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OF

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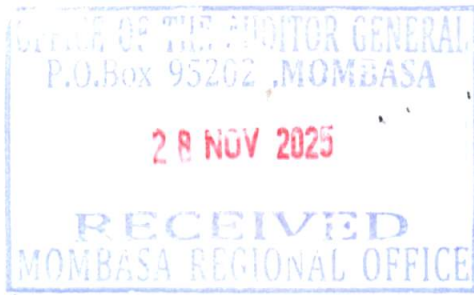
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COUNTY ASSEMBLY OF MOMBASA

**FOR THE YEAR ENDED
30 JUNE, 2025**

04



Issued on 30th September 2025



COUNTY ASSEMBLY OF MOMBASA

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

Transitional IPSAS Financial Statements

County Assembly of Mombasa
Annual Report and Financial Statements for the year ended June 30, 2025.

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1. Acronyms, Abbreviations and Definition of Key Terms

A. Acronyms and Abbreviations

<i>ADP</i>	<i>Annual Development Plan</i>
<i>AIE</i>	<i>Authority to Incur Expenditure</i>
<i>CA</i>	<i>County Assembly</i>
<i>CARA</i>	<i>County Allocation of Revenue Act</i>
<i>CBK</i>	<i>Central Bank of Kenya</i>
<i>CECM</i>	<i>County Executive Committee Member</i>
<i>CE</i>	<i>County Executive</i>
<i>CG</i>	<i>County Government</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>COG</i>	<i>Council of Governors</i>
<i>CRA</i>	<i>Commission on Revenue Allocation</i>
<i>CRF</i>	<i>County Revenue Fund</i>
<i>CT</i>	<i>County Treasury</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>MCA</i>	<i>Member of County Assembly</i>
<i>OAG</i>	<i>Office of the Auditor General</i>
<i>OCOB</i>	<i>Office of the Controller of Budget</i>
<i>OSR</i>	<i>Own Source Revenue</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>NT</i>	<i>National Treasury</i>
<i>WB</i>	<i>World Bank</i>
<i>KRB</i>	<i>Kenya Roads Board</i>
<i>Kshs</i>	<i>Kenya Shillings</i>
<i>FY</i>	<i>Financial Year</i>
<i>IFMIS</i>	<i>Integrated Financial Management Information System</i>
<i>CPAIC</i>	<i>County Public Accounts and Investments Committee</i>
<i>PAC</i>	<i>Public Accounts Committee</i>
<i>NDC</i>	<i>National Determined Contribution</i>
<i>GDP</i>	<i>Gross Domestic Product</i>
<i>ICT</i>	<i>Information Communication and ICT</i>
<i>EACC</i>	<i>Ethics and Anti Corruption Commission</i>
<i>RFQ</i>	<i>Request for Quotation</i>
<i>KNBS</i>	<i>Kenya National Bureau of Statistics</i>
<i>NDC</i>	<i>National Development Council</i>
<i>ECL</i>	<i>Expected Credit Loss</i>
<i>CASB</i>	<i>County Assembly Service Board</i>

B. Definition of Key Terms

Example

Fiduciary Management The key management personnel who had financial responsibility

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

1. Key Entity Information and Management

(a) Background information

The County Assembly is constituted as per article 177 of the Constitution of Kenya 2010. It is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 42 Members of County Assembly (MCAs), 30 elected and 12 nominated to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies, and playing the oversight role over the County Executive.

(b) Key Management Team

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

No.	Name & Designation	Profile
1.	<p><u>Speaker of the County Assembly</u></p>  <p>Hon. Aharub Ebrahim Khatri</p>	<p>Current political leader of the Third County Assembly of Mombasa</p>
2.	<p><u>Clerk of the County Assembly</u></p>  <p>Mr. Salim Juma Mwalimu</p>	<p>Holder of Maste of Business Administration degree- Strategic Management option Member of the Public Relations Society of Kenya (PRSK) He has extensive working experience in the public service, spanning over 26 years, rising through the ranks to senior and top management positions</p>
3.	<p><u>Deputy Clerk</u></p>  <p>Ms. Christine Aqua Mududa</p>	<p>Advocate of the High Court of Kenya, Member Law Society of Kenya (LSK). A Certified Public Secretary, CPS(K) Holder of M A Environmental Law and M Phil in Applied Business Leadership and Management and Postgraduate Diploma in Law. Has over 7 years' experience serving in a senior position in the public and private sector</p>
4.	<p><u>Head of Human Resources & Administration</u></p>  <p>Ms. Clara Wonge Mwachoki</p>	<p>Holder of Master in business administration degree- Strategic Management option, Member of the Institute of Human Resource Management, (IHRM) She has over 25 years of experience in the public service rising through the ranks to senior leadership positions</p>

No.	Name & Designation	Profile
5	<p><u>Head of Research & Library Services</u></p>  <p>Dr. Rashid Mohamed Kaka</p>	<p>Holder of Doctor of Philosophy Degree in Animal Genetics and Breeding. He has over 20 years' work experience in public service and research including offering of consultancy services in both public and private sectors.</p>
6	<p><u>Head of Legislative, Procedural & Committee Services</u></p>  <p>Ms. Dorothy Auma Adhoch</p>	<p>Holder of Bachelor's Degree in Law. Has over 20 years work experience in the public and private sector.</p>
7	<p><u>Head of Hansard Services</u></p>  <p>Ms. Salma Ndoge Maro</p>	<p>Holder of a Master's degree in Project Management Has over 20 years' work experience in the public sector spanning both the National and Sub-National government levels.</p>
8	<p><u>Head of Procurement & Supply Chain</u></p>  <p>Ms. Zakia Ali Abdi</p>	<p>Holder of a Master in Business Administration degree majoring in Procurement and Supplies Management. Member of the Kenya Institute of Supplies Management (KISM). Has over 10 years' experience serving in various senior positions in the public and private sectors.</p>
9	<p><u>Head of Finance</u></p>  <p>Mr. Babu Ali Said</p>	<p>Holder of a Master's degree in Finance and a Certified Public Accountant, a member of (ICPAK) Has over 10 years' experience serving in various senior positions in the public and private sectors.</p>

No.	Name & Designation	Profile
10.	<p><u>Head of Accounts</u></p>  <p>Mr. Paul Mutungi Mulila</p>	<p>Holder of a Bachelor's Degree in Education (Business/Economics) and a Certified Public Accountant, member of (ICPAK) Has over 20 years' experience serving in various senior positions in the public and private sector.</p>
11.	<p><u>Head of Internal Audit</u></p>  <p>Ms. Anne Namukhula Namulala</p>	<p>Holder of Master in Business Administration- Financial Management Member of (ICPAK) and Institute of Internal Auditors (IIA) Has over 13 years' experience serving in various positions in the public and private sectors</p>
12.	<p><u>Head of Fiscal Analysis Services</u></p>  <p>Mr. Alfred Jilo Kidai</p>	<p>Holder of Bachelor's Degree in Commerce (Finance), Member of the Economists Society of Kenya (ESK) A Certified Financial Modelling and Valuation Analyst (FMVA)® Has over 15 years' experience serving in various senior positions in the public and private sectors</p>

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer- Clerk	Salim Juma Mwalimu
2.	Deputy Clerk	Christine Aqua Mududa
3.	Director Finance & Accounts	Babu Ali Said
4.	Deputy Director Accounting Services	Paul Mutungi Mulila
5.	Deputy Director Finance	Salma Ali Sheikh
6.	Director Human Resource & Administration	Clara Wonge Mwachoki
7.	Director Research & Library Services	Rashid Mohamed Kaka
8.	Director Legislative, Procedural & Committee Services	Dorothy Auma Adhoch
9.	Director Hansard Services	Salma Ndoge Maro
10.	Director Supply Chain	Zakia Ali Abdi
11.	Principal Internal Auditor	Anne Namukhula Namulala
12.	Deputy Director Budget Office	Alfred Jilo Kidai

d). Fiduciary Oversight Arrangements

Pursuant to section 12(1) of the County Government Act, The Clerk of the County Assembly is the secretary of the County Assembly Service Board and the Accounting officer of County Assembly. The Clerk assists the Speaker to run the house proceedings including having thorough knowledge of the rules of the House and tabling all documents presented to the house. Clerk helps the Speaker and Members of the Assembly to organize the order of business including providing advice on house procedure, drafts private members bills and amendments as well as certifying the passage of bills through the Assembly.

The Clerk also assists with ceremonial occasions such as opening of the Assembly and is required to swear oath of allegiance administered by the Speaker to new Members of the County Assembly. The key House committees (Committee on Finance, Budget and Appropriation, and the Public Accounts Committee) valiantly play their oversight responsibilities as empowered by the PFM Act to ensure the operations of the County Assembly comply with the PFM Act and other laws and regulations. Similarly, all other House committees play their oversight roles as provided for in the law.

County Assembly Headquarters

P.O. Box 80438
County Assembly Building
80200 Mombasa
KENYA

a) County Assembly Contacts

Telephone: (254) 041-2311025
E-mail: Countyassemblymombasa@gmail.com
Website: www.mombasaassembly.go.ke

b) County Assembly Bankers

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

2. Cooperative Bank of Kenya
Nkrumah Road of Mombasa
P.O. Box 87771
GPO 80100
Mombasa

c) Independent Auditor

Auditor-General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

d) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

NAIROBI, KENYA

e) County Attorney/County Assembly Legal Advisor.

County Government of Mombasa

Bima Towers 6th Floor

P.O. Box 84569

80100 Mombasa

KENYA

**County Assembly of Mombasa
Annual Report and Financial Statements for the year ended June 30, 2025.**

2. Governance Statement

a. Background and roles

The County Assembly is constituted by the MCAs of Mombasa county government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the county assembly service board while the county assembly clerk is the secretary. Section 10 (4) of the County Governments Act 2012 provides that a county assembly shall observe the following order of precedence.


- a) The speaker of the county assembly.
- b) The leader of the majority party; and
- c) The leader of the minority party.



The Roles of the county assembly are outlined in Section 8 of the County Governments Act 2012, and they include:

- i. Vet and approve nominees for appointment to county public office as may be provided for in this Act or any other law.
- ii. Perform the roles set out under Article 185 of the Constitution.
- iii. Approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution.
- iv. Approve the borrowing by the county government in accordance with Article 212 of the Constitution.
- v. Approve county development planning; and
- vi. Perform any other role as may be set out under the Constitution or legislation.

b. Profiles

Insert the profiles for the Speaker, Majority leader, Chief Whip and the Clerk (*insert their photos and qualifications in a tabular format*)

Name	Details of qualifications and experience
<p>1. Hon.Aharub Ebrahim Khatri</p> 	<p>Hon. Aharub Ebrahim Khatri <i>Speaker of the Assembly, Chairman-County Assembly Service Board</i></p> <p>Qualifications and experience Current political leader of the Third County Assembly of Mombasa.</p>
<p>2. Hon.Athman Rama Mwamwiri</p> 	<p>Hon.Athman Rama Mwamwiri <i>Member of County Assembly</i></p> <p>Qualifications and experience Elected Member of the County Assembly representing the Likoni Ward and the County Assembly Majority Leader. Has experience in public service spanning over a 6year period.</p>

<p>3. Hon. Priscilla Mema Mumba</p> 	<p>Hon. Priscilla Mema Mumba <i>Member of County Assembly, Member</i></p> <p>Qualifications and experience</p> <p>She has experience in public service spanning over 12 years. Having served for three (3) terms. Currently a Member of County Assembly representing Ganjoni Ward.</p>
<p>4. Salim Juma Mwalimu</p> 	<p>Salim Juma Mwalimu <i>County Assembly Clerk, Secretary</i></p> <p>Qualifications and experience.</p> <p>Holder of Master of Business Administration degree, Strategic Management, Member of the Public Relations Society of Kenya (PRSK). He has an extensive 25 years' plus working experience in the public service rising through the ranks to senior and top management positions</p>

c. Sectoral Committees

The mandate of Sectoral Committees is in respect to the subject matter assigned by the Standing Orders and is exercised within the limits contemplated under Part 2 of the Fourth Schedule to the Constitution.

The County Assembly has the following Select and Sectoral committees:

The mandate of Sectoral Committees is in respect to the subject matter assigned by the Standing Orders and is exercised within the limits contemplated under Part 2 of the Fourth Schedule to the Constitution.

