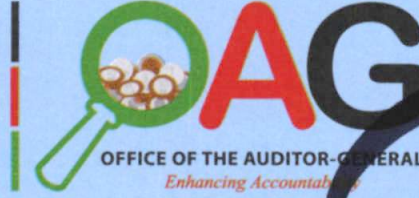


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REPORT

OF

THE AUDITOR-GENERAL

ON

MACHAKOS COUNTY ASSEMBLY

FOR THE YEAR ENDED
30 JUNE, 2025

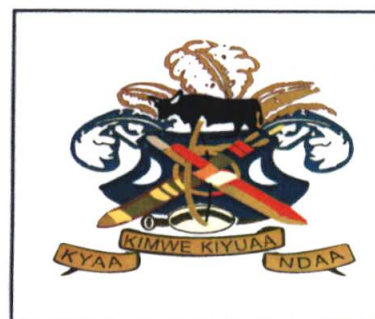
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MACHAKOS COUNTY ASSEMBLY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

Machakos County Assembly
Annual Report and Financial Statements for the year ended June 30, 2025

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Machakos County Assembly

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

1. Acronyms, Abbreviations and Definition of Key Terms

A. Acronyms and Abbreviations

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

B. Definition of Key Terms

Example

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

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

Machakos County Assembly

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

2. Key Entity Information and Management

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 61 Members of County Assembly (MCAs) elected and nominated i.e The Speaker, 40 elected and 20 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.

(a) Key Management Team

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

No.	Designation	Name
1.	Speaker of the County Assembly	- Hon. Ann Kiusya
2.	Clerk of the County Assembly	- Mr. Denis Mutui
3.	Head of Departments	- Mr. Peter Mbatha- Ag. Deputy Clerk- Administration - Mr. Benson Mutua- Ag. Principal Finance Officer - Mr. Justus Musuma- Principal Human Resource and Administration Officer - Mr. Hillary Muthui- Principal Legal Officer - Ms. Nancy Wangai- Principal Supply Chain Management Officer - Mr. Francis Mwatha- Principal Internal Auditor - Mr. Dominic Musyoka -Principal Clerk Assistant

Machakos County Assembly

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

(b) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer- Clerk	Mr. Denis Mutui
2.	Ag. Deputy Clerk- Administration	Mr. Peter Mbatha
3.	Ag. Principal Finance Officer	Mr. Benson Mutua
4.	Principal Supply Chain Management Officer	Ms. Nancy Wangai

d) Fiduciary Oversight Arrangements

Audit committee

The County Assembly has an independent Audit Committee constituted in line with the PFM Act 2012 and (County Government) regulations (2015) and whose mandate is to advise the County Assembly on institutional risk management and compliance

Finance and Revenue Collections committee

The CA has a finance committee as per its standing orders which are mandated to oversight revenue administration and expenditure management.

Public Accounts and Investment committee

The CA has a Public Accounts and Investment committee as per its standing orders which is mandated to examine accounts showing the appropriations of the sum voted by the CA to meet the Public expenditure and of such other accounts laid before the CA as the committee may think fit.

Budget and Appropriation committee

The CA has a Budget and Appropriation committee as per its standing orders whose mandate is to investigate, inquire into and report on all matters related to the coordination, control and monitoring of the County Budget.

Machakos County Assembly

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

e) County Executive/Assembly Headquarters

P.O. Box 1168-90100
Machakos –Kenya County Hall
Along Mwatu wa Ngoma Rd.

f) County Assembly Contacts

Telephone: 020-2100981

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

g) County Executive/Assembly Bankers

1. Central Bank of Kenya

Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

2. Other Commercial Banks

a. Kenya Commercial Bank

Address: P.O. Box 30 Machakos
City/Town: Machakos.
Telephone Number: 044-21780/1, 21817

b. Co-operative Bank

Address: P.O. Box 1259-90100
City/Town: Machakos.

c. Family Bank

Machakos Branch

d. SBM BANK

Address: P.O. Box 34886-00100
Machakos Branch

h) Independent Auditor

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

Machakos County Assembly

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

i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

j) County Attorney

County Government of Machakos
Head Quarter,
P.O Box 1996-90100
Machakos, Kenya

Machakos County Assembly

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

3. Governance Statement

a. Background and roles


The County Assembly is constituted by the MCAs of Machakos County. 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

Name	Details of qualifications and experience
<p>1. Hon. Ann Mwikali Kiusya</p> 	<p>The Speaker of the County Assembly</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none">• LLB (Law)• Masters in Project Planning & Management• Bachelor of Law• Post Graduate Diploma in Business Management (HR)• Member of Law Society of Kenya/Practising Lawyer <p>Work Experience: August 2022 to date: Speaker of the County Assembly</p>

Machakos County Assembly

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

<p>2. Hon. Nicholas Kitavi Nzioka</p> 	<p>Majority Leader</p> <p>D.O.B: 04/06/1977</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none">• Bachelor of Environmental Studies (Planning and Management)• Diploma in Human Resource Management – Part 1• KCSE B+• KCPE <p>Work Experience: August 2022 to date: Machakos County Assembly as a Member of County Assembly</p>
<p>3. Hon. Judas Mbili Ndawa</p> 	<p>Minority Leader</p> <p>D.O.B: 22/02/1973</p> <p>Academic Qualifications: Bachelor of Commerce- Business Administration Option Diploma in Human Resource Management Diploma in Business Management</p> <p>Work Experience: 2017 to date: Member of County Assembly – County Assembly of Machakos</p>
<p>4. Denis Musyoka Mutui</p> 	<p>Ag. Clerk of the County Assembly</p> <p>D.O.B: 31/10/1978</p> <p>Academic qualifications</p> <ul style="list-style-type: none">• Bachelors of Commerce• KCSE C+ (plus) <p><u>Work experience</u></p> <ul style="list-style-type: none">• Nov 2023 to date: Ag. Clerk, Machakos County Assembly• June 2021 to Nov 2023: Deputy Clerk (Legislative Services), Machakos County Assembly.• 2013 to October 2018: Kwale County Assembly as the Clerk .• 2019 to July 2022: Technical advisor to Kenya special envoy to South Sudan

Machakos County Assembly
Annual Report and Financial Statements for the year ended June 30, 2025

The County Assembly executes its mandate, through committees which are broadly classified into two;

i) 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. They are generally responsible for overseeing the work of County Government departments and agencies.

