused Early Childhood Development Education (ECDE) Classrooms	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.	N/A (Project delay)
Poor Implementation of Pipeline Extension at Kokwo -	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.	N/A (Project delay)

Table 3.26: Cumulative Fiduciary Risk for the County Executive of Trans Nzoia for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Khalwenge Water Project				
Poor Implementation of Pipeline Extension and Stalled Borehole at Mitume Usafi Estate	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.	N/A (Project delay)
Inefficiencies in the New County Revenue Software Collection System	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.	N/A (System inefficiency)
Lack of Risk Management Policy	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.	N/A (Policy gap)
Lack of Fixed Assets Register	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.	N/A (Asset management gap)
Unrecorded Purchases of Land	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.	17,925,000

Table 3.26: Cumulative Fiduciary Risk for the County Executive of Trans Nzoia for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Lack of Management Responses to Internal Audit Reports	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.	N/A (Governance gap)
Total Cumulative Fiduciary Risk Exposure				Ksh. 2,471,157,610

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

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
Variances in Financial Statements and IFMIS Reports	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 misclassification s.	- Ensure accurate reconciliation between financial statements and IFMIS. - Strengthen internal controls to prevent misclassifications and unsupported expenditures.	55,167,873
Unsupported Domestic and Travel Subsistence	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.	6,719,470

Table 3.27: Cumulative Fiduciary Risk for the County Executive of Uasin Gishu for the Financial Year 2023/2024

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

Table 3.27: Cumulative Fiduciary Risk for the County Executive of Uasin Gishu for the Financial Year 2023/2024

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
	the amounts reported.	from previous years.		
Non-Compliance with National Cohesion and Integration Act	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"> - Lack of diversity in staff recruitment. - Non-compliance with the National Cohesion and Integration Act. 	<ul style="list-style-type: none"> - Ensure compliance with the National Cohesion and Integration Act in recruitment. - Promote diversity in staff hiring. 	N/A
Irregular Payment of Special House Allowance	Special house allowance was paid in addition to rental house allowance, resulting in duplicate payments.	<ul style="list-style-type: none"> - Duplicate payment of housing benefits. - Non-compliance with Salaries and Remuneration Commission guidelines. 	<ul style="list-style-type: none"> - Review and align housing allowances with SRC guidelines. - Avoid duplicate payments for housing benefits. 	5,793,756
Irregular Payment of Acting Allowance	Acting allowances were paid for more than six months, contrary to guidelines.	<ul style="list-style-type: none"> - Acting allowances paid beyond the six-month limit. - Non-compliance with Public Service Human Resource Manual. 	<ul style="list-style-type: none"> - Ensure acting allowances are paid within the prescribed limits. - Monitor acting appointments to avoid overpayments. 	1,760,000
Non-Compliance with One-Third Rule on Salary Deductions	764 staff members received net salaries below one-third of their basic salaries, contrary to the Employment Act.	<ul style="list-style-type: none"> - Over-deduction of salaries. - Non-compliance with the Employment Act. 	<ul style="list-style-type: none"> - Ensure compliance with the Employment Act regarding salary deductions. - Monitor payroll to prevent over-deductions. 	N/A

Table 3.27: Cumulative Fiduciary Risk for the County Executive of Uasin Gishu for the Financial Year 2023/2024

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

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risks Amount (Ksh.)
Funds Agreement	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.	
Total Cumulative Fiduciary Risk Exposure				Ksh. 1,256,596,771

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.

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Variances between Financial Statements and IFMIS Records	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.	4,649,608,582
Unsupported Health Facilities Operational Bank Balances	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.	41,337,214
Unsupported Pending Bills	Pending bills increased by 456% from the	Bills remained outstanding for over 12 months	Management should ensure pending bills are	103,636,606

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

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	previous year, with Ksh.60,188,747 unsupported.	despite budgeted revenues being received.	adequately supported and paid as first charge.	
Unsupported Expenditure on Legal Services	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.	2,730,778
Excessive Budgetary Allocation to the County Assembly	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.	390,259,731
Failure to Operationalize the Office of the County Attorney	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.	N/A
Failure to Adhere to the National Cohesion and Integration Act, 2008	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.	N/A
Non-submission of Financial Statements for Level 4 Hospitals	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.	N/A

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

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
Conflict of Laws - Elgeyo Marakwet Equitable Development Act, 2015	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.	20,730,000
Conflict of Interest by Members of County Assembly	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.	N/A
Partial Funding of Projects	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.	16,504,790
Non-Compliance with Fiscal Responsibility on Wage Bill	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.	903,554,613
Stalled Proposed Maintenance of Chepkerengoi Road	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.	2,400,000

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

Fiduciary Risk	Concise Details	Key Observations	Key Recommendations	Fiduciary Risk Amount (Ksh.)
	work completed after 18 months.			
Irregular Funding of National Government Functions	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.	8,576,440
Irregular Payment of College Fees for KMTCC Students	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.	14,599,500
Anomalies in Projects Implementation	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.	144,563,020
Non-Adherence to One-Third Pay Policy	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.	N/A
Irregular Implementation of Income Generating Activity Program (IGA)	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.	8,534,436