The County Assembly has the following Sectoral committees:

- i) Committee on Finance, Budget and Appropriations
- ii) Committee on Blue Economy, Agriculture, Fisheries & Livestock
- iii) Committee on Environment & Solid Waste Management
- iv) Committee on Health
- v) Committee on Tourism, Culture and Trade
- vi) Committee on Transport and Infrastructure
- vii) Committee on Youth, Gender, Sports & Social Services
- viii) Committee on Education and Digital Transformation
- ix) Committee on Labour and Public Service Administration
- x) Committee on Lands, Housing & Urban Planning
- xi) Committee on Water, Natural Resources & Climate Change Resilience

d. Select Committees

Select committees are generally responsible for overseeing the work of county departments and agencies and include the following:-

- i) County Public Investments and Accounts Committee
- ii) Committee on Finance, Budget and Appropriations
- iii) Committee on Implementation
- iv) Committee on Labour and Public Service Administration
- v) Committee on Justice and Legal Affairs
- vi) Audit Committee

i) County Public Investment and Accounts Committee

The Committee was formed to provide oversight on the County's finances. The Committee held the quarterly mandatory meetings during the year. The members who served in the committee during the year were:

Member	Designation	Ward
Hon. Sylvester Kai	Chairperson	Junda
Hon. Hamisi Nyota	Vice-Chairperson	Ziwa la Ngómbe
Hon. Ali Shariff	Member	Tononoka
Hon. Patrick Mbelle	Member	Bamburi
Hon. Nusura Mwinyi	Member	Mtongwe
Hon. Mariam Baimu	Member	Freretown
Hon. Eliud Kimari	Member	Mkomani

ii) Committee on Finance, Budget and Appropriations

The Finance, Budget and Appropriations Committee provides oversight in the budgetary process as well as report on all matters related to coordination, control and monitoring of the county government budget. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Kibwana Baya	Chairperson	Miritini
Hon. Hamida Noor	Vice-Chairperson	Nominated MCA
Hon. Athman Mwamwiri	Member	Likoni
Hon. Fatma Mote	Member	Kadzandani
Hon. Fadhili Makarani	Member	Portreitz
Hon. Abdirahman Hussein	Member	Old Town
Hon. Juma Kambi	Member	Shika Adabu
Hon. Morgan Matsaki	Member	Mtopanga
Hon. Mwinyi Mtoto	Member	Mwakirunge

iii) Committee on Implementation

The Committee on Implementation provides oversight by scrutinizing the resolutions of the County Assembly, petitions and undertakings whether implemented or operationalized. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Samuel Mwaura	Chairperson	Kongowea
Hon. Mohamed Hamid	Vice-Chairperson	Nominated MCA
Hon. Bernard Ogutu	Member	Changamwe
Hon. Leila Nyanche	Member	Kipevu
Hon. Juma Kambi	Member	Shika Adabu
Hon. Samir Bhaloo	Member	Tudor
Hon. Shuhudia Shalehe	Member	Nominated MCA
Hon. Florence Mkanjala	Member	Nominated MCA
Hon. Hamisi Mbaya	Member	Timbwani

iv) Committee on Blue Economy Agriculture, Fisheries & Livestock

The Committee provides oversight on all matters related to agriculture, including crop and animal husbandry, livestock sale yards, county abattoirs, plant and animal disease control and fisheries. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Patrick Mbele	Chairperson	Bamburi
Hon. Hamisi Mbaya	Vice-Chairperson	Timbwani
Hon. Maimuna Mwawasi	Member	Nominated MCA
Hon. Athman Mwamwiri	Member	Likoni
Hon. Ali Shariff	Member	Tononoka
Hon. Pamela Ojala	Member	Nominated MCA
Hon. Sylvester Kai	Member	Junda
Hon. Hamisi Nyota	Member	Ziwa la Ngómbe

v) Committee on Environment & Solid Waste Management

The Committee provides oversight for all matters relating to implementation of specific and environmental including soil conservation, water conservation and forestry and control of air pollution, noise pollution and other nuisances and outdoor advertising. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Juma Kambi	Chairperson	Shika Adabu
Hon. Hamisi Mtoto	Vice-Chairperson	Mwakirunge
Hon. Athman Mwamwiri	Member	Likoni
Hon. Prischilla Mumba	Member	Ganjoni
Hon. Maimuna Mwawasi	Member	Nominated MCA
Hon. Leila Nyache	Member	Kipevu
Hon. Franklin Makanga	Member	Chaani
Hon. Maryam Baimu	Member	Freretown
Hon. Samir Bhaloo	Member	Tudor

vi) **Committee on Health**

The Committee provides oversight for all matters related to county health services, including, in particular county health facilities and pharmacies, ambulance services, promotion of primary healthcare, licensing and control of undertakings that sell food to the public, veterinary services, cemeteries, funeral parlours and solid waste disposal. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Bernard Ogutu	Chairperson	Changamwe
Hon. Fatuma Mote	Vice-Chairperson	Kadzandani
Hon. Ahmed Salim	Member	Mwembe Tayari
Hon. Milka Moraa	Member	Nominated MCA
Hon. Amriya Boy	Member	Mjambere
Hon. Franklin Makanga	Member	Chaani
Hon. Jacktone Madialo	Member	Mikindani
Hon. Nusura Mwinyi	Member	Mtongwe
Hon. Solomon Ngugi	Member	Nominated MCA

vii) **Committee on Tourism, Culture & Trade**

The Committee provides oversight for all matters related to county planning and development, including statistics, land survey and mapping, boundaries and fencing, housing and electricity and gas reticulation and energy regulation; trade development and regulation, including markets, trade licenses, fair trading practices, local tourism and cooperative societies. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Abdirahman Hussein	Chairperson	Mji wa Kale
Hon. Joshua Ongáu	Vice-Chairperson	Jomvu Kuu
Hon. Fadhili Makarani	Member	Portreitz
Hon. Kibwana Swaleh	Member	Miritini
Hon. Samuel Mwaura	Member	Kongowea
Hon. Hamisi Mbaya	Member	Timbwani
Hon. Pamela Ojala	Member	Nominated MCA
Hon. Naeem Shafiq	Member	Nominated MCA
Hon. Mohamed Hamid	Member	Nominated MCA

viii) Committee on Transport & Infrastructure

The Committee provides oversight for all matters related to county transport, including county roads, street lighting, traffic and parking, public transport and ferries and harbours, excluding the regulation of international and national shipping and matters related thereto; county public works and services including storm water management systems in built-up areas and water and sanitation services. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Hassan Mohamed	Chairperson	Magogoni
Hon. Mwaka Bakari	Vice-Chairperson	Nominated MCA
Hon. Prischilla Mumba	Member	Ganjoni
Hon. Bernard Ogutu	Member	Changamwe
Hon. Joshua Ongáu	Member	Jomvu Kuu
Hon. Juma Manuari	Member	Bofu
Hon. Samir Bhaloo	Member	Tudor
Hon. Eliud Kimari	Member	Mkomani
Hon. Hamisi Nyota	Member	Ziwa la Ngómbe

ix) Committee Youth, Gender, Sports & Social Services

The Committee oversees programs and policies that support youth empowerment, education, and employment opportunities; Addressing gender equality, woman's empowerment and initiatives to combat gender-based violence; Promoting sport activities and managing social welfare programs. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Ali Shariff	Chairperson	Tononoka
Hon. Milka Moraa	Vice-Chairperson	Nominated MCA
Hon. Priscilla Mumba	Member	Ganjoni
Hon. Kibwana Swaleh	Member	Miritini
Hon. Hassan Mohamed	Member	Magogoni
Hon. Juma Manuari	Member	Bofu
Hon. Florence Kachumbo	Member	Nominated MCA
Hon. Solomon Ngugi	Member	Nominated MCA

County Assembly of Mombasa
Annual Report and Financial Statements for the year ended June 30, 2025.

x) **Committee Education & Digital Transformation**

The Committee provides oversight for all matters related to pre-primary education, village polytechnics, homecraft centres and childcare facilities. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Ibrahim Omondi	Chairperson	Airport
Hon. Allen Katana	Vice-Chairperson	Shanzu
Hon. Fadhili Makarani	Member	Portreitz
Hon. Ahmed Salim	Member	Mwembe Tayari
Hon. Patrick Mbelle	Member	Bamburi
Hon. Maryam Baimu	Member	Freretown
Hon. Shuhudia Shalehe	Member	Nominated MCA
Hon. Mohamed Hamid	Member	Nominated MCA
Hon. Hassan Mohamed	Member	Magogoni

xi) **Committee on Labour & Public Service Administration**

The Committee provides oversight for all matters relating to labour, trade union relations, manpower or human resource planning, gender, culture and social welfare, youth, National Youth Service, children's welfare; national heritage. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Jacktone Madialo	Chairperson	Mikindani
Hon. Nusura Mwinyi	Vice-Chairperson	Mtongwe
Hon. Fadhili Makarani	Member	Portreitz
Hon. Fatma Mote	Member	Kadzandani
Hon. Leyla Nyache	Member	Kipevu
Hon. Bernard Ogutu	Member	Changamwe
Hon. Milka Moraa	Member	Nominated MCA
Hon. Ahmed Khamis	Member	Mwembe Tayari
Hon. Mwaka Bakari	Member	Nominated MCA

xii) Committee on Justice and Legal Affairs

The Committee provides oversight for constitutional affairs, the administration of law and justice, including the elections, ethics, integrity and anti-corruption and human rights. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Juma Manuari	Chairperson	Bofu
Hon. Solomon Ngugi	Vice-Chairperson	Nominated MCA
Hon. Fatuma Mote	Member	Kadzandani
Hon. Amriya Boy	Member	Mjambere
Hon. Joshua Ongáu	Member	Jomvu Kuu
Hon. Allen Katana	Member	Shanzu
Hon. Eliud Kimari	Member	Mkomani
Hon. Patrick Mbelle	Member	Bamburi
Hon. Jacktone Madialo	Member	Mikindani

xiii) Committee on Lands, Housing & Urban Planning

The Committee provides oversight for all matters related to land allocation, housing development and urban planning; ensuring compliance with relevant regulations, addressing community concerns regarding land and housing; providing recommendations for policy improvements and project implementation. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Amriya Boy	Chairperson	Mjambere
Hon. Ahmed Khamis	Vice-Chairperson	Mwembe Tayari
Hon. Mwaka Bakari	Member	Nominated MCA
Hon. Ibrahim Oyugi	Member	Airport
Hon. Morgan Matsaki	Member	Mtopanga
Hon. Jacktone Madialo	Member	Mikindani
Hon. Allen Katana	Member	Shanzu
Hon. Juma Kambi	Member	Shika Adabu
Hon. Florence Kachumbo	Member	Nominated MCA

xiv) **Committee on Water, Natural Resources & Climate Change**

The Committee oversees water supply, distribution and sanitation projects; supervising the sustainable use and conservation of natural resources; developing and monitoring strategies to mitigate and adapt to climate change impacts and ensuring that policies and projects address environmental sustainability. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Leila Nyache	Chairperson	Kipevu
Hon. Hawa Abdulrahman	Vice-Chairperson	Nominated MCA
Hon. Hamida Noor	Member	Nominated MCA
Hon. Samuel Mwaura	Member	Kongowea
Hon. Sylvester Kai	Member	Junda
Hon. Nusura Mwinyi	Member	Mtongwe
Hon. Eliud Kimari	Member	Mkomani
Hon. Shuhudia Shalehe	Member	Nominated MCA
Hon. Naeem Shafiq	Member	Nominated MCA

xv) **Audit Committee**

In addition to the above committees of the County Assembly, the County Assembly has an independent Audit Committee which was constituted to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

The Audit Committee was constituted 1st August 2020. Its mandate is to advise the County Assembly of Mombasa on institutional risk management and compliance. The committee held four meetings in FY 2024/2025. The committee members during FY 2024-2025 were:-

Member	Designation
Mr.Said Mata Khamis	Chairperson
Mrs. Rukiya Juma Baballa	Member
Mr.Khamis Riziki Mabruk	Member
Mr.Aswif Abdalla Amur	Member
Mr.Paul M Mulila	Member

e. Communication with all Stakeholders

The County Assembly of Mombasa is committed to ensuring that all its residents of Mombasa, Business community, Research Institutions, Civil Society organizations, religious/cultural leaders, media outlets, Development partners and National government agencies are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the County held an Annual consultative meeting where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

Communication with stakeholders for the **County Assembly of Mombasa** involves structured and strategic interactions between the assembly and various individuals or groups, who are affected by or have an interest in the assembly's legislative, oversight, and representative functions through public participation forums, Official website & social media platforms, County Assembly Hansard reports (records of proceedings), Press releases and briefings and Stakeholder consultative meetings

The County Assembly of Mombasa has made steady progress in communication; however it continues to face difficulties in reaching a broad cross-section of the public. Many citizens are either unaware of legislative developments or unable to meaningfully participate in decision-making processes due to language and literacy barriers, low civic awareness and budget constraints.