The Assembly has fourteen sectoral committees namely;

- 1) Trade, economic planning and industrialization
- 2) Education and social services
- 3) Transport, roads and public works
- 4) Justice and legal affairs
- 5) Agriculture
- 6) Environment and natural resources
- 7) Finance and Revenue collection
- 8) Health and emergency services
- 9) Labour, Public Service and ICT
- 10) Culture and Tourism
- 11) Social Welfare and Sports
- 12) Lands and Energy
- 13) Decentralized units & county administration
- 14) Water and Irrigation committee

ii) Select Committees

The mandate of Select 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 thirteen Select committees namely;

- 1) Broadcasting and Library committee
- 2) Budget and Appropriation
- 3) Implementation
- 4) Devolution and Inter-governmental relation
- 5) Public Accounts and Investments

Machakos County Assembly

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

- 6) Delegated legislation
- 7) House Business committee
- 8) Selection committee
- 9) Appointments
- 10) Procedure and Rules
- 11) Powers and Privileges
- 12) Liason
- 13) Gender and Equality

Some of the above committee's membership includes;

a) Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held several meetings in FY. The committee members during the FY were:

Member	Designation	Ward
1.Hon. Ann Kiusya	Speaker	N/A
2.Hon. Stephen Mwanthi	Deputy Speaker	Ekalakala
3.Hon. Mary Nthenya	Member	Special Elect
4.Hon. Constance Mbula	Member	Special Elect
5.Hon. Nicholas Nzioka	Majority Leader	Machakos Central

b) Public Accounts/Investment Committee

Machakos County Assembly

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

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held other sittings to deal with arising matters. The members who served in the committee during the year were:

Member	Designation	Ward
1. Hon. Phillip Ndolo	Chairperson	Mitaboni
2.Hon. Ruth Wanjiru	Vice Chaiperson	Special Elect
3.Hon. Douglas Musyoka	Member	Masii
4.Hon. Caroline Mutuku	Member	Special Elect
5.Hon. Raphael Lucky	Member	Matungulu West
6.Hon. Paul Muoki	Member	Ndithini
7.Hon. Charles Mbuva	Member	Kangundo West

c) Budget and Appropriations Committee

The budget and appropriations committee provides guidance in the budgetary process. 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. Dominic Ndambuki	Chairperson	Kathiani
Hon. Justus Mutuku	Vice Chairperson	Wamunyu
Hon. Judas Ndawa	Member	Matuu
Hon. Phoebe Koki	Member	Special Elect
Hon. Margaret Ndalana	Member	Special Elect
Hon. Nicholas Nzioka	Member	Machakos Central
Hon. Stephen Mwanthi	Member	Ekalakala
Hon. Winfred Mutua	Member	Special Elect
Hon. Peter Kilonzo	Member	Mbiuni

d) Finance and Revenue Collection Committee

Machakos County Assembly

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

The committee performed responsibilities related to economic policies, planning, projects and programmes as outlined in the PFM act 2012, approved budget estimates and financial reports.

Member	Designation	Ward
1. Hon. Francis Kitaka	Chairperson	Ndalani
2. Hon. Paul Wambua	Vice Chairperson	Kibauni
3. Hon. Paul Muli	Member	Kithimani
4. Hon. Loyd Mutua	Member	Special Elect
5. Hon. Francis Kavyu	Member	Kinanie
6. Hon. Judas Ndawa	Member	Matuu
7. Hon. Irene Mulu	Member	Special Elect
8. Hon. Hellen Ndeti	Member	Special Elect
9. Hon. Daniel Muindi	Member	Muthesya
10. Hon. Jackson Ndaka	Member	Tala
11. Hon. Grace Bahati	Member	Kyeleni
12. Hon. Philip Ndolo	Member	Mitaboni
13. Hon. Anna Ndilo	Member	Special Elect

Internal Audit Committee

In addition to the above committees of the County Assembly, the CA has an independent Audit Committee which was constituted in September 2018 in line with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

Its mandate is to advise the County Assembly on institutional risk management and compliance. The committee held eight meetings in FY 2023/2024. The committee members during the FY were:

Member	Designation
Joseph Ndiku	Chairperson
Elizabeth Musyoka	Member
Francis Mwatha	Secretary

Machakos County Assembly
Annual Report and Financial Statements for the year ended June 30, 2025

Hillary Muthui	Member- Speaker's nominee
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During the financial year, the Internal Audit committee reviewed various Internal Audit Reports as well as External Audit Reports and forwarded its recommendations to the CASB in a Board Paper. The Audit Committee continues to review and advice the management and the CASB on Internal Audit issues.

c. Communication with all Stakeholders

The County is committed to ensuring that all its stakeholders 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 consultative meetings where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholders expectations are aligned to the County's service delivery charter.

The CA also subjected five bills to public participation for a namely:

- (a) The Machakos County Health Service (amendment) Bill 2023 on 27.9.2024.
- (b) The Machakos County Annual Development Plan 2025-2025
- (c) Machakos County Fiscal Strategy Paper 2025 on 7.3.2025
- (d) The Machakos County Youth Empowerment Bill 2023 on 7.3.2025
- (e) The Machakos County Appropriation Bill (budget estimates 2025-26) 2025 on 19.6.2025
- (f) The three Machakos County Supplementary Appropriation Bills (budget estimates 2024-25)

d. Risk management

Risks identified and analysed in the period and how they were managed.

The County Assembly has in place effective arrangement for risk management and internal controls. This has been achieved through the Institutional Risk Management Framework and Policy. The risks are identified, classified and analysed through the departmental risks registers.

The Internal Audit unit assesses risks in various departments and provides recommendations for management action.

Machakos County Assembly

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

e. Compliance

The County Assembly has identified laws that govern its operations. These laws include:

- The Constitution of Kenya,
- County Governments Act
- Public Finance Management Act,
- Public Procurement and Disposal Act
- The County Assemblies Services Act etc.

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

4. Foreword By the Clerk of The Assembly

(i) Budget performance

The annual revised budget for the County Assembly was Ksh.1,118,556,126.00 comprising of Ksh. 944,156,126.00 for recurrent budget and Ksh. 174,400,000 under the Development vote.

During the period, the Assembly recurrent budget was Ksh. 944,156,126.00 (which is inclusive of other transfers) and the total received was Ksh. 924,156,118 while an amount of Ksh. 45,283,217.00 was received under development out of a revised budget of Ksh. 174 million.

Overall, the County Assembly received Ksh. 969,439,335.00 which translates 87% funding of the total budget of Ksh. 1,118,556,126.00

(ii) Operational Performance

During the FY, the Assembly approved three policies that will assist the County Government in allocation of resources. These policies were:

- i. The Machakos County Gender Policy on 18th August 2024.
- ii. The Machakos County Annual Development Plan 2025-2025 on 12th March 2025
- iii. Machakos County Fiscal Strategy Paper 2025 on 12th March 2025

Approval of County Budget and Supplementary Budgets;

- The First Machakos County Supplementary Appropriation Bill 2025; approved on 4th December, 2024.
- The Second Machakos County Supplementary Appropriation Bill 2025; approved on 24th June, 2025
- The Machakos County Appropriation Bill, 2025; approved on 24th June 2025 approved on 24th June, 2025.