The County Assembly also subjected 15 bills through public participation.

No. Description

1	The Mombasa County Health Improvement Financing Bill 2024
2	The Mombasa County Community Health Services Bill, 2024
3	The Mombasa County Finance Bill, 2024
4	The Mombasa County Supplementary Appropriation Bill, 2024
5	The Mombasa County Climate Change Bill, 2024
6	The Mombasa County Climate Change Fund Bill 2024
7	The Mombasa County Disaster Preparedness and Emergency Management (Amendment) Bill, 2024
8	The Mombasa County Finance (Amendment) Bill. 2024 (bills no 8)
9	The Mombasa County Appropriations Bill, 2024
10	The Mombasa County Ward Equitable Development Bill, 2024
11	The Mombasa County Finance Bill, 2024
12	The Mombasa County Village Administration Bill 2024
13	The Mombasa County Multi-Year Projects Financing Bill
14	The Mombasa County Supplementary Appropriation Bill, 2025
15	The Mombasa County Appropriations Bill, 2025

f. Risk management

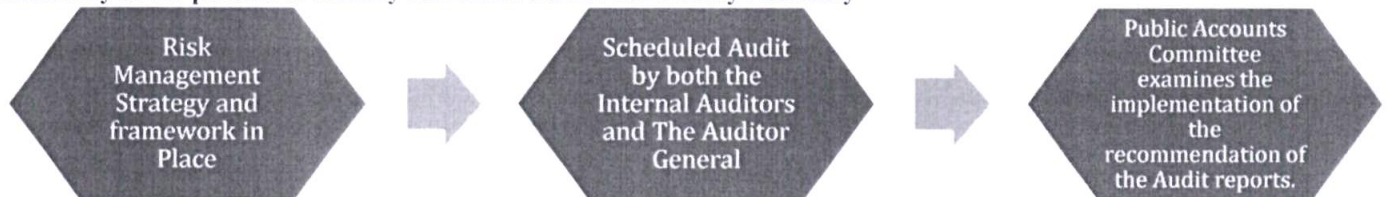
The Public Finance Management (County Governments) Regulations, 2015, Section 158 clearly obligates county government entities to proactively establish policies and systems for managing risks, including fraud, and to maintain internal controls to ensure efficient, effective operations.

The County Assembly of Mombasa in fulfilling its mandate, recognizes that the long-term capacity to consistently deliver public service relies on responsible governance, environmental stewardship, and institutional resilience.

The Assembly’s sustainability focus is anchored in four critical areas, including risk management, resource efficiency, institutional resilience and stakeholder engagement.

The Assembly has an established internal audit department, and suggestion boxes for reporting corruption and other cases. In addition the Assembly has ensured that all tenders are awarded through an open tender process and that all its payments are done through the IFMIS system.

Summary of the process to identify and assess risk in the County Assembly



1. Risk management and Internal Control

The County Assembly has implemented a basic but evolving risk management and internal control framework, overseen by the Internal Audit Unit and supported by the Public Investments and accounts and Budget Committees. The framework includes financial controls, procurement compliance checks, and committee oversight functions. Although still developing, the system enables early detection of irregularities and promotes accountability.

2. Risk Identification and Assessment Processes

The Assembly implements planning processes such as annual work planning, budget reviews, and committee sessions to identify institutional and operational risks.

3. Environmental Scanning for Emerging Risks

The Assembly conducts periodic reviews and engages stakeholder including the County Treasury, Auditor-General’s office to identify changes in the operational environment. Externally, shifts in political dynamics, legal frameworks, and public expectations are routinely analysed, while internally, HR gaps, ICT needs, and budget delays are flagged as recurring concerns.

4. Risks Identified and Managed in the Period

During the FY 2024/25, the following key risks were identified and addressed:

Risk	Assessment	Management Action
Budget Cut	Medium likelihood, high impact	Engagement with CRA, Senate. Expenditure prioritisation and Payment Planning
Delayed disbursement of funds	High likelihood, high impact	Engagement with OCOB, County Treasury; prioritization of pending bills
Audit compliance	Medium likelihood, high impact	Strengthened Audit Committee, internal audit processes; follow-up on Auditor-General reports
Low public participation	High likelihood, medium impact	Increased outreach and civic education
ICT vulnerabilities	Medium likelihood, high impact	Planned procurement of secure e-parliament systems

g. Compliance

The County Assembly of Mombasa is governed by several Articles in the **Constitution of Kenya, 2010**. **Article 10** clearly outlines the national values and principles of governance, including public participation, transparency, and accountability. **Article 118** mandates that Parliament (and by extension, County Assemblies) shall conduct its business in an open manner and facilitate public participation and involvement in its legislative and other business and **Article 35** gives the right of access to information held by the state or any public body.

The **County Governments Act, 2012** additionally give a pathway for operations in the County Assembly. Sections 87, 91, 92 and 95 emphasize on citizen participation and access to information.

Access to Information Act, 2016 mandates proactive disclosure of important public information, including legislative proposals and decisions.

Public Finance Management Act, 2012 requires transparency and accountability in the use of public resources, including publication and dissemination of budget and financial information to the public.

Leadership and Integrity Act, 2012 Enforces principles of integrity, transparency, and accountability in public service, which includes honest communication and openness with the public.

Disclosure of Compliance Reports

Guided by the above Laws, the County Assembly of Mombasa is striving to ensure compliance by holding regular public participation forums when discussing county bills or major county decisions, publishing of bills/ legislative proposals preparing and archiving hansard reports of debates/motions/questions and ensuring that committees produce reports on public input and engagement efforts frequently especially during key oversight or legislation processes.

The County Assembly budget estimates and Annual Financial statements are prepared and submitted annually. The Audit report by the Auditor General reviewing the Assembly's Financial and operational compliance are also done annually and the findings deliberated and debated by the Public Accounts Committee.

Other reports are usually prepared on a need basis; for instance appearances to senate for Audit Querries and Declaratioins and compliance with chapter 6 requirements to the EACC.

3. Foreword By the Clerk of The Assembly

(i) Budget performance

It is with pleasure that I present the inaugural accrual basis audited Financial Statements of the County Assembly of Mombasa for 2024-2025FY, pursuant to Section 163,164 and 165 of the Public Finance Management Act, 2012. The Financial Statements cover the period from July 1, 2024 to June 30, 2025 and account for KSh.818.6 million (KSh.756.2 million directly disbursed to County Assembly of Mombasa's Central Bank Recurrent and Development Accounts from the exchequer and KSh.62.5million Fund balance brought forward from 2024-25FY).

Of the KSh.969.1 million available for utilization during the financial year 2024-2025, 99% was absorbed in the respective County Assembly Programmes, with KSh 4.1million being the balance in the County Assembly's Bank accounts as at the closure of the financial year 2024-2025.

The County Assembly of Mombasa experienced a budget reduction of 72.9million during the Financial Year 2024-2025 which resulted in serious budget implementation challenges during the year under review. This notwithstanding, Funds received from the exchequer (KSh.756.2m) compared to expected budgeted receipts year to date (KSh.820.8m) accounted for 92% disbursement rate to end of the financial year, thus the Assembly experienced inadequate funding of KSh.63million (8%). This shortfall further negatively affected the implementation of County Assembly's programmes for the financial year so ended. Expenses were therefore consequently accrued as provided for under the Accrual basis of accounting, with a total of KSh.172.8m being the total amount recorded as payable in FY2024-2025. Of the KSh. 172.8m payable, KSh.49.5 was accrued due to delayed exchequer release in June 2025, KSh.115.5 was accrued due to budgetary constraints experienced in current financial year and KSh.3.8m being previous financial years payable.

These challenges notwithstanding, it is worthwhile to note that there was a one percentage increase in the disbursement rate of funds during the year 2024-2025 with an overall shortfall of KSh.63million (8%) being experienced compared to Financial Year 2022-2023 whose inadequate funding amounted to KSh.95m (9%).

The management of the County Assembly of Mombasa continually seeks to have an improvement in disbursement of funds and also pray for a favourable review of its budget ceiling by the relevant authorities and statutory bodies so as to efficiently and effectively carry out its core mandates of Legislation, Oversight and Representation.

(ii) Operational Performance

The operational performance can be seen in the legislative achievements, fiscal oversight, committee mandates and successes, and the Assembly's oversight role over the executive, reflects the Assembly's commitment to effective governance, legislative efficiency, public accountability, and the socio-economic advancement of Mombasa County.

1. Legislative Achievements and Impact

The Members of the County Assembly passed twelve (12) substantive laws and policies in the financial year. These legislative instruments were designed to strengthen governance structures, streamline service delivery, enhance revenue collection, and promote inclusive socio-economic development. Key areas addressed by these laws include:

- Institutional reforms to improve the efficiency and responsiveness of the County Government.
- Regulatory frameworks to support economic diversification and job creation.
- Policies promoting sustainable development and environmental stewardship.
- Measures aimed at improving access to public services, particularly in health, education, and infrastructure.

Collectively, these laws and policies are expected to improve operational efficiency, foster transparency in service delivery, and directly enhance the welfare of Mombasa's residents.

2. Fiscal Oversight and Budget Approval

The County Assembly discharged its constitutional mandate under Article 185 of the Constitution of Kenya and the Public Finance Management Act, 2012 by scrutinizing, amending, and approving the County Government's budget and supplementary budgets.

Key fiscal milestones for the 2024-2025 financial year include:

- **Mombasa County Appropriations Bill, 2024 (Main Budget):** Passed on **20th March 2024**
- **Mombasa County Appropriations (Supplementary) Bill, 2024:** Passed on **28th June 2024**.

Through rigorous budget review processes, the Assembly ensured that budgetary allocations were aligned to the County Integrated Development Plan (CIDP), prioritized service delivery, and adhered to principles of fiscal responsibility.

3. Assembly Committees: Mandates and Notable Successes

The Assembly operates through a structured committee system in accordance with its Standing Orders. Each committee is mandated to oversee specific sectors, scrutinize legislative proposals, examine departmental reports, and conduct inquiries on matters of public interest.

The committees collectively achieved the following during the reporting period:

- Scrutinized and improved all Bills before passage.
- Conducted sectoral oversight visits, resulting in recommendations that improved project implementation timelines.
- Facilitated stakeholder engagements that shaped legislative and policy priorities.
- Ensured budgetary allocations addressed sector-specific development needs.

A detailed listing of all committees, their leadership, and membership is provided in the Governance statement section of this report.

4. Oversight Role of the County Assembly

Oversight remains a cornerstone of the County Assembly's constitutional function. The Assembly held the County Executive accountable through:

- **Plenary Questions and Statements:** Requiring County Executive Committee Members (CECMs) to explain policies, budget implementation, and service delivery outcomes.
- **Committee Inquiries:** Investigating public complaints, inefficiencies, and instances of alleged maladministration.
- **Field Inspections and Project Visits:** Verifying the status, quality, and value-for-money of County-funded projects.
- **Review of Auditor-General's Reports:** Examining financial compliance, recommending corrective actions, and ensuring accountability for public funds.

These measures reinforced transparency, curbed mismanagement, and promoted prudent use of public resources for the collective benefit of Mombasa residents.

(iii) Performance of key development projects

The County Assembly of Mombasa during the year under review undertook different development projects in line with approved procurement plan and budget. The projects included renovation works, maintenance of offices, alterations and creation of new offices as per approved bill of quantities and engineer's estimates.

The projects were also reserved for the preference and reservation group hence uplifting the lives of the groups by ensuring timely payment is done after completion of works awarded to them.

The renovation works created a positive organizational ergonomics by creating a conducive and habitable working environments for staff and members of county Assembly of Mombasa. This is expected to improve efficiency, reduce errors and promoting wellbeing for the stakeholders within the County Assembly.

The transformation improved the public image of the Assembly from a state of despair old fashioned building to ultra-modern with necessary facilities well catered for, the landscaping, lounge & roofing works is clear indicator of the activities.

Key developments work undertaken

The county Assembly undertook various projects as per approved procurement plan and budget under development vote. The projects were completed and timely handover done as per agreed terms of contract between the Assembly and contractors. Payments for all projects done was done as per Engineer's certification and invoice raised.

The summary below shows the projects undertaken and their completion status.

YEAR 2024-2025

LSO No	Department	Project Name	Activity/Project Details -	Location of Project	Budgeted Amounts - Cumulative	CONTRACTOR	Contract Price	Recent Interim/final payment certificate No (eg- 1,2,3,4)	Cumulative amount as at recent/latest payment certificate	Status of the project as at 31 December 2023 -(Complete; Continuing; Stalled; Terminated)
1166	COUNTY ASSEMBLY OF MOMBASA	RENOVATION WORKS	PROPOSED ROOFING OF COUNTY ASSEMBLY BUILDING	COUNTY ASSEMBLY BUILDING	5,000,000	PROEDGE ENTERPRISES LIMITED	4,997,660	CAM/PRO/RFQ/179 6684/2024-2025	4,997,660	COMPLETE
1196	SPEAKER	RENOVATION WORKS	PROPOSED RENOVATION WORKS FOR SPEAKER'S OFFICE	COUNTY ASSEMBLY BUILDING	5,000,000	COAST PRIME CONTRACTORS LIMITED	4,990,800	CGM/TI&PW/CAS/ GEN/2025/11	4,990,800	COMPLETE
1198	DEPUTY CLERK AND OFFICE OF MAJORITY CHIEF WHIP	RENOVATION WORKS	RENOVATION OF DEPUTY CLERK AND MAJORITY CHIEF WHIP OFFICES	COUNTY ASSEMBLY BUILDING	5,000,000	SOUTHERN PORT ENGINEERING SERVICES LIMITED	4,998,600	CGM/TI&PW/GEN/ 2024/03	4,998,600	COMPLETE
1212	LEADER OF MINORITY & PWD	RENOVATION WORKS	PROPOSED RENOVATION WORKS OF LEADER OF MINORITY & PWD OFFICES	COUNTY ASSEMBLY BUILDING	5,000,000	ZUNAKHSA INVESTMENTS LTD	4,990,800	CGM/TI&PW/PW/CA/2025/03	4,996,500	COMPLETE
1213	COMMITTEE ROOM3 AND ACCOUNTS	RENOVATION WORKS	PROPOSED RENOVATION OF COMMITTEE ROOM 3 AND ACCOUNTS OFFICE	COUNTY ASSEMBLY BUILDING	5,000,000	HELI GARDENS LIMITED	4,992,300	CGM/TI&PW/PW/CA/2025/03	4,992,300	COMPLETE
1215	COUNTY ASSEMBLY OF MOMBASA	RENOVATION WORKS	EXTENSION OF COUNTY ASSEMBLY ROOF TERRACE	COUNTY ASSEMBLY BUILDING	5,000,000	ROMA MARITIME LIMITED	4,990,515	CGM/TI&PW/CA/ROOF TERRACE/2025	4,990,515.00	COMPLETE
1224	PROCUREMENT & SUPERINTENDENT	RENOVATION WORKS	PROPOSED RENOVATION OF PROCUREMENT & SUPERINTENDENT OFFICES	COUNTY ASSEMBLY BUILDING	5,000,000	HELI LIMITED	4,998,550	CGM/TI&PW/CAM/REN/RFQ/2025	4,998,550	COMPLETE
1228	LEGISLATIVE	RENOVATION WORKS	PROPOSED RENOVATION WORKS FOR LEGISLATIVE OFFICES	COUNTY ASSEMBLY BUILDING	5,000,000	LIPRON INVESTMENT LIMITED	4,998,780	CGM/TI&PW/PW/CA-GEN/2025/19	4,998,780	COMPLETE
1263	HUMAN RESOURCE	RENOVATION WORKS	RENOVATION OF HUMAN RESOURCE OFFICES	COUNTY ASSEMBLY BUILDING	5,000,000	ZUNAKHSA INVESTMENTS LTD	4,997,650	CGM/TI&PW/CAS/ GEN/2025/24	4,997,650	COMPLETE
1265	MEMBER'S LOUNGE	RENOVATION WORKS	RENOVATION OF HON MEMBERS LOUNGE	COUNTY ASSEMBLY BUILDING	5,000,000	HELI LIMITED	4,998,910	CGM/TI&PW/CAS/ GEN/2025/25	4,998,910	COMPLETE
1266	ICT	RENOVATION WORKS	RENOVATION ICT OFFICE & TOILETS	COUNTY ASSEMBLY BUILDING	5,000,000	HELI GARDENS LIMITED	4,999,650	CGM/TI&PW/CAS/ GEN/2025/27	4,999,650	COMPLETE
1267	SUPRITENDANT	RENOVATION WORKS	RENOVATION OF PARKING STORES	COUNTY ASSEMBLY BUILDING	4,977,750	ROMA MARITIME Limited	4,975,250	CGM/TI&PW/CAS/ GEN/2025/26	4,975,250	COMPLETE
						TOTAL			59,935,165	

(iv) Comment on value-for-money achievements

Refurbishment of County Assembly building and Offices has given us a strong mileage towards further equipping key offices of the Assembly hence will go a long way in improving service delivery to the residents of Mombasa County.

(v) Challenges and recommended way forward

List of strategic objectives

1. Build Assembly capacity/research for both staff and MCAs
2. ICT and physical infrastructure
3. Citizen engagement
4. Build public confidence in the Assembly (Branding)
5. Adequate financial resources

Implementation challenges of strategic objectives

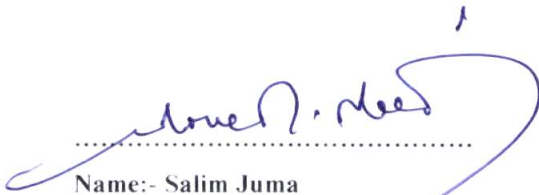
1. Weak performance Management systems thus poor service delivery
2. Delayed funding by the National Treasury
3. Lack of Capacity development of Staffs therefore Legislations are weak
4. Lack of Networking thus not adhering to COVID -19 regulation in conducting
5. Inadequate budgetary provisions and austerity measures.
6. Procurement of Quality Hansard equipment

Future outlook of County Assembly

1. Institutionalisation and the mainstreaming of performance management system;
2. Adequate budgetary and prompt funding from the National Treasury
3. The complete installation and operationalisation of the Integrated Security Management System;
4. County Assembly of Mombasa-Strategic Plan 2021-2026
5. Full optimization of ICT in operations and communications
6. Team spirit key to the successful delivery of services within the County Assembly

Policies in place to entrench the welfare of stakeholders in the County Assembly of Mombasa include: -

1. County Assembly Human Resource policy and procedure manual
2. Career Progression Guidelines
3. Induction manual for both MCAs and Staff
4. Training and development policy for staff
5. Risk Management policy
6. Disaster Management policy
7. Car loan & Mortgage scheme regulations
8. Staff Welfare Policy
9. Exit Policy for MCAs & Staff



Name:- Salim Juma

Clerk of the County Assembly

4. Statement of Performance against Predetermined Objectives

Strategic programmes and their development objectives

The key mandate of the County Assembly of Mombasa is legislation, oversight, and representation. To achieve this, the Assembly's program was documented in terms of objective, key performance indicators, and output. Below is the performance of the Assembly in FY 2023-2024.

Program	Objective	Outcome	Indicator	Performance	Remarks
Program 1: General administration and Planning Services	To provide efficient and effective service, and offer support function to the County Assembly of Mombasa	(i) Efficient Assembly operations	(i) Legislative process efficiency	15 out of 19 bills fully done	Did 78% against 90% target due to political challenges
		(ii) Timely and accurate legislative support	(ii) Timeliness of document delivery	Delivered 80% of required documents before sessions	Did 80% against target of 90% due to administrative shortfalls e.g. running out of toners.
		(iii) Effective administrative support	(iii) Legislative research quality	75% of research reports accepted without major revisions	Did 75% against target of 90% due to revisions made
		(iv) Increased capacity and professionalism	(iv) Training & capacity building sessions	25 sessions attended	64% against target of 90% due to some sessions taking less than anticipated numbers.
Program 2: Legislation, oversight and representation	To enact county laws while evaluating policy implementation in order to ensure world class service to the people of Mombasa County	(i) Improved legal framework	(i) No. of laws enacted	15 bills enacted	Did 78% against target of 90% enactment of bills.
		(ii) Increased civic engagement	(ii) Public participation in law-making	All enacted bills taken for public participation	100% of laws passed after public participation processes
		(iii) Effective Policy implementation	(iii) Policy implementation rate and evaluation reports	Yet to be gauged	Assembly to set timelines and conduct evaluations.

5. Environmental and Sustainability Reporting

The County Assembly of Mombasa, as the legislative arm of the County Government, is mandated to enact laws, provide oversight, and represent the interests of the people of Mombasa. Its core role is to ensure that county development plans, budgets, and policies align with the Constitution and serve the long-term needs of citizens. In this capacity, the Assembly plays a crucial role in shaping sustainable development by influencing policies, approving environmental legislation, and overseeing county projects.

The Assembly has recognized that sustainability is central to the continuity of its services and the well-being of current and future generations. Its sustainability strategy is built on enhancing institutional capacity, promoting environmental consciousness, and supporting governance systems that are resilient, inclusive, and resource-efficient. The Assembly also contributes indirectly to sustainable development through oversight of county departments, ensuring that resources are used responsibly and equitably.

The following five focus areas highlight the Assembly's approach to environmental and institutional sustainability:

a) Sustainability strategy and profile

A sustainability or corporate responsibility strategy is a prioritized set of actions. It provides an agreed framework to drive performance, as well as engage internal and external stakeholders. A Good strategy involves not just prioritization, but making a decision that really focuses on certain issues.

Sustainability is becoming a key part of the overall business strategy with some players now publishing integrated annual reports that combine environmental, social and financial data.

The County Assembly Service Board (CASB) and top management are in the process of reviewing the Strategic Plan that expired in December 2020. The Accounting officer to ensure sustainability partner with international trainers/ consultants to impart knowledge to the Members of County Assembly whose core mandates are Legislation, Representation and Oversight to County Leadership.

Key achievement and failure

The preceding Strategic Plan 2015-2020 laid the foundation for the future direction that the CASB was to take in pursuance of its new constitutional mandate. Some of the key achievements realized were:

- Developed relevant policies to guide CASB and the management in making long term and short-term decisions thus strengthened the Legislative work.
- Strengthened the human resource management and development function through continuous training for both MCAs and Staff
- Promoted diversity in the public service through compliance with the two-third gender rule, progressive inclusion of persons with disability, minorities and marginalized communities. (We will give the % of compliance as submitted by National Cohesion and Integration Commission (NCIC))
- Procured new office furniture's and modern PCs
- Procured new vehicles
- Refurbished County Assembly entrance and embossing the County Assembly Logo
- Enhanced Public Participation in the County to ensure Stakeholder inclusivity
- Developed County Assembly website

Strategies not fully achieved but ongoing

- Develop the Assembly Legislative Resource Centre
- Establishment of Executive/Assembly broadcasting unit
- Periodic update of the Assembly website
- Mapping and installation of the internet connectivity within the County Assembly and Ward offices/Skype, teleconferencing
- Official Residence of the Assembly Speaker

Emerging challenges

- Weak performance Management systems thus poor service delivery
- Delayed funding by the National Treasury
- Lack of Capacity development of Staff, therefore Legislations are weak
- Poor Networking impacting capacity building (training) negatively
- Inadequate budgetary provisions and austerity measures.
- Procurement of quality Hansard equipment.

b) Environmental performance

- c) The CASB has not developed an environmental policy. However, management will endeavour to develop and operationalize the same as soon as practically possible.

d) Employee welfare

The County Assembly Service Board is guided by Human Resource policies and procedure manual. The County Assembly Service Board comes up with annual plans to support achievement of Strategic objectives.

The CASB ensure compliance to the recruitment guideline of 70 % locals and 30% from other Counties is adhered to in its recruitment processes.

Gender Ratio & Diversity in Employee establishment is as set out below: -

No.	Ethnicity	Female	Male	Total	%
1	Asian		1	1	0.56
2	Bajun	5	7	12	6.70
3	Kalenjin		1	1	0.56
4	Kamba	2	7	9	5.03
5	Kenya Arab	5	7	12	6.70
6	Kikuyu	4	4	8	4.47
7	Kisii	2	3	5	2.79
8	Luhya	6	3	9	5.03
9	Luo	8	6	14	7.82
10	Masai	1		1	0.56
11	Meru	1		1	0.56
12	Mijikenda	29	58	87	48.60
13	Pokomo	1	1	2	1.12
14	Somali	3	1	4	2.23
15	Swahili-Shirazi	1	3	4	2.23
16	Taita	4	4	8	4.47
17	Taveta		1	1	0.56
	TOTAL	72	107	179	100

Skills and managing careers appraisal and reward system

The County Assembly Service Board has developed a training and Development policy to enable employees to acquire skills, knowledge and other attributes and develop their potential to meet the County Assembly's present and future human resources needs.

The CASB comes up with Annual Training Needs Assessment each year for employees to ensure they are adequately trained.