➤ The County Assembly has 27 committees and some of the key ones include:

No.	Assembly Committees	Committee mandate and its successes over the period
1	Budget and Appropriation committee	<ul style="list-style-type: none"> • During the FY, the committee was involved in: Scrutinizing the budget estimates

Machakos County Assembly

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

		<p>forwarded to the assembly by the County Executive</p> <ul style="list-style-type: none"> • Reviewing of the performance by monitoring County spending against the budgeted programs <p>Some of the committee successes during the period were:</p> <ul style="list-style-type: none"> • Passed the Machakos County Appropriation Act, 2025 • Passed the 1st and 2nd Machakos County Supplementary budget for FY 2024/2025 • Passed the County Budget Review Outlook Paper • Passed the County Fiscal Strategy Paper • Analysed the COB reports and are awaiting presentation to the house.
2	Finance and Revenue Collection	<p>The committee mandate is to oversee the management of County Public Finance and Revenue Collection.</p> <p>Some of the committee successes during the FY were;</p> <ul style="list-style-type: none"> • Performed oversight on the local revenue collection where the target revenue collection was Ksh. 3,475,961,508.00 against the actual collection of Ksh. 2,181,835,314.00 • Ensured that the Local Revenue collection transfers to the County Revenue Fund Account (CRF) was done within the set time in law i.e Seven days • Interrogated reports forwarded to the Assembly by the County Executive which includes; <ul style="list-style-type: none"> ➤ Full year Receiver of revenue financial reports for FY 2023/2024. ➤ Third quarter County Executive receipts and expenditure reports for FY 2024/2025
3	Public Accounts Committee	<p>The committee reviewed all accounts showing appropriations of the sum voted by the Assembly to meet expenditure and other reports that were laid before the committee.</p>

		The committee also interrogated the OAG reports for the County Executive, the County assembly and Water Companies.
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Highlights on the oversight role of the County Assembly.

The County Assembly makes and passes all County laws required for the effective performance and exercise of the powers of the County Government. It also approves County policies, plans and budgets and oversees their implementation by the County Executive

(iii) Performance of key development projects

Since the establishment of the County Assembly, several development projects have been undertaken.

These include;

- Construction and equipping of modern office block
- Supply and installation of Hansard equipment
- Supply and installation of Assembly Broadcasting Unit (ABU)
- Installation of Gym equipment
- Construction of Speaker’s official residence
- Reverse Osmosis water plant
- Construction of ward offices which is still ongoing (Multi-year project)
- Construction of Modern Chamber which is still ongoing

The above projects were included in the strategic plan, procurement plan and work plan.

The Assembly management facilitated the procurement processes of these services and ensured responsible competitive practices by the use of the recommended procurement methods.

(iv) Comment on value-for-money achievements

During the period, the Assembly initiated several capital projects. The suppliers/ contractors engaged to execute the said projects were engaged competitively and they delivered the works/ supplies within the given specifications, and hence the Assembly got value for money as a result.

Further, funds were utilized in accordance with provisions of Public Finance Management Act 2012, and for the purpose for which they were intended.

Machakos County Assembly

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

The Assembly is constructing ward offices for its 40 wards. The constructed ward offices will facilitate proper service delivery to the electorates. The already completed ward offices are now in use and the electorates are being served better compared to when the Assembly was using rented offices.

The County Assembly is also constructing a new chamber that will be much bigger in size. This will be used by members of the County Assembly to condusively undertake their legislative and representation role.

The new chamber will have a larger public gallery which can accommodate more members of the public and this will provide learning opportunities for schools within the County who would wish to learn more about the parliamentary legislative procedures.

(v) Challenges and recommended way forward

a. Delay in release of funds

The National Treasury delayed in release of funds to the counties and this affected greatly the implementation of projects by the Assembly. The delay also affected the smooth running of the Assembly.

The recommended way forward is that the National Treasury should always endeavour to release funds to Counties on a timely basis.

b. Limited budgetary resources

This is as a result of the budgetary ceiling imposed by CRA.

The recommended way forward is for CRA to ensure County Assemblies are adequately funded.

The future Outlook of the Assembly as laid out in the strategic plan is;

Representation Function

- Establish platforms for MCAs to interact with the public: holding public participation forums, carry out civic awareness and outreach programmes.
- Devise mechanisms for communicating feedback from the Assembly to the public through: use of local radio stations, circulation of House reports and uploading Hansard reports.
- Strengthen ward Offices: Construction of ward offices, equipping and maintenance of the wards.
- Provide logistics for MCAs to visit ward offices: payment of claimable mileage, Car loans and Mortgage and motor vehicle reimbursement.
- Create modalities for reaching out to special groups: provide brailled versions of House documents and availing sign language interpreters.
- To promote information sharing with the public: provide Information, Education, and Communication (IEC) materials (such as posters, brochures and flyers), engage media-radio appearances, and setting up of a media centre among others.

Some of the measures the Assembly is taking to improve the Institutional Capacity are;

- To attract, develop and retain competent staff: engage suitable staff, review HR policy, establish reward and sanctions system, ensure compliance to performance management system, manage employee wellness programmes, provide insurance cover and develop training programmes.
- To set up infrastructure that provides a conducive working environment: equip the new office block, construction of new chamber, construction of Speakers Official Residence and construction of ward offices.
- Provision of Quality Food at the Cafeteria at subsidized rates and maintenance.
- Provision of Transport-pool vehicles (maintenance of the vehicles).
- Records and Management policy in operation.
- Provision of an equipped lactation room.
- Build high corporate status; enhance governance structures.
- Operationalize Corporate Communication Policy.
- Water treatment facility -provision of water to MCAs, staff and electorates as a Corporate Responsibility Program.
- Undertaking a Safety Audit

Training and Development policy

The Assembly has empowered the MCAs and staff through facilitating Capacity building workshops so as to ensure that the MCAs are able to achieve their mandate-Oversight, Legislation & Representation.

Members of staff who belong to professional bodies such as ICPAK, IHRM, KISM, LSK, IIA and ICS among others have been sponsored to attend Conferences and Training of the relevant professional bodies hence enhancing their skills and knowledge.

Recruitment

Recruitment has been done as per the Schemes of Service and also as per the Staffing levels. Staff turn over has not been a challenge to the Assembly so far.

Staff Performance Appraisal Policy

The Assembly embraced Performance Contracting hence all staff normally fill the SPAS forms and the same are evaluated by their supervisors. Institutional Performance Contracts are prepared and cascaded down to the departments. The staffs have been promoted as a result of their work performance hence they are motivated to perform.

Machakos County Assembly

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

The Assembly's Approach in improving skills includes;

- Appointment to various committees.
- Expansion of responsibilities.
- Job rotation.
- Training and Development



.....
Name: Peter Mbatha

Ag. Clerk of the County Assembly

Date: 31/07/25
.....

Machakos County Assembly
Annual Report and Financial Statements for the year ended June 30, 2025

5. Statement of Performance against Predetermined Objectives

The key mandate of the County Assembly of Machakos 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 2024/2025.