Employee welfare and Wellness

Employee welfare means anything done (intellectual or social) for the comfort and improvement of the employees, over and above the wages paid. Employee welfare means the efforts to make life worth living for workmen." It includes various services, facilities and amenities provided to employees for their betterment.

County Assembly Service Board approved formation of staff welfare committee whereby a member of staff voluntarily contributes Ksh.100/- per month via check off deduction towards the fund account at Bandari Sacco.

The main objective of the fund is as follows:

- 1. To provide financial assistance to the members during death or sickness of a member*
- 2. Death of a member of his/her nuclear family and parent(s) of the member.*
- 3. To cultivate a good working atmosphere and relationship among members of the Welfare and the employer*

Workplace Health and Safety

To ensure employee welfare is on top gear, CASB provides Annual Medical Cover for both the State and Public officers of the County Assembly.

General Safety

The County Assembly Service Board maintains healthy and safe working environments when performing their duties, they ensure fire protection facilities are provided in the building are adequate and maintained as advised by the Fire Officer and Occupational Safety and health officers.

The County Assembly Clerk ensures that Fire drills are conducted often to ensure employees are alert in the event of fire breakout.

e) Market place practices-

a) Responsible competition practice.

- -Openness through RFQ and Tender advertisement via IFMIS and newspapers (Open tenders).
- Minimal or no interaction with suppliers as they upload the required documents online through IFMIS or to the provided Tender Document Box.
- Through prequalification of suppliers to ensure that all participants (suppliers) are eligible and are qualified to supply for the works/services.

b) Responsible supply chain and supplier relations.

- Before initiation of a contract, we make sure there is a budget allocated for the goods, services or works to be done(supplied).
- We ensure fair evaluation of suppliers and the lowest evaluated bidder at any given evaluation is given the contract to supply.

c) Responsible marketing and advertisement.

- We advertise our tenders through IFMIS and local newspapers and give suppliers enough time to respond.

d) Product stewardship.

- We fairly respond to user departments' interests by making sure we procure for them what they require (in line with the budget allocation).
- The user departments provide the required specifications and we follow them accordingly.

We make sure at least one member of the inspection committee is from the user department so that they can either accept the goods, services or works or reject

f) Community Engagements

Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community social responsibility The statement may also include how the organisation promotes education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives)

6. Management Discussion and Analysis

A. Key Programs and Projects Implemented or Ongoing (FY 2022/23 – 2024/25)

Over the past three financial years, the County Assembly of Mombasa has undertaken several strategic programs and projects aimed at strengthening its legislative, oversight, and representative roles. These investments have targeted both institutional capacity and citizen engagement, with notable progress in infrastructure, ICT, and public participation.

1. Assembly Infrastructure Modernization

Beginning in FY 2022/23, the Assembly initiated a phased infrastructure improvement program. This involved the renovation of the Assembly buildings and chambers to accommodate modern legislative functions, the refurbishment of staff offices, and the upgrading of committee rooms. This project continued into FY 2024/25, with a focus on accessibility improvements and security enhancements for both staff and the public.

2. Digital Transformation and ICT Integration

Recognizing the importance of digital governance, the Assembly invested in ICT upgrades throughout FY 2023/24 and FY 2024/25. Key initiatives included the installation of a digital Hansard system for accurate and real-time record-keeping of debates, upgrading the Assembly’s internal LAN and internet infrastructure. These investments aim to improve transparency, data accessibility, and legislative tracking for both Members and the public.

3. Strengthening Public Participation

A major focus area in all three years has been the enhancement of public participation mechanisms. In FY 2022/23, the Assembly launched a pilot program of public barazas in each sub-county to collect views on key bills. By FY 2023/24, this had evolved into a structured public engagement program, incorporating civic education sessions, stakeholder forums, and the use of mobile platforms for legislative feedback. In FY 2024/25, efforts were made to translate key bills into Kiswahili and to partner with local radio stations to reach marginalized communities.

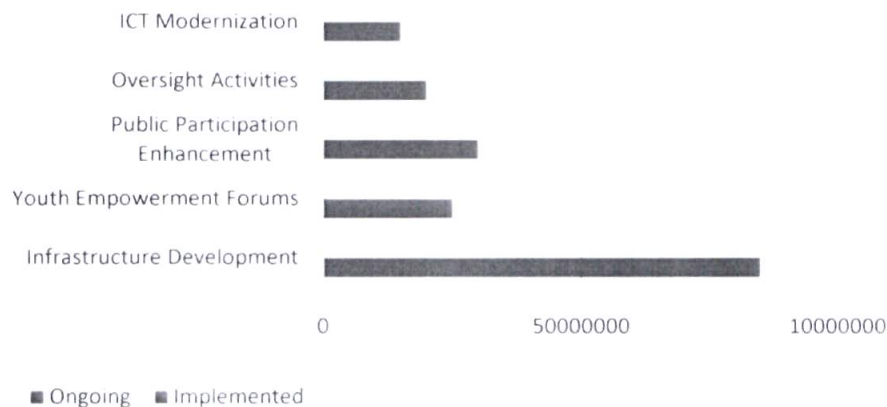
4. Youth and Women Empowerment Forums

In FY 2023/24, the Assembly initiated forums focused on youth and women engagement in county legislation. These forums created platforms for underrepresented groups to understand the legislative process and make submissions on issues affecting them. The forums have also helped shape youth-targeted policies, including bills on employment and education access.

5. Institutional Capacity Building

Throughout the three-year period, the Assembly has consistently invested in the training and development of its Members and staff. Workshops on legislative drafting, public finance management, and ethical leadership were held, often in collaboration with partners such as the Kenya School of Government, private institutions and civil society organizations.

Key Programs/Projects or Investment Decision Budget Allocation



B. Compliance with Statutory Requirements

The County Assembly of Mombasa operates within the legal and regulatory framework established by the Constitution of Kenya, 2010, and other key legislation such as the County Governments Act, 2012; Public Finance Management Act, 2012; and the Leadership and Integrity Act, 2012.

1. Submission of Financial Reports and Audit Compliance

In accordance with the Public Finance Management Act, the Assembly has consistently prepared and submitted its financial statements to the Office of the Auditor-General. Annual financial reports have been audited, and the Assembly has actively responded to audit queries raised in the Auditor-General's reports. Additionally, quarterly budget implementation reports for the Assembly are routinely submitted through the County Treasury to the Controller of Budget, fulfilling legal obligations for financial oversight.

2. Legislative Transparency and Public Participation

The Assembly has complied with Article 118 of the Constitution and Sections 87 to 92 of the County Governments Act by facilitating public participation in legislative processes. Public forums have been conducted before the passage of key bills, with citizen views recorded by the relevant committees.

3. Access to Information

Under Article 35 of the Constitution and the Access to Information Act, 2016, the Assembly is required to proactively disclose information and respond to public information requests. The County Assembly has endeavoured to avail such information to the public mainly through noticeboards or hard copies. Plans are underway to ensure digital dissemination through regular update of the Assembly's website and other media channels.

4. Leadership and Integrity

Members and staff of the Assembly are subject to the Leadership and Integrity Act, 2012. During the reporting period, declarations of income, assets, and liabilities were submitted as required to the Ethics and Anti-Corruption Commission (EACC). There have also been periodic trainings on ethics and good governance, especially for new Members and staff. There are no reported incidents of non-compliance with integrity-related disclosures.

5. Gender and Inclusivity Compliance

The Assembly has made deliberate efforts to comply with constitutional provisions on gender equity and representation. A significant portion of the Assembly's membership and staff includes women, and there is ongoing support for legislative initiatives that promote inclusivity and equal opportunity, in line with the Constitution's principles on equity and non-discrimination.

C. Major risks facing the Organisation

The County Assembly of Mombasa operates in a dynamic environment that presents several internal and external risks which may impact its ability to effectively carry out its functions. While mitigation measures are in place for many of these risks, continued vigilance and strategic planning are necessary to safeguard institutional integrity and performance.

1. Inadequate Funding and Budget Constraints

One of the most significant risks facing the Assembly is insufficient and delayed funding. Budget ceilings set by the County Treasury and National Treasury often limit the Assembly's ability to implement critical programs such as public participation, capacity building, and ICT modernization. This risk is particularly acute during supplementary budget reviews, where the Assembly's vote may face reductions. Budget limitations also affect timely payment of suppliers, contractors, and statutory obligations.

2. Low Public Engagement and Civic Awareness

Although public participation is a constitutional requirement, the Assembly continues to face challenges in mobilizing meaningful citizen engagement. Factors such as low civic awareness, limited access to information, and public apathy contribute to weak participation in legislative processes. This poses a risk to the inclusivity and legitimacy of laws and policies passed by the Assembly.

3. Political Interference

As a political institution, the Assembly is sometimes exposed to undue influence from both the County Executive and external political actors. This can compromise the independence of the Assembly, especially in its oversight role, and lead to biased decision-making. In extreme cases, political interference may delay the passage of key legislation or the adoption of critical oversight reports.

4. Institutional Capacity Gaps

While there have been efforts to build the capacity of Members of County Assembly (MCAs) and staff, there remains a gap in technical expertise, especially in legislative drafting, policy analysis, and public finance oversight. This affects the quality of debate, legislation, and committee reports. Frequent turnover of elected Members further exacerbates the knowledge gap and affects institutional continuity.

D. Material Arrears in Statutory and Other Financial Obligations

Over the past financial year, the County Assembly of Mombasa has faced a number of challenges in meeting some of its statutory and financial obligations in a timely manner. These challenges are largely attributed to budget constraints, delayed disbursement of funds and an increasing workload that has outpaced available resources.

1. Pending Legal Fees

There are accumulated legal fees amounting to **KES 7,282,456 million** arising from litigation and legal advisory services provided over the past two years. While some payments have been made on a rolling basis, full settlement has been hindered by limited budgetary allocation under the legal services vote. A repayment plan has been initiated for gradual clearance in FY 2025/26.

2. Unpaid Suppliers and Contractors

The Assembly also carries pending bills totaling approximately **KES 172,818,201 million** owed in salaries and to service providers and contractors for goods and services delivered in FY 2023/24 and FY 2024/25. These include costs for ICT equipment, office refurbishment, catering services, and logistical support for public participation forums. Partial payments were made in Q3, with a commitment to fully settle the arrears by the end of Q2 in FY 2025/26.

3. Committee Allowances and Reimbursements

Delays were also reported in settling committee allowances and travel reimbursements for staff and Members of County Assembly (MCAs), particularly for oversight missions conducted in the last quarter of FY 2024/25. The pending amount is estimated at **KES 7,248,260 million**, which is expected to be paid from the first disbursement of FY 2025/26 funds.

E. Review of the Economy and Sector

Kenya's economy demonstrated moderate growth in the 2024/2025 financial year, with an estimated GDP expansion of **5.4%**, according to projections by the Kenya National Bureau of Statistics (KNBS). This growth was primarily driven by recovery in the agriculture sector, increased activity in the services industry, and a continued rebound in tourism and transport following the full reopening of global markets.

Inflation averaged **6.2%** over the year, largely due to high fuel prices and the depreciation of the Kenyan shilling against major currencies. These macroeconomic factors led to increased costs in public procurement, transport, and service delivery—affecting county-level planning and expenditure.

Additionally, fiscal pressures at the national level resulted in delayed disbursements to county governments, impacting timely implementation of devolved functions, including operations of county assemblies.

At the county level, Mombasa's economy has shown signs of steady recovery. The port of Mombasa remained a key economic driver, with increased cargo handling volumes due to improved regional trade. The tourism and hospitality sector also registered improved performance, driven by local and international travel during holiday seasons.

However, the informal sector—which employs a large portion of Mombasa residents—continued to face challenges such as unemployment, underemployment, and limited access to credit. Youth unemployment remains a pressing issue, prompting county and national initiatives focused on vocational training and SME development.

Despite these improvements, Mombasa still faces critical development challenges, including rising urban poverty, strained infrastructure, and environmental vulnerabilities such as flooding and waste management inefficiencies.

In the legislative sector, County Assemblies have increasingly been called upon to provide strong oversight over public resource use and policy implementation. National scrutiny from institutions such as the Auditor-General and the Senate's County Public Accounts and Investments Committee (CPAIC) has led to greater demand for transparency and accountability at the county assembly level.

The County Assembly of Mombasa has also had to adapt to rising citizen expectations for transparency, particularly in budget processes and tracking of county projects. However, challenges such as inadequate resources, political interference, and slow adoption of digital tools continue to hinder optimal performance.