Program 1	Objective	Outcome	Indicator	Performance	Remarks
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide on-going professional development of MCAs	Increased ability of MCA in legislation	No of bills passed in the County Assembly	In FY 2024/2025 MCA were trained on: <ul style="list-style-type: none"> a) Overview on procedure of plenary proceedings 2. Management of committees 3. Drafting of motions and statements and follow up, difference between motions, statements and questions. 4. Committee of the whole House for Standing Orders and Bills 5. How and when to introduce procedural motions, debate on procedural motions 6. Processing of plenary order papers 7. Interrogation of policy documents 	Target was achieved

				<p>8. Analysis of Quarterly reports from the Departments and reporting to Committees.</p> <p>9. Emerging trends in Parliamentary Procedures.</p> <p>10. Rules of Debate</p> <p>11. Budget making process</p> <p>During the FY, the Assembly passed 7 bills namely;</p> <ol style="list-style-type: none"> 1) The Machakos County Appropriation Bill 2025 (budget estimates 2025-26) 2025 on 24th June 2025 2) First Machakos County supplementary Appropriation Bill 2025; approved on 4th December 2024 3) Second Machakos County supplementary Appropriation Bill 2025; approved on 24th June 2025 4) The Machakos County Health Service 	
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Machakos County Assembly

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

				(amendment) Bill 2024 on 1 st October 2024	
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	% Increase in efficient Assembly operation- To be done on need basis	During this period, there was no review of the Standing Orders.	There was 100% Performance since only one proposal on amendment to standing orders was forwarded for review as the same is done on need basis.
	Enhanced professional development of MCAs – Approval of Policies	Approval of Policies	% Increase in efficient Assembly operation- To be done on need basis	The Assembly also facilitated the approval of three policies namely: i) The Machakos County Gender Policy on 18 th August 2024. ii) The Machakos County Annual Development Plan 2025-2025 on 12 th March 2025 iii) Machakos County Fiscal Strategy Paper 2025 on 12 th March 2025	There was 100% performance since the approval of policies is depended of when they are forwarded for approval.
	Enhanced professional	Drafting motions	% Increase in efficient	Drafted 58 motions on thematic areas, procedural and reports	Members were

Machakos County Assembly

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

	development of MCAs – Drafting of motions		Assembly operation	and all were passed. Drafted 11 statements and forwarded to the House for deliberations. Tabling adoption of 31 reports.	vibrant and target was surpassed.
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3. Environmental and Sustainability Reporting

a) Sustainability strategy and profile

The County Assembly has endeavored to undertake activities, some considered voluntary, and demonstrate the inclusion of social and environmental concerns in labour operations and interactions with stakeholders.

In order to further its sustainability, the management is geared towards ensuring that Corporate Social Responsibility strategy is developed. This will go a long way in enabling the County Assembly exert impact on its surroundings among the constituent's environment and social terms.

b) Environmental performance

The Machakos County Assembly approved the Climate Change Act 2021 which was later amendment in 2022. The waste management and the sanitation fall under the department of Water, Environment and Natural resources.

The assembly has also tried to reduce the environmental impact on its activities by

- a. Ensuring proper disposal of waste.
- b. Promoting the efficient use of resources such as water through water harvesting initiatives in the ward offices.
- c. Assembly participation in the National trees planting exercises
- d. Embracing technology hence reducing the use of papers.
- e. Use long lasting light bulbs: energy efficient light bulbs reduce greenhouse gas emissions. Also flip the light switch when leaving the office.

c) Employee welfare

The County Assembly Service Board has provided a conducive work environment as well as several employee benefits:

- a) The car loan and mortgage scheme that seeks to improve the living standards of Members of County Assembly and staff
- b) Comprehensive medical cover for all Members of County Assembly and staff to ensure a healthy workforce
- c) Group Personal Life Cover that offers to pay compensation to the MCAs and employees in the event of death and WIBA and Group Personal Accident Cover that offers to pay compensation to the MCAs and employees who suffer bodily injuries as a result of accidents.
- d) Facilitating sporting events that build a cohesive team.

Other initiatives aimed at promoting employee welfare such include the cafeteria at subsidised cost, gym and lactation room for nursing mothers.

d) Market place practices

The assembly engages its suppliers only through a competitive process, and this has been achieved by ensuring all tenders are invited through public platforms to promote competitiveness i.e. open tenders. By so doing every interested bidder is given a fair chance to participate in the process.

In addition, the assembly tries to maintain a good business relationship with its suppliers/service providers/contractors by ensuring timely payment of their bills as they fall due.

e) Community Engagements

The CA provides free clean water to the nearby community through the Reverse Osmosis project aimed at reducing the water shortage.

The CA also participated in the Machakos ASK trade fair of 2025 and showcased the Assembly activities.

The CA hosts school pupils to provide mentorship on leadership and governance.

The CA offers attachment opportunities to college students as a requirement for completion of their courses.

6. Management Discussion and Analysis

The County Assembly of Machakos is constituted as per the Constitution of Kenya and is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction

Machakos County Assembly

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

of the Assembly, while the clerk who is the accounting officer is responsible for the day to day operations.

The Clerk oversees execution of the Assembly Budgets which includes payment of salaries, operations and implementation of development projects. During the last three financial years, the Assembly absorbed fully its recurrent budget and partially that of development.

Over the last five years, the Assembly undertook several projects some of the key ones including:

- Construction and equipping of modern office block
- Supply and installation of Hansard equipment
- Supply and installation of Assembly Broadcasting Unit (ABU)
- Installation of Gym equipment
- Construction of Speaker's official residence
- Reverse Osmosis water plant
- Construction of ward offices which is still ongoing (Multi-year project)

Over the years, the Assembly has fully complied with all statutory requirements.

Machakos County Assembly
Annual Report and Financial Statements for the year ended June 30, 2025

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 Executive's/Assembly financial statements, which give a true and fair view of the state of affairs of the County Executive/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 Assembly's transitional 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 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 Clerk confirms that the County Assembly has complied fully with applicable Government Regulations 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 the 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.

Machakos County Assembly
Annual Report and Financial Statements for the year ended June 30, 2025

Approval of the financial statements

The County *entity's* financial statements were approved and signed by the Clerk for on 31/10/2025.



.....

Name: Peter Mbatha

Ag. Clerk of the County Assembly

Date: 31/10/2025
.....

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MACHAKOS COUNTY ASSEMBLY 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 aim to address the Auditor-General's statutory roles and responsibilities 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 Public Sector Accounting Standards (IPSAS) financial statements of Machakos County Assembly set out on pages 1 to 57,

Report of the Auditor-General on Machakos County Assembly for the year ended 30 June, 2025

which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of cash flows, statement of changes in net assets 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 International Public Sector Accounting Standards financial statements present fairly, in all material respects, the financial position of Machakos County Assembly 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 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 Machakos County Assembly 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.

Emphasis of Matter

1. Long Outstanding Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.293,727,536 as disclosed in Note 32 to the financial statements. Included in the balance are payables totaling Kshs.199,614,864 which have been outstanding for more than one year.

Further the statement reflects borrowings-non-current portion balance of Kshs.37,700,000 as disclosed in Note 38 to the financial statements. The amount relates to borrowings from Machakos County Assembly's car and mortgage loan Fund that has remained outstanding since the year 2018 to date. No explanation was provided for failure to settle the borrowings.

Failure to settle payables during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.1,118,556,126 and Kshs.969,588,406 respectively resulting to under-funding of Kshs.148,967,720 or approximately 13% of the budget.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

3. Late Exchequer Releases

The statement of financial performance and as disclosed in Note 6 to the financial statements reflect transfers from County Revenue Fund totalling Kshs.969,439,335. Review of receipts records revealed that funds amounting to Kshs.195,354,750 were received in the Month of July, 2025.

Late disbursement of funds negatively affected service delivery to the citizens of Machakos County.

My opinion is not modified in respect of these matters.

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 Matters

In the prior years' audit reports, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of Machakos County Assembly in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Delay in completion of Mutituni Ward Offices
2	2022/2023	Delay in Construction of New Chambers
3	2022/2023	Delay in Completion of Ward Offices

Other Information

The Management is responsible for the Other Information set out on pages iii to xxviii which comprise of Key Entity Information and Management, Governance Statement,

Foreword by the Clerk of the Assembly, Statement of Performance Against Predetermined Objectives, Management Discussion and Analysis and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Payment to County Assembly Forums and SOCATT

As previously reported, the statement of financial performance and as disclosed in Note 10 to the financial statements reflect use of goods and services totalling Kshs.453,034,524 which includes other operating expenses totalling Kshs.30,228,225. Included in the amount is Kshs.5,000,000 in respect to subscriptions paid to County Assembly Forums and Society of Clerks (SOCATT). However, review of records revealed that these entities are not intergovernmental relation in legal capacity and the payments were not budgeted for under the National Government's estimates.

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

2. Non-Compliance with Law on Ethnic Composition

During the year under review, the total number of employees of the County Assembly was one hundred and thirty-four (134) out of which one hundred and twenty-four (124) or approximately 92 % of the total number were members of the dominant ethnic community in the County. This was contrary to Section 7(1) and (2) of the National Cohesion and

Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public Institution shall have more than one-third of its staff establishment from the same ethnic community".

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

3. Irregular Expenditure

Review of records revealed that the County Assembly contracted a firm for the provision of air tickets for two (2) officers to London for purported training on strategic leadership and planning programme. The programme was to run from 27 January, 2023 to 5 February, 2023 and the cost of the flight was Kshs.1,601,300 which is currently an account payable.

However, the following anomalies were noted:

- i. The payment voucher for the air ticket was not supported by boarding passes to confirm that the officers travelled to London.
- ii. One of the staff was paid Kshs.356,405 as training fees instead of the amount being paid directly to the Institution. Further, there was no official receipt provided for audit review from the Institution to confirm receipt of the fees.
- iii. No certificate of participation was provided for audit review.
- iv. A stamp on the passport copy provided indicated that the officers arrived in London on 28 January, 2023, a day after the start of the purported workshop and returned to Kenya on 5 February, 2023 a day when the workshop was to end.
- v. The two (2) officers were paid cash allowances totalling Kshs.1,181,844 vide payment voucher number 906/25 dated 25/1/2023 instead of processing the per diem through imprest warrants.

Further, independent verification by auditors on the authenticity and validity of the payment done and participation of the two (2) officers in the programme at the training Institution revealed that the two County officers pre training arrangements were made, and the necessary documentation issued to support their sponsorship applications.

However, the course fees was not paid to the Institution hence their commencement letters were never issued by the Institution since they did not participate in the said programme. This is contrary to Section 203 (1) of the Public Finance Management Act, 2012 which stipulates that a public officer is personally liable for any loss sustained by a County Government that is attributable to (a) the fraudulent or corrupt conduct, or negligence of the officer.

In the circumstances, the authenticity and validity of the foreign travel, payment of the course fee by the County Assembly and the pending accounts payable for the airline could not be confirmed.

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 THE 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, Management is responsible for assessing the County 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 Management is aware of the intention to cease operations.

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

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

Those charged with governance are responsible for overseeing the County 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

11 December, 2025

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

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

Revenue from non-exchange transactions		
Transfers from CRF	6	969,439,335
Miscellaneous Revenue	7	
Total		969,439,335
Revenue from exchange transactions		
Other income	8	149,071
Total revenue		969,588,406
Expenses		
Employee costs	9	521,611,937
Use of goods and services	10	453,034,524
Transfers to other Government Entities	11	
Depreciation and amortization expense	12	11,465,150
Other Grants and Subsidies	13	
Finance costs	14	
Social Benefits	15	
Total expenses		986,111,611
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		(16,523,206)
Taxation	20	
Net Surplus/Deficit		(16,523,206)

The Financial Statements set out on pages 1 to 8 were signed by:

.....

Name: Peter Mbatha

Ag. Clerk of the County Assembly
ICPAK M/No. 6996

.....

Name: Benson Mutua

Ag. Principal Finance Officer

ICPAK M/No. 5498

(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


	Notes	2024/2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	21	48,754,395	37,394,417
Receivables from Exchange Transactions	22	-	-
Receivables from Non-Exchange Transactions	23	1,397,100	1,567,200
Inventories	24	-	-
Current portion of investments	25	-	-
Total Current Assets		50,151,495	38,961,617
Non-Current Assets			
Receivables from Exchange Transactions	22(b)	-	-
Non- Current portion of investments	25	-	-
Property, Plant and Equipment	26	351,285,648	312,486,487
Intangible Assets	27	-	-
Investment Property	28	-	-
Right-of-use assets	29	-	-
Biological Assets	30	-	-
Tangible Natural Resources	31	-	-
Total Non- Current Assets		351,285,648	312,486,487
Total Assets (A)		401,437,143	351,448,104
Liabilities			
Current Liabilities			
Trade and Other Payables	32	293,727,536	225,889,841
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		293,727,536	225,889,841

Machakos County Assembly

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

	Notes	2024/2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Non-Current Liabilities			
Non-Current Provisions	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Non-Current Employee Benefit Obligation	37	-	-
Borrowings – Non-Current Portion	38	37,700,000	37,700,000
Service Concession Liability	39	-	-
Contingent Liabilities	44	24,410,437	24,410,437
Total Non- Current Liabilities		62,110,437	62,110,437
Total Liabilities (B)		355,837,973	288,000,278
Net Assets(A-B)		45,599,170	63,447,825
Represented By:			
Reserves		-	-
Accumulated Surplus		(16,523,206)	-
Capital Fund		62,122,375	63,447,825
Net Assets		45,599,170	63,447,825

The financial statements set out on pages 1 to 8 were signed by:


.....

Name: Peter Mbatha
Ag. Clerk of the County
Assembly
ICPAK M/No. 6996


.....

Name: Benson Mutua
Ag. Principal Finance Officer
ICPAK M/No. 5498

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

	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30th June 2024 (cash basis)	1,325,450	-	-	1,325,450
Adjustments:	-	-	-	-
Recognition of assets	-	-	-	-
Recognition of liabilities	-	-	-	-
As at July 1, 2024				
Return to CRF	(1,325,450)	-	-	(1,325,450)
Surplus/ deficit for the year	(16,523,206)	-	-	(16,523,206)
Capital Fund	-	-	62,122,375	62,122,375
Other changes (specify)	-	-	-	-
As at June 30, 2025	(16,523,206)	-	62,122,375	45,599,170

Note:

The amount reported of kes 1,325,450.00 represents the amount in the recurrent Ac and the Development Ac at the end of FY 2023/2024 which was later swiped back to the County Revenue Fund at the beginning of the FY 2024/2025.