F. Future Developments

Looking ahead, the County Assembly of Mombasa is focused on enhancing legislative effectiveness, public participation, and institutional capacity through a series of strategic developments. These initiatives are aligned with the county's development priorities, the County Integrated Development Plan (CIDP) 2023–2027, and emerging governance trends in Kenya's devolved system.

1. Development of a Legislative Information Portal

The Assembly is in the advanced planning stages of creating a **digital legislative information portal**. This platform will provide public access to bills, motions, hansard reports, committee findings, and public participation schedules. The portal will also feature tools for submitting public feedback and tracking bill progress—thereby promoting open governance and legislative transparency.

2. Institutional Capacity Strengthening Program

A capacity building program is being developed for both Members of the County Assembly (MCAs) and technical staff. Focus areas will include public finance oversight, legislative drafting, governance ethics, digital literacy, and leadership development. The program aims to enhance legislative quality and ensure effective succession.

3. Integration of E-Parliament Systems

The Assembly plans to transition into a fully digital workspace, adopting e-parliament systems for document management, voting, plenary scheduling, and internal communications. This initiative will reduce paper usage, improve efficiency, and support remote operations in line with best practices in digital governance.

4. Strengthened Civic Education and Community Outreach

Recognizing the persistent gap in civic understanding, the Assembly is planning civic education campaign, targeting youth, women, and marginalized groups aimed at raising awareness of citizens' roles in county governance and how to engage with the Assembly.

5. Gender and Inclusivity Framework

To build on gains made in representation and equality, the Assembly is developing a Gender and Social Inclusion Policy Framework. The framework will guide legislative review, resource allocation, and staffing practices to ensure that equity is mainstreamed into all Assembly operations and outputs.

G. Other Relevant Information

In addition to its core legislative, oversight, and representative roles, the County Assembly of Mombasa continues to evolve as an institution through internal reforms, partnerships, and policy alignment efforts. The following additional information provides further insight into the Assembly's operations, governance environment, and strategic positioning:

1. Assembly Composition and Leadership

The County Assembly comprises 42 Members, including elected and nominated representatives, with leadership drawn from various political affiliations. The Speaker, Majority Leader, Minority Leader, and Clerk provide administrative and political leadership to the institution. The Assembly maintains key functional committees such as the Public Accounts Committee (PAC), Budget and Appropriations Committee, Implementation Committee, and Sectoral Committees aligned with county departments.

2. Human Resources and Staffing

As of the close of FY 2024/25, the Assembly had a total of 124 staff members across various departments including Legislative Services, Legal and Research, Finance and Planning, Human Resources, and Hansard and ICT.

3. Gender and Inclusion

The Assembly continues to make progress in promoting gender balance and inclusivity. Currently, 43% of MCAs and 38% of staff are women

4. Performance Management and Institutional Reforms

The Assembly has initiated a performance management framework, including annual work plans, staff appraisals, and committee performance tracking. Internal audits and risk assessments are also being mainstreamed to improve operational accountability.

5. Commitment to Transparency and Ethics

The Assembly upholds the principles of Chapter 6 of the Constitution on Leadership and Integrity. All Members and senior staff submit regular asset declarations and undergo mandatory ethics training.

7. Statement of Management Responsibilities

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

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

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


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

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

Further, Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Assembly of Mombasa's amended Audited Financial Statements were approved and signed by the Clerk, County Assembly of Mombasa on 30th October _____ 2025.


.....
Clerk of County Assembly

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF MOMBASA FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying transitional IPSAS financial statements of County Assembly of Mombasa set out on pages 1 to 56, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year's Audit Matters

In the prior year audit report, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the Assembly in 2024/2025 revealed that the following six (6) issues remained unresolved as at 30 June, 2025:

No.	Audit Issue
1.	Unsupported cash and cash equivalents
2.	Inaccurate statement of financial assets and liabilities
3.	Inaccurate statement of cash flows
4.	Inaccurate statement of comparison of budget and actual amounts
5.	Employees over sixty (60) years
6.	Non-compliance with the law on ethnic composition

Other Information

The Management is responsible for the Other Information set out on page iv to xxxv which comprise of Key Entity Information and Management, Governance Statement, Foreword by Clerk of the County Assembly, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting and the Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Assembly's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the revenue statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact. Based on the audit procedures performed, I confirm that Other Information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

Review of personnel records for the year under review indicated that the Assembly had 69 or 46% permanent and pensionable staff from the dominant community in the county. The staff composition at various levels were 13 or 33% at top management, 37 or 47% at middle management and 19 or 24% at low management which includes one staff from persons living with disability. Further, among the contractual/temporary employees the dominant community constitute 80% (67) of the workforce in that category, contrary to the provisions of Section 7(1) and (2) of National Cohesion and Integration Act, 2008 which requires all public establishments to seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment to have more than one third of its staff from the same ethnic community.

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

2. Employee Above the Mandatory Retirement Age

Review of human resource records revealed that County Assembly had one (1) employee who had exceeded the retirement age of sixty (60) years. The officer was awarded a contract extending his term in office beyond the mandatory retirement age of sixty (60) years contrary to section 80(10) (a) and (b) of the Public Services Commission Act, 2017 which requires an officer to retire from the service with effect from the date of attaining the mandatory retirement age. Further, the commission or other appointing authority is prohibited from extending the services of such retired public officer beyond the mandatory retirement age.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

Those Charged with Governance are responsible for overseeing the Assembly's financial reporting process, reviewing the effectiveness of how Management monitors

compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 December, 2025

County Assembly of Mombasa
Annual Report and Financial Statements for the year ended June 30, 2025.

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

Description	Notes	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	805,669,474
Miscellaneous Revenue	7	-
Revenue from exchange transactions		
Other income	8	1,870,282
Total revenue		807,539,756
Expenses		
Employee costs	9	467,123,448
Use of goods and services	10	334,505,189
Transfers to other Government Entities	11	40,000,000
Depreciation and amortization expense	12	783,750
Other Grants and Subsidies	13	-
Finance costs	14	-
Social Benefits	15	-
Total expenses		842,412,387
Gain/(loss) on sale of assets	16	-
Gain/Loss on Foreign Exchange	17	-
Gain/Loss on fair value of investments	18	-
Impairment loss	19	-
Surplus/Deficit for the year		(34,872,631)
Taxation	20	-
Net Surplus/Deficit		(34,872,631)

The Financial Statements set out on pages 1 to 7 were signed by:

.....
Name:-Salim Juma

Clerk of The County Assembly

.....
Name:-Babu Ali Said

Director Fin & Accounts

ICPAK M/No.....25215

(Paragraph 79 of IPSAS 33 allows for the election by an entity to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made, and therefore there are no comparatives in the first year of transition.)

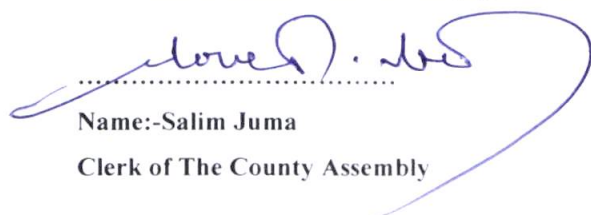
10. Statement of Financial Position as at 30 June 2025


Description	Notes	2024-2025	Opening Statement
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	21	4,159,806	62,461,225
Receivables from Exchange Transactions	22	-	545,557
Receivables from Non-Exchange Transactions	23	49,504,074	
Inventories	24	-	-
Current portion of investments	25	-	-
Total Current Assets		53,663,880	63,006,782
Non-Current Assets			
Receivables from Exchange Transactions	22	-	-
Non- Current portion of investments	25	-	-
Property, Plant and Equipment	26	34,704,656	-
Right of Use Assets	29	-	-
Intangible Assets and Goodwill	27	-	-
Investment Property	28	-	-
Biological Assets	30	-	-
Tangible Natural Resources	31	-	-
Total Non- Current Assets		34,704,656	-
Total Assets (A)		88,368,536	63,006,782
Liabilities			
Current Liabilities			
Trade and Other Payables	32	172,818,201	112,016,450
Refundable deposits and prepayments	33	-	-
Current Provision	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Employee Benefit Obligation	37	-	-
Current Portion of Borrowings	38	-	-
Total Current Liabilities		172,818,201	112,016,450
Non-Current Liabilities			

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Non-Current Provisions	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Non-Current Employee Benefit Obligation	37	-	-
Borrowings – Non-Current Portion	38	-	-
Service Concession Liability	39	-	-
Total Non- Current Liabilities		-	-
Total Liabilities (B)		172,818,201	112,016,450
Net Assets (A-B)		(84,449,664)	(49,009,668)
Represented by:			
Reserves		18,344,989	-
Accumulated Surplus		(102,205,479)	
Capital Fund		(589,174)	(49,009,668)
Net Assets		(84,449,664)	(49,009,668)

The financial statements set out on pages 10 to 49 were signed by:


Name:-Salim Juma
Clerk of The County Assembly


Name:-Babu Ali Said
Director, Finance & Accounts
ICPAK M/No... 25215

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

Description	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30 th June 2024 (cash basis)	(14,620,362)	18,344,989		3,724,628
Adjustments: (to recognize assets)	59,282,154			59,282,154
Adjustments: (to recognize liabilities)	(112,016,450)			(112,016,450)
As at July 1, 2024	(67,354,658)	18,344,989	-	(49,009,668)
Surplus/ deficit for the period	(34,872,631)			(34,872,631)
Returns to CRF	21,809			21,809
Additions during the period			-	-
Other changes (Reserves)		(589,174)	-	(589,174)
As at 30 June 2025	(102,205,479)	17,755,815	-	(84,449,664)

Note: Adjustments were made to recognize FY2023/2024 assets and liabilities amounting to 59,282,154 and KSh.112,016,450 respectively.

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

Description	Notes	2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		756,165,400
Miscellaneous Revenue		-
Other income		1,870,282
Total receipts		758,035,682
Payments		
Employee costs		390,022,910
Use of goods and services		334,628,509
Transfers to other Government Entities		40,000,000
Other Grants and Subsidies		-
Finance costs		-
Social Benefits		-
Total payments		764,651,419
Net cash flows from/(used in) operating activities		(6,615,736)
Cash flows from investing activities		
Purchase of PPE		(51,663,874)
Purchase Intangible assets		-
Proceeds from sale of PPE		-
Proceeds from sale of Biological Assets		-
Purchase of investments		-
Sale of investments		-
Net cash flows from/(used in) investing activities		(51,663,874)
Cash flows from financing activities		
Returns to/due from CRF		(21,809)
Proceeds from borrowings		-
Repayment of borrowings(Pending Payables)		-
Net cash flows from financing Activities		(21,809)
Net increase/(decrease) in cash & Cash equivalents		(58,301,419)
Cash and cash equivalents as at 1st July 2024	21	62,461,225
Cash and cash equivalents as at 30th June 2025	21	4,159,806

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

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

Recurrent and Development Budgets Combined

Revenue/expense item	A Original budget	B Adjustments	C=(a+b) Final budget	D Actual on comparable basis	E=(c-d) Budget utilization difference	F=d/c *100 % of utilization
Revenues						
Opening balance (Non-refundable special purpose accounts)		-	-	62,461,225	(62,461,225)	
Transfers from CRF	893,735,933	(72,890,039)	820,845,894	756,165,400	64,680,494	0.92
Miscellaneous Revenue		-	-	-	-	
Other income		-	-	1,870,282	(1,870,282)	1.00
Total revenues	893,735,933	(72,890,039)	820,845,894	820,496,907	348,987	1.00
Expenses						
Employee costs	482,415,228	(90,410,351)	392,004,877	390,022,910	1,981,967	0.99
Use of goods and services	291,320,705	17,520,312	308,841,017	334,628,509	(25,787,492)	1.08
Transfers to other Government Entities	40,000,000	-	40,000,000	40,000,000	-	1.00
Other Grants and Subsidies		-	-	-	-	
Finance costs		-	-	-	-	
Social Benefits		-	-	-	-	
Total	813,735,933	(72,890,039)	740,845,894	764,651,419	(23,805,525)	1.03
Capital items						
Acquisition of PPE	80,000,000	-	80,000,000	51,663,874	28,336,126	0.65
Acquisition of Intangible assets		-	-	-	-	
Purchase of investments		-	-	-	-	
Repayment of borrowings		-	-	-	-	
Total expenses Development	80,000,000	-	80,000,000	51,663,874	28,336,126	0.65
Total Expenses	893,735,933	(72,890,039)	820,845,894	816,315,292	4,530,602	0.99
Surplus/ deficit				4,181,615		

County Assembly of Mombasa
Annual Report and Financial Statements for the year ended June 30, 2025.