The Financial Statements set out on pages 1 to 8 were signed by:

.....

Name: Peter Mbatha
Ag. Clerk of the County Assembly
ICPAK M/No. 6996

.....

Name: Benson Mutua
Ag. Principal Finance
Officer
ICPAK M/No. 5498

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

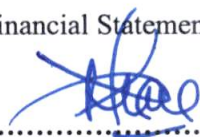
12. Statement of Cash Flows for the year ended 30 June 2025

		<i>FY 2024/2025</i>
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		969,439,335
Miscellaneous Revenue		-
Other income		149,071
Total receipts		969,588,406
Payments		
Employee costs		515,831,389
Use of goods and services		397,410,090
Transfers to other Government Entities		-
Other Grants and Subsidies		-
Finance costs		-
Social Benefits		-
Total payments		913,241,479
Net cash flows from/(used in) operating activities	40	56,346,927
Cash flows from investing activities		
Purchase of PPE		(44,565,477)
Proceeds from investments (Net Interest earned from Fixed Deposit)		903,978
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		(43,661,499)
Cash flows from financing activities		
Returns to CRF		(1,325,450)
Proceeds from borrowings		-
Repayment of borrowings		-
Net cash flows from financing Activities		(1,325,450)
Net increase/(decrease) in cash & Cash equivalents		11,359,978
Cash and cash equivalents at 1 July 2024	21	37,394,417
Cash and cash equivalents at 30 June 2025	21	48,754,395

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

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

The Financial Statements set out on pages 1 to 8 were signed by:



.....
Name: Peter Mbatha
Ag. Clerk of the County Assembly
ICPAK M/No. 6996



.....
Name: Benson Mutua
Ag. Principal Finance
Officer
ICPAK M/No. 5498

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

Recurrent and Development Budgets Combined

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	D	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carry overs (Special Purpose A/c)		-	-	-	-	-
Receipts						
Transfers from the CRF	1,288,713,264	170,657,138	1,118,556,126	969,439,335	149,116,791	87%
Other receipts	-	-	-	149,071	(149,071)	0
Total Receipts	1,288,713,264	170,657,138	1,118,556,126	969,588,406	148,967,720	87%
Payments						
Compensation of employees	546,224,464	(20,161,152)	526,063,312	524,916,863	1,146,449	100%
Use of goods and services	541,838,800	(138,669,938)	403,168,814	395,081,303	8,087,511	98%
Subsidies	-	-	-	-	-	-
Transfers to other government units	20,000,000	(10,000,000)	10,000,000	-	10,000,000	0%
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets- Development Vote	174,400,000	-	174,400,000	43,341,639	131,058,361	25%
Acquisition of assets- Recurrent Vote	6,250,000	1,326,000	4,924,000	4,306,385	617,615	87%
Finance costs, including loan interest						
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	-	-	-	-	-	-

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Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	D	e=c-d	f=d/c %
Total	1,288,713,264	170,657,138	1,118,566,126	967,646,190	150,909,936	87%
Surplus	-	-	-	1,942,215		-

Reconciliation table

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	A
1	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	-

Budget Notes

- Under the development budget, (Acquisition of assets) the County Assembly managed to undertake projects worth Kes 43.3 million against a budget of kes 174.4 million. The reason for the absorption of 25% was that some development programs were not completed as anticipated while some other completed projects were not certified by the County Public Works Officers as at the close of the FY.
- The budget adjustments were effected under Supplementary Appropriation Act.

The Financial Statements set out on pages 1 to 8 were signed by:



Name: Peter Mbatha
Ag. Clerk of the County Assembly
ICPAK M/No. 6996



Name: Benson Mutua
Ag. Principal Finance Officer
ICPAK M/No. 5498

14. Notes to the Financial Statements

1. General Information

The County Assembly of Machakos 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 to Represent, Legislate and Oversight the County Executive.

2. Statement of Compliance and Basis of Preparation

Statement of compliance

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

Guiding note during the transition period:

The County Assembly of Machakos has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st year's financial statements are transitional financial statements. The following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33.

- Non- Current Assets recognition- The Assembly has recognised Assets acquired from FY 2020/2021 up to FY 2024/2025. The Assembly undertakes to ascertain and revalue assets acquired in previous period for recognition by the third year of transition.
- Inventory recognition- The Assembly has not recognised the inventory held at the close of the year. The Assembly commits to undertake stock taking and recognize the inventory in the 2nd year of transition.

These financial statements were authorised for issue by the accounting officer on 27th August, 2025.

Basis of Preparation

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

Reporting period

The reporting period for these financial statements is for the period ended 11th July 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

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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><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul 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

Standard	Effective date and impact:
	<p>at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

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

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

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Standard	Effective date and impact:
	<p>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> <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 24th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded a reduction of its appropriations of 170,657,138 on the 2024/2025 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

Notes to the Financial Statements (Continued)

Budget information (continued)

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

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 Speaker of the County Assembly, Clerk of the County Assembly, Directors and senior staff officers.

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.

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 Note xx. 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	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers 2024/2025
	Kshs	Kshs	Kshs
Recurrent	924,156,118	-	924,156,118
Development	45,283,217	-	45,283,217
Special purpose transfers	-	-	-
Total	969,439,335	-	969,439,335

7. Miscellaneous Revenue

Nature of Revenue	2024/2025
	Kshs
In kind grants and donations	-
Refunds & Reimbursements	-
Revenues not classified anywhere else	-
Total	-

8. Other Incomes

Description	2024/2025
	Kshs
Commissions Earned from the IHRIS salary	149,071
Insurance recoveries	-
Sale of tender documents	-
Services concession income	-
Other incomes not specified elsewhere	-
Total other income	149,071

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

Notes to the Financial Statements (Continued)

9. Employee Costs

Description	2024/2025
	Kshs
Gross salaries for MCAs, staff and ward office employees	430,147,486
Basic wages of temporary employees	-
Personal allowances – part of salary	-
Pension and other social security contributions	60,692,625
Employer contributions to compulsory national social security schemes	7,873,293
Employer contributions to compulsory national health insurance schemes	9,958,305
Employer contribution to compulsory housing scheme	12,940,230
Other social benefit schemes	-
Other personnel costs	-
Total Employee costs	521,611,937

* 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	1,317,015
Communication, supplies and services	4,626,840
Domestic travel and subsistence	268,754,935
Foreign travel and subsistence	34,812,975
Printing, advertising, and information supplies & services	4,269,176
Rentals of produced assets	72,160
Training expenses	17,037,195
Hospitality supplies and services	18,948,821
Insurance costs	49,196,439
Specialized materials and services	2,463,730
Other operating expenses <i>including bank Charges</i>	30,228,225
Office and general supplies and services	6,705,844
Fuel Oil and Lubricants	6,741,975
Routine maintenance – vehicles and other transport equipment	6,512,854
Routine maintenance – other assets	1,346,340
Total	453,034,524

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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	-
Others (specify)	-
Total	-

12. Depreciation and Amortization Expense

Description	2024/2025
	Kshs
Property, plant and equipment	11,465,150
Intangible assets	-
Investment property carried at cost	-
Total	11,465,150

13. Other Grants and Subsidies

Description	2024/2025
	Kshs
Membership dues and subscriptions to international organizations ¹	-
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	-

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

Notes to the Financial Statements (Continued)

15. Social Benefits

Description	FY 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	-

Machakos County Assembly
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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	638	236
Development Account	1,941,578	1,325,214
Deposits Account	19,304,345	18,550,588
Co-operative Bank- Imprest Ac	3	0
Family Bank- Machakos County Assembly Severance Pay AC	27,507,831	17,518,379
Special Purpose Accounts	-	-
Other operating commercial accounts (<i>Specify</i>)		
Total	48,754,395	37,394,417

(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
CBK-Recurrent Accounts	1000240393	638	236
CBK- Development Accounts	1000264578	1,941,578	1,325,214
CBK Deposits Accounts	10000264543	19,304,345	18,550,588
Co-operative Bank- Imprest Ac	01141277998902	3	0
Family Bank- Machakos County Assembly Severance Pay AC	073000041508	27,507,831	17,518,379
Total		48,754,395	37,394,417

Notes to the Financial Statements (Continued)

22. Receivables from Exchange Transactions

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

i) Ageing analysis for Receivables

Description	2024/2025		Opening Statement	
	Kshs		1 st July 2024	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year		%		%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)		%		%

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance	FY 2024/2025
	Kshs
At the beginning of the year	
Additional allowance during the year	
Recovered during the year	
Written off during the year	
At the end of the year	

Notes to the Financial Statements (Continued)

23. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Pre-payment- Salary Advance	1,397,100			
Less: impairment allowance				
Total receivables from non- exchange transactions	1,397,100			
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	1,397,100	100%		%
Between 1-2 years		%		%
Over 3 years		%		%
Total	1,397,100	%		%

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

Description	2024/2025
	Kshs
At the beginning of the year	
Additional provisions during the year	
Recovered during the year	
Written off during the year	
At the end of the year	

Notes to the Financial Statements (Continued)

24. Inventories

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

Detailed disclosure on inventories

	2024/2025
Opening balance	
Additional Inventory in the year	
Inventory expensed in the year	
Write-downs in the year	
Others specify	
Closing balance	

25. Investments

Description	2024/2025	Opening Statement 1 st July 2024
	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 xxx		
Sub- total		
Grand total		
Analysed as:		
Current portion of Investment		
Non-current portion of investment		

d) Movement of Equity Investments

	FY 2024/2025
	Kshs
At the beginning of the year	
Purchase of investments in the year	
Sale of investments during the year	
Increase /(decrease) in fair value of investments	
At the end of the year	

Notes to the Financial Statements (Continued)

e) Shareholding in other entities

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

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Kshs	Kshs
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	Plant & Machinery	Work in progress	Total
Depreciation Rate		2%	10%	2%	12.5%	33.3%	12.5%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	1	32,601,849	27,070,000	83,998,164	94,172	7,815,535	2,202,813	158,703,953	312,486,487
Additions	-	-	-	35,950,595	9,370,316	4,943,400	-	-	50,264,311
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30th June 2025	1	32,601,849	27,070,000	119,948,759	9,464,488	12,758,935	2,202,813	158,703,953	362,750,798
Depreciation And Impairment									
Depreciation for the year	-	652,037	2,707,000	2,398,975	1,183,061	4,248,725	275,352	-	11,465,150
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	652,037	2,707,000	2,398,975	1,183,061	4,248,725	275,352	-	11,465,150
Net Book Values	1	31,949,812	24,363,000	117,549,784	8,281,427	8,510,210	1,927,461	158,703,953	351,285,648
Opening Bal as at 1st July 2025	1	31,949,812	24,363,000	117,549,784	8,281,427	8,510,210	1,927,461	158,703,953	351,285,648

NOTE:

The amount of Kes 158,703,953 represents the amount paid to date for the construction and equipping of modern chamber and ward office construction.

Notes to the Financial Statements (Continued)

27. Intangible Assets

Description	2024/2025
	Kshs
Cost/Opening balance at the beginning of the year	
Additions	
Disposal	
At end of the year	
Additions—internal development	
Disposal	
At end of the year	
Amortization and impairment	
At beginning of the year	
Amortization	
At end of the year	
Impairment loss	
At end of the year	
NBV	

28. Investment Property

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

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

Notes to the Financial Statements (Continued)

29. Right-of-use assets

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

30. Biological Assets

Description	2024/2025	Opening Statement 1st July 2024
	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 June 2025	-	-	-	-
Accumulated Depreciation				
As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
As at June 2025	-	-	-	-
Carrying Amount				
As at June 2024	-	-	-	-

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Notes to the Financial Statements (Continued)

32. Trade and Other Payables

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables (Recurrent A/c Suppliers)	143,924,640		134,339,888	
Trade payables (DVT A/c Suppliers)	1,941,577		-	
Payments received in advance	-		-	
Employee payables (Allowances)	98,783,010		53,205,878	
Third-party payments- Severance Pay	29,773,964		19,793,487	
Third-party payments-Retention AC	19,304,345		18,550,588	
Other payables				
Total trade and other payables	293,727,536		225,889,841	
Ageing analysis: (Trade and other payables)	2024/2025	% of the Total	Opening balance	% of the Total
Under one year	94,112,672	32%		%
1-2 years	199,614,864	68%		%
2-3 years	-	%		%
Over 3 years	-	%		%
Total (tie to above total)	293,727,536			

33. Refundable Deposits and Prepayments

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

Machakos County Assembly

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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 year 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 year		
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

Notes to the Financial Statements (Continued)

36. Deferred Income

Description	2024/2025	Opening Statement 1 st 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	-	-	-	-
Transfers To Capital Fund	-	-	-	-
Transfers To Income Statement	-	-	-	-
Other Transfers	-	-	-	-
Balance Carried Forward	-	-	-	-

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

Notes to the Financial Statements (Continued)

37. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
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, 2024. The scheme is administered by Lapfund and Laptrust. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

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

	Insert Current 2024/2025	Opening Statement 1 st July 2024
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (Pre- Retirement)	-	-
Mortality (post-retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	-	-

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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:

	2024/2025	Opening Statement 1 st July 2024
Description	Kshs	Kshs
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

	2024/2025	Opening Statement 1 st July 2024
Description	Kshs	Kshs
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. XXX per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

Notes to the Financial Statements (Continued)

38. Borrowings

Description	2024/2025
	Kshs
a) External borrowings	
Balance at beginning of the year	-
External borrowings during the year	-
Repayments of during the year	-
Balance at end of the year	-
b) Domestic borrowings	
Balance at beginning of the year- Inter account Borrowing	37,700,000.00
Domestic borrowings during the year	-
Repayments during the year	-
Balance at end of the year	37,700,000.00
Balance at end of the period- domestic and External borrowings c = (a+b)	37,700,000.00

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

	2024/2025	Opening Statement 1 st 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- MCAs Fund AC	37,700,000.00	37,700,000.00
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Total /Balance at end of The Year	37,700,000.00	37,700,000.00

Notes to the Financial Statements (Continued)

Description	2024/2025	Opening Statement
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

(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 1 st 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 year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

40. Cash Generated from Operations

	2024/2025
	Kshs
Surplus for the year before tax	(16,523,206)
Adjusted for:	
Depreciation	11,465,150
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	(5,058,056)
Increase in inventory	-
Increase in receivables	170,100
Increase in deferred income	-
Increase in payables	61,234,882
Increase in payments received in advance	-
Net cash flow from operating activities	56,346,927

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

Notes to the Financial Statements (Continued)

41. Financial Risk Management

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

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

i) Credit risk

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

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

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 June 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 xxxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

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

	Less than 1 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.