Reconciliation table

	Operating	Financing	Investing	total
<i>Actual amounts on comparable basis presented in the budget and actual comparative statement</i>	4,181,615	-	-	4,181,615
<i>Basis difference</i>	-	-	-	-
<i>Timing differences</i>	-	-	-	-
<i>Entity differences</i>	-	-	-	-
<i>Classification differences</i>	(21,809)	-	-	(21,809)
<i>Actual in the statement of cashflows</i>	4,159,806	-	-	4,159,806

Budget Notes

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14).
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29).

13. Notes to the Financial Statements

1. General Information

County Assembly of Mombasa is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are Legislation, Representation and Oversight.

2. Statement of Compliance and Basis of Preparation

Statement of compliance

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

The entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ years financial statements are transitional financial statements and the following elements of the financial statements (Inventories, All items of PPE) have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33.

Basis of Preparation

These transitional financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period, in accordance with the PFM Act and the International Public Sector Accounting Standards (IPSAS). These transitional financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. These transitional financial statements have taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach and recognized FY2024-2025 Financial Assets and Financial Liabilities (Cash and Cash Equivalents, Receivables, Trade and Other Payables) and measurable Property, Plant and Equipment for FY2024-2025 (including Furniture and Fittings duly depreciated at the recommended rate of 12.5%) and the net book value reported in the Statement of financial Position. The transitional financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Entity. The accounting policies adopted have been consistently applied to all the years presented.

Reporting period

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

Notes to the financial statements

Critical accounting judgements

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

Recognition of revenue

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

Recognition of non-exchange expenses and liabilities

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

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

Purpose and nature of financial instruments

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

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. Entities commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the entity as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for

such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii) *Early adoption of standards*

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

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

- a) Revenue recognition
 - i) Revenue from non-exchange transactions

Transfers from other government entities

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

- ii) Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

- b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 30th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget.

The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

Notes to the Financial Statements (Continued)

Budget information (continued)

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

c) Investment property

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

d) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

e) Right of use asset

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

f) Tangible Natural Resources

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

Leases

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

Notes to the Financial Statements (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

Notes to the Financial Statements (Continued)

i. Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ("ECL") associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in the notes.

ii. Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

j) Inventories

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

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

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

k) Provisions

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

l) Contingent liabilities

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

Notes to the Financial Statements (Continued)

m) Contingent assets

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

n) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *(Entity to state the reserves maintained and appropriate policies adopted)*

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

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

Notes to the Financial Statements (Continued)

r) **Borrowing costs**

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

s) **Related parties**

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

t) **Service concession arrangements.**

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

u) **Cash and cash equivalents**

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

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Notes to the Financial Statements (Continued)

v) Comparative figures

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

w) Subsequent events

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

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

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Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	2024-2025	Amount deferred under deferred income.	Total transfers
	Kshs		2024-2025
	Kshs	Kshs	Kshs
Recurrent	711,313,281	-	711,313,281
Development	44,852,119	-	44,852,119
Receivable from CRF	49,504,074	-	49,504,074
Total	805,669,474	-	805,669,474

7. Miscellaneous Revenue

Description	2024-2025
	Kshs
In kind grants and donations	
Refunds & Reimbursements	
Revenues not classified anywhere else	
Total	-

8. Other Incomes

Description	2024-2025
	Kshs
Insurance recoveries	-
Sale of tender documents	-
Services concession income	-
Other incomes not specified elsewhere	1,870,282
Total other income	1,870,282

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

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Notes to the Financial Statements (Continued)

9. Employee Costs

Description	2024-2025
	Kshs
Basic salaries of permanent employees	174,798,513
Basic wages of temporary employees	41,760,945
Personal allowances – part of salary	193,944,917
Pension and other social security contributions	-
Employer contributions to compulsory national social security schemes	56,619,074
Employer contributions to compulsory national health insurance schemes	-
Other social benefit schemes	-
Other personnel costs	-
Employee costs	467,123,448

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

10. Use of Goods and Services

Description	2024-2025
	Kshs
Utilities, supplies and services	
Communication, supplies and services	
Domestic travel and subsistence	97,299,130
Foreign travel and subsistence	73,735,084
Printing, advertising, and information supplies & services	2,585,119
Rentals of produced assets	34,534,487
Training expenses	20,823,324
Hospitality supplies and services	10,286,978
Insurance costs	48,007,189
Specialized materials and services	11,205,436
Other operating expenses <i>including bank Charges</i>	8,595,469
Office and general supplies and services	25,752,742
Fuel Oil and Lubricants	
Routine maintenance – vehicles and other transport equipment	1,680,232
Routine maintenance – other assets	
Others (specify)	
Total	334,505,189

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

Notes to the Financial Statements (Continued)

11. Transfers to Other Government Entities

Description	2024-2025
	Kshs
Transfers to other County Government entities	
Transfers to self-reporting projects	
Transfers to car loan and mortgage schemes	40,000,000
Others (CRF)	-
Total	40,000,000

12. Depreciation and Amortization Expense

Description	2024-2025
	Kshs
Property, plant and equipment	783,750
Intangible assets	
Investment property carried at cost	
Total	783,750

13. Other Grants and Subsidies

Description	2024-2025
	Kshs
Membership dues and subscriptions to international organizations	
Scholarships and other educational benefits	
Emergency relief and refugee assistance	
Grants to small businesses, cooperatives, and self employed	
Subsidies to Public entities	
Subsidies to Private entities	
Total Grants and Subsidies	-

14. Finance Costs

Description	2024-2025
	Kshs
Interest Payments on Guaranteed Debt Taken over by Govt	
Interest on Domestic Borrowings (Non-Govt)	
Interest on Borrowings from Other Government Units	
Interest on bank overdrafts	
Interest on loans from commercial banks	
Total finance costs	-

Notes to the Financial Statements (Continued)

15. Social Benefits

Description	2024-2025
	Kshs
Transfers to the elderly	
Transfers to orphans	
Transfers to the physically challenged	
<i>Add any other category</i>	
Total social benefit expenses	-

16. Gain/Loss on Sale of Assets

Description	2024-2025
	Kshs
Property, plant and equipment	
Intangible assets	
Other assets not capitalised	
Total gain on sale of assets	-

17. Gain/Loss on Foreign Exchange

Description	2024-2025
	Kshs
Gain or loss on foreign exchange transactions	
Gain or loss on balances in foreign exchanges	
Total	-

18. Gain/Loss on Fair Value Investments

Description	2024-2025
	Kshs
Investments at Fair Value	
Total Gain	-

19. Impairment Loss

Description	2024-2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Impairment Loss	-

County Assembly of Mombasa
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Notes to the Financial Statements (Continued)

20. Taxation

Description	2024-2025
	Kshs
Current income tax charge	
Tax charged on rental income	
Tax charged on interest income	
Original and reversal of temporary differences	
Income tax expense reported in the statement of financial performance	-

21. Cash and Cash Equivalents

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Recurrent Account	59,532	48,436,619
Development Account	-	10,866,411
Deposits Account	4,054,657	2,206,749
Kenya Commercial Bank (Salaries Account)	669	14,131
Cooperative account- Imprest account	30,579	597,985
Ward Offices bank accounts	14,369	339,330
Total	4,159,806	62,461,225

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

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

Financial Institution	Account number	2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Recurrent Accounts			
Central Bank of Kenya	1000244941	59,532	48,436,619
Development Accounts			
Central Bank of Kenya	1000283262	-	10,866,411
Deposits Accounts			
Central Bank of Kenya	1000544667	4,054,657	2,206,749
Other operating commercial accounts (<i>Specify</i>)			
Kenya Commercial Bank (Salaries Account)		669	14,131
Cooperative account- Imprest account	01141445450000	30,579	597,985
Cooperative account -Mtongwe Ward Office	01141628164900	226	1,746
Cooperative account -Shika Adabu Ward Office	01141627031900	114	253
Cooperative account -Shimanzi/G Ward Off	01141392770500	1,386	786
Cooperative account -Junda Ward Office	01141577763300	56	416
Family bank account - Mtopanga Ward Off	095000040758	6	26
Cooperative account -Kongowea Ward Office	01141577773500	43	118
Cooperative account -Bofu Ward Office	01141627208300	67	5,627
Family bank account -Ziwa la Ngombe Ward	095000040824	714	3,934
Cooperative account -Jomvu Ward Office	01141392015800	806	636
Cooperative account -Mikindani Ward Office	01141392147400	656	1,216
Cooperative account -Portreitz Ward Office	01141619411700	74	174
Cooperative account -Miritini Ward Office	01141619408600	1,131	280
Cooperative account -Tononoka Ward Office	01141446368900	1,668	168
Cooperative account -Mjambere Ward Office	01141548723700	2,496	2,101
Cooperative account -Kadzandani Ward Office	01141446945400	36	156
Cooperative account -Freretown Ward Office	01141446368100	576	771

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Cooperative account -Majengo/M Ward Office	01141392771900	2,800	640
Cooperative account -Timbwani Ward Office	01141627031300	110	570
Cooperative account -Bamburi Ward Office	01141446322500	10	5,231
Cooperative account -Likoni Ward Office	01141627515000	108	188
Cooperative account -Kipevu Ward Office	01141619408100	1	39,696
Cooperative account -Tudor Ward Office	01141446948900	67	167
Cooperative account -Chaani Ward Office	01141619407300	582	1,082
Cooperative account -Mwakirunge Ward Off	01141446474400	36	46
Cooperative account -Shanzu Ward Office	01141447035200	96	896
Family Bank account -Mji Wa Kale Ward	095000040790	29	286
Cooperative account -Magogoni Ward Office	01141548712300	307	2,107
Cooperative account -Airport Ward Office	01141619143900	50	85
Cooperative account -Mkomani Ward Office	01141446536100	119	269,739
Cooperative account -Changamwe Ward Office	01141447212100	1	191
Cash on Hand			
Total		4,159,806	62,461,225

Notes to the Financial Statements (Continued)

22. Receivables from Exchange Transactions

Description	2024-2025	Opening Statement
	Kshs	1 st July 2024 Kshs
Total receivables	-	545,557
Other exchange debtors (<i>Specify</i>)	-	-
Less: impairment allowance	-	-
Total receivables	-	545,557
a) Current receivables	-	545,557
b) Non-current receivables	-	-
Total Receivables (a+b)	-	545,557

i) Ageing analysis for Receivables

Description	2024-2025		Opening Statement	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	0%	338,000.00	62%
Between 1- 2 years	-	0%	-	0%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	100%	207,557.00	38%
Total (a+b)	-	100%	545,557.00	100%

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance	2024-2025
At the beginning of the period	-
Additional allowance during the period	-
Recovered during the period	-
Written off during the period	-
At the end of the period	-

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Notes to the Financial Statements (Continued)

23. Receivables from Non-Exchange Transactions

Description	2024-2025	<i>Opening Statement</i>
	Kshs	<i>1st July 2024</i> Kshs
Other debtors (non-exchange transactions)	49,504,074	
Less: impairment allowance	-	-
Total receivables from non-exchange transactions	49,504,074	-

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

Description	2024-2025
At the beginning of the period	-
Additional provisions during the period	-
Less: Recovered during the period	-
Less: Written off during the period	-
At the end of the period	-

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Notes to the Financial Statements (Continued)

24. Inventories

Description	2024-2025	Opening Statement <i>1st July 2024</i>
	Kshs	Kshs
Spare parts	-	-
Goods held for distribution	-	-
Less: allowance for impairment	-	-
Total	-	-

Detailed disclosure on inventories

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

25. Investments

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

a) Movement of Equity Investments

	2024-2025
At the beginning of the period	-
Purchase of investments in the period	-
Sale of investments during the period	-
Increase /(decrease) in fair value of investments	-
At the end of the period	-

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Notes to the Financial Statements (Continued)

e) Shareholding in other entities

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

Name of Entity where investment is held	No of shares		Nominal value of shares	Fair value of shares	Fair value of shares	Current period	Opening Statement 1 st July 2024
	Direct shareholding	Indirect shareholding					
	%	%	%	Kshs	Kshs	Kshs	Kshs
Entity A							
Entity B							
Entity C							

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Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
Depreciation Rate		2-10%	10-16.67%	2-20%	12.50%	33.30%	x%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024										0
Additions		-			6,270,000			30,002,157		36,272,157
Disposals										-
Transfer/Adjustments										-
As At 30 Sep 2024	-	-	-	-	6,270,000	-	-	30,002,157	-	36,272,157
Depreciation And Impairment										
Depreciation					783,750			-	-	783,750
Disposals								-	-	-
Impairment								-	-	-
Transfer/Adjustment								-	-	-
As At 30 Jun 2025					783,750			-	-	783,750
Net Book Values										
As At 30 Jun 2025					-					-
As At 30 Sep 2025	-	-	-	-	5,486,250	-	-	30,002,157	-	35,488,407

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

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

26 (b) Property, Plant and Equipment at Cost

	Cost Kshs	Accumulated Depreciation Kshs	NBV Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	6,270,000	783,750	5,486,250
Total	6,270,000	783,750	5,486,250

Property plant and Equipment includes the following assets that are fully depreciated:

	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment, Furniture And Fittings	-	-
Total	-	-

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Notes to the Financial Statements (Continued)

27. Intangible Assets

Description	2024-2025
	KShs
Cost/Opening balance at the beginning of the /Period	-
Additions	-
Disposal	-
At end of the Period	-
Additions–internal development	-
Less: Disposal	-
At end of the Period	-
Amortization and impairment	
At beginning of the Period	-
Amortization	-
At end of the Period	-
Impairment loss	-
At end of the Period	-
NBV	-

28. Investment Property

Description	2024-2025
	Kshs
Cost/Opening balance at the beginning of the period	-
Additions	-
Disposal during the period	-
Depreciation	-
Impairment	-
	-
At end of the period	-

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

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

Notes to the Financial Statements (Continued)

29. Right-of-use assets

Right-of-use

assets

	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Plant and equipment</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025	-	-	-	-
Accumulated Depreciation				
As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
As At 30 June 2025	-	-	-	-
Carrying Amount				
As At 30 June 2025	-	-	-	-

30. Biological Assets

Description	2024-2025	<i>Opening Statement</i> <i>1st July 2024</i>
	Kshs	Kshs
Specify	-	-
Specify	-	-
Total	-	-

31. Tangible Natural Resources

	<i>Sub- soil assets</i>	<i>Water</i>	<i>Wildlife</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As at 30 Sept 2024	-	-	-	-
Accumulated Depreciation				
As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
As at 30 Sept/Dec/ March/June 2025	-	-	-	-
Carrying Amount				
As at 30 Sept/Dec/ March/June 2025	-	-	-	-

Notes to the Financial Statements (Continued)

32. Trade and Other Payables

Description	2024-2025	<i>Opening Statement</i> <i>1st July 2024</i>
	Kshs	Kshs
Trade payables	64,876,312	24,636,045
Payments received in advance	1,662,726	-
Employee payables	102,224,505	85,173,656
Third-party payments(Deposit account balance)	4,054,657	2,206,749
Other payables	-	-
Total trade and other payables	172,818,201	112,016,450

33. Refundable Deposits and Prepayments

Description	2024-2025	<i>Opening Statement</i> <i>1st July 2024</i>
	Kshs	Kshs
Customer deposits	-	-
Prepayments	-	-
Other deposits	-	-
Total deposits	-	-

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Notes to the Financial Statements (Continued)

34. Provisions

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

35. Lease Liabilities

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Balance at the beginning of the period	-	-
Discount interest on lease liability	-	-
Paid during the period	-	-
At end of the period	-	-

Maturity Analysis

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

Analysed as:

Analysed as	2024-2025	Opening Statement 1st July 2024
Current lease	-	-
Non-Current lease	-	-
Total Lease period end	-	-

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Notes to the Financial Statements (Continued)

36. Deferred Income

Description	2024-2025	Opening Statement
		1st July 2024
	Kshs	Kshs
National Government	-	-
International Funders	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

The deferred income movement is as follows:

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	-	-	-	-
Additions for the Period	-	-	-	-
Transfers To Capital Fund	-	-	-	-
Transfers To Income Statement	-	-	-	-
Other Transfers	-	-	-	-
Balance Carried Forward	-	-	-	-

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

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Notes to the Financial Statements (Continued)

37. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	Period ended Sep 2024	Opening Statement
	Kshs	Kshs	Kshs		1st July 2024
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-

Retirement benefit Asset/ Liability (Applicable to Pensions)

The Entity operates a defined benefit scheme for all full-time employees from July 1, 2014. The scheme is administered by Laptrust and Lapfund and are also the custodians of the scheme. The scheme is based on 12% percentage of salary of an employee at the time of retirement.

No actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at 30th June 2025.

	2024-2025	Opening Statement 1st July 2024
Discount Rates		
Future Salary Increases		
Future Pension Increases		
Mortality (Pre- Retirement)		
Mortality (Post- Retirement)		
Withdrawals		
Ill Health		
Retirement		

Notes to the Financial Statements (Continued)

Recognition of Retirement Benefit Asset/ Liability

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

Description	2024-2025	Opening Statement
		1st July 2024
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial gains/ losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

b) Amounts recognized in the Statement of Financial Position

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

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 360 for employees contributing to defined pension scheme and KShs.1,080 for contract basis employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by Pension Fund. Employees contribute 12% while employers contribute 15% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

County Assembly of Mombasa
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

38. Borrowings

Description	2024-2025
a) External borrowings	
Balance at beginning of the period	-
External borrowings during the period	-
Repayments of during the period	-
Balance at end of the period	-
b) Domestic borrowings	
Balance at beginning of the period	-
Domestic borrowings during the period	-
Repayments during the period	-
Balance at end of the Period	-
Balance at end of the period- domestic and External borrowings c = (a+b)	-

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

	2024-2025	Opening Statement	
		1st July 2024	
	Kshs	Kshs	
External Borrowings			
Dollar Denominated Loan From 'X Organisation'	-		-
Sterling Pound Denominated Loan From 'Y Organisation'	-		-
Euro Denominated Loan from Z Organisation'	-		-
Domestic Borrowings			
Kenya Shilling Loan From KCB	-		-
Kenya Shilling Loan from Barclays Bank	-		-
Kenya Shilling Loan from Consolidated Bank	-		-
Total /Balance at end of The Period	-		-

Description	2024-2025	Opening Statement	
		1st July 2024	
Short Term Borrowings (Current Portion)	-		-
Long Term Borrowings	-		-
Total	-		-

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Notes to the Financial Statements (Continued)

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

39. Service Concession Arrangements Liability

Description	2024-2025	Opening Statement
		1st July 2024
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the period	-	-
Less: Service concession revenue recognized	-	-
Service concession liability at end of the period	-	-

40. Cash Generated from Operations

	2024-2025
Surplus for the year before tax	(34,872,631)
Adjusted for:	
Depreciation	783,750
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Increase in inventory	-
Increase in receivables	-
Increase in deferred income	-
Increase in payables	27,473,144
Increase in payments received in advance	-
Net cash flow from operating activities	(6,615,736)

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

Note:-Increase in payables has been adjusted for prior year payables as per appended reconciliation.

Increase in Payables	
Payables Closing Balance 30 June 2025	168,763,544
Less:-Payables Opening Balance 01 July 2024	(112,016,450)
Movement in Payables FY2024-2025	56,747,094
FY2024-2025 Payables write offs of prior year payables balance	(29,273,949)
Increase in Payables FY2024-2025	27,473,144

Notes to the Financial Statements (Continued)

41. Financial Risk Management

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

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

i) Credit risk

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

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

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				

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

Notes to the Financial Statements (Continued)

Financial Risk Management

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

ii) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total				

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

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

a) Foreign currency risk

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

Notes to the Financial Statements (Continued)

Financial Risk Management

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

Current FY

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 June 2025			
Financial Assets			
Investments			
Cash			
Debtors			
Total Financial Assets			
Financial Liabilities			
Trade And Other Payables			
Borrowings			
Total Financial Liabilities			
Net Foreign Currency Asset/(Liability)			

Financial Risk Management

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

	Change in	Effect on Profit	Effect on
	currency rate	before tax	Equity/Net assets
	Kshs	Kshs	Kshs
2025			
Euro			
USD			
2025-1			
Euro			
USD			

Notes to the Financial Statements (Continued)

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

Notes to the Financial Statements (Continued)

Financial Risk Management

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

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	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Financial Assets				
Quoted Equity Investments				
Non- Financial Assets				
Investment Property				
Land And Buildings				

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

iv) Capital Risk Management

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

	2024-2025	Opening Statement
		1 st July 2025
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings		
Capital Reserve		
Total Funds		
Total Borrowings		
Less: Cash And Bank Balances		
Net Debt/(Excess Cash And Cash Equivalents)		
Gearing		

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Notes to the Financial Statements (Continued)

42. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

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

	2024-2025
Transactions with related parties	
a) Sales to related parties	
Others (specify) e.g. interest and bank charges	
Total	
B) purchases from related parties	
Purchases of electricity from KPLC	
Purchase of water from govt service providers	
Rent expenses paid to govt agencies	
Training and conference fees paid to govt Agencies	
Others (specify)	
Total	
b) Grants /transfers from the government	
Grants from national govt	
Grants from county government	
Donations in kind	
Total	
c) Expenses incurred on behalf of related party	
Payments of salaries and wages for employees	
Payments for goods and services	
Total	
d) Key management compensation	
Compensation to key management	
Total	

43. Segment Information

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

44. Contingent Assets and Contingent Liabilities

Contingent Assets

	2024-2025
Contingent Assets	
Insurance Reimbursements	
Assets Arising from Determination Of Court Cases	
Reimbursable Indemnities and Guarantees	
Receivables From Other Government Entities	
Others (Specify)	
Total	

(Give details)

Contingent Liabilities

	2024-2025
Contingent Liabilities	
Court Case I against the Entity	
Bank Guarantees in Favour of Subsidiary	
Contingent Liabilities arising from Contracts Including PPPs	
Others (Specify)	
Total	

(Give details)

45. Capital Commitments

Capital Commitments	2024-2025
Authorised for	
Authorised and contracted for	
Total	

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

Notes to the Financial Statements (Continued)

46. Program for Results (PforR) Disclosure

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

Name of PforR:			Name of Financing Partners:			
	Budget	Actual	Budget	Actual	Budget	Actual
Program code						
Sub-program						
Sub-program						
Sub-total						
Program code						
Sub-program						
Sub-program						
Sub-total						
Total						

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

47. Events after the Reporting Period

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

48. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

49. Currency

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

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14. Appendix

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

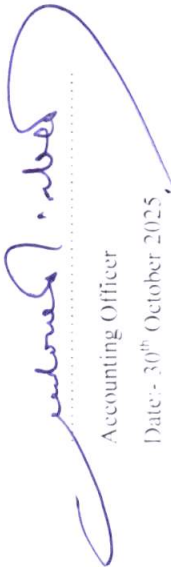
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Unsupported Cash and Cash Equivalents	Supporting documents of Cash and cash equivalents have been compiled and are available for review	Awaiting review	n/a
2.	Inaccuracies in the Statement of Financial Assets and Liabilities	Inaccuracies in Statement of Financial Assets and Liabilities have been reconciled and are available for review	Awaiting review	n/a
3.	Inaccuracies in the Statement of Cash flows	Inaccuracies in the Statement of Cash flows have been reconciled and are available for review	Awaiting review	n/a
4.	Inaccuracies in the Statement of Comparison of Budget and Actual Amounts	Inaccuracies in the Statement of Comparison of Budget and Actual Amounts have been reconciled and are available for review	Awaiting review	n/a
5.	Unresolved Prior Year Audit Matters	Resolution of Unresolved Prior Year Audit Matters is on going	Awaiting review	n/a
6.	Non-Compliance with Public Service Commission Act, 2017 – Employees Over Sixty (60) Years	This matter has since been resolved and the last such case lapses with FY2025-2026	concluded	n/a
7.	Non-compliance with the Law on Ethnic Composition	Compliance with the Law on Ethnic Composition is an on-going process.	On going	n/a

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Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to County Treasury.



Accounting Officer

Date:- 30th October 2025.

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Appendix II: Projects implemented by (The Entity)

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements

Status of Projects completion

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

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



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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor	Nature: Recurrent/Development/Others	Statement of Financial Performance	Where Recorded/recognized	Deferred Income	Others - must be specific	Total Transfers during the Year

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Appendix VI: Reporting of Climate Relevant Expenditures

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



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Appendix VII: Disaster Expenditure Reporting Template

Column I Programme	Column II	Column III Disaster Type	Column IV	Column V Expenditure item	Column VI Amount (Kshs.)	Column VII

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Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f		Additions during the year (Kshs)	Disposals during the year	Transfers in/(out) during the year	Historical Cost c/f	
	Previous Year	Current Year				(Kshs)	Current Year
I. and							
Buildings and structures							
Transport equipment							
Office equipment, furniture and fittings							
ICT Equipment							
Machinery and Equipment							
Biological assets							
Infrastructure Assets- Roads, Rails							
Heritage and cultural assets							
Intangible assets							
Work in Progress							
Total							