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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 currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2025			
Euro	10%	-	-
USD	10%	-	-
20xx-1			
Euro	10%	-	-
USD	10%	-	-

Notes to the Financial Statements (Continued)

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

Notes to the Financial Statements (Continued)

Financial Risk Management

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

	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 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 2024
	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	-	-

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
	Kshs
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 xxx employees	-
Payments for goods and services for xxx	-
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
	Kshs
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
	Kshs
Contingent Liabilities	
Court Case Ward staff against the Machakos County Assemblies	24,410,437.00
Bank Guarantees in Favour of Subsidiary	-
Contingent Liabilities arising from Contracts Including PPPs	-
Others (Specify)	-
Total	24,410,437.00

(Give details)

45. Capital Commitments

Capital Commitments	2024/2025
	Kshs
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: xxxxxx		Name of Financing Partners: xxx and xxx				
Expenditure Details*	Opening Cumulative for Previous FYs		Current FY		Total Cumulative	
	Budget	Actual	Budget	Actual	Budget	Actual
Program code						
Sub-program						
Sub-program						
Sub-total						
Program code						
Sub-program						
Sub-program						
Sub-total						
Total	xx	xx	xx	xx	xx	xx

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

47. Events after the Reporting Period

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

48. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

49. Currency

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

Machakos County Assembly

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15. 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: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
FY 2023/2024				
1	Pending Accounts Payables	<p>Due to budgetary constraints, the Assembly was not able to settle all the pending bills as we had to balance the operations for the current financial year and the payment of the pending bills, this was to ensure the Assembly continues to operate smoothly throughout the FY.</p> <p>In an effort to ensure the issue of pending bills is resolved, the Assembly initiated discussions on how our Budget Ceiling can be enhanced by CRA and Senate to ensure all the outstanding amounts are settled within reasonable period.</p>	Not Resolved	Management responses were forwarded to the Senate in March 2025 and the Assembly is yet to receive Senate recommendations.
2	Late Exchequer Releases	<p>During the FY 2023/2024 the Assembly received Kshs 19,724,607 in the month of July 2024.</p> <p>The reason for the late receipt of funds was due to the late disbursement of funds from the National Government to County Governments.</p>	Not Resolved	Management responses were forwarded to the Senate in March 2025 and the Assembly is yet to receive Senate recommendations.

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
3	Variances between FS and IFMIS Balances	<p>During this financial year, the Assembly did not use the IFMIS ledger in preparing the financial statements. This was because we had not passed all the required journals entries after the year ended but we relied on the Excel ledger which was more accurate to prepare the financial statements. The Excel General ledger was updated from the cash books and it completely reflected all the transactions done by the Assembly in the FY.</p> <p>We later on embarked on the IFMIS system reconciliation with the help of the National Treasury and the financial statements are now fully reconciled.</p>	Not Resolved	Management responses were forwarded to the Senate in March 2025 and the Assembly is yet to receive Senate recommendations.
4	Pending Bills	Due to budgetary constraints, the Assembly was not able to settle all the pending bills as at the end of the FY, but has already settled some and is in the process of settling others in the current FY.	Not Resolved	Management responses were forwarded to the Senate in March 2025 and the Assembly is yet to receive Senate recommendations.
5	Use of Manual Payroll	The Assembly has embraced the new payroll system that was commissioned in	Not Resolved	Management responses were forwarded to the

Machakos County Assembly

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		<p>the month of December 2024. Most MCA's / permanent staff are on the new system i.e HRIS-Kenya save only one MCA and two staff members who are yet to be on boarded in the new system. Efforts to have them on boarded are on-going.</p>		<p>Senate in March 2025 and the Assembly is yet to receive Senate recommendations.</p>
6	<p>Irregular Payment to County Assembly Forums and SOCATT</p>	<p>During the period under review, the Assembly made contributions to CAF and SOCATT. This was in form of Annual subscriptions. CAF and SOCATT champion the interest of the Assemblies in matters affecting devolution and mandates/welfare of the Assemblies. This expenditure had been budgeted in the financial year under review under other operational expenses- annual subscriptions.</p>	<p>Not Resolved</p>	<p>Management responses were forwarded to the Senate in March 2025 and the Assembly is yet to receive Senate recommendations.</p>
7	<p>Unsupported Non-Current Asset's Balances</p>	<ul style="list-style-type: none"> The County Assembly inherited land from the Defunct Local Authority (County Council of Masaku) where the Assembly offices are located. The process of getting the ownership documents began and the Assembly was given a letter of allotment and later on issued with a Physical Development Plan (PDP). The 	<p>Not Resolved</p>	<p>Management responses were forwarded to the Senate in March 2025 and the Assembly is yet to receive Senate recommendations.</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		process of title processing is still on-going.		
	Lack of a Functional and Effective Audit Committee	During the period under review, the audit committee was not fully constituted as pointed out, as one of its members had resigned. This did not curtail greatly the operations of the committee as it continued to discharge its mandate. The position was later on filled and the Assembly continues to support the committee to undertake its work as outlined in the law.	Not Resolved	Management responses were forwarded to the Senate in March 2025 and the Assembly is yet to receive Senate recommendations.

.....
Peter Mbatha
 Accounting Officer: Peter Mbatha
 Date:.....
[Signature]

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

Appendix II: Projects implemented by (N/A)

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

Status of Projects completion

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

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

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Appendix IV: Transfers from Other Government Entities

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

Machakos County Assembly
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Appendix VI: Reporting of Climate Relevant Expenditures

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

Machakos County Assembly

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Appendix VII: Disaster Expenditure Reporting Template

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

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Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land	1				1
Buildings and structures	32,601,849	-	-	-	32,601,849
Transport equipment	27,070,000	-	-	-	27,070,000
Office equipment, furniture and fittings	94,172	9,370,316	-	-	9,464,488
ICT Equipment	7,815,535	4,943,400	-	-	12,758,935
Machinery and Equipment	2,202,813		-	-	2,202,813
Biological assets	-	-	-	-	
Infrastructure Assets- Roads, Rails	83,998,164	35,950,595	-	-	119,948,759
Heritage and cultural assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Work in Progress	158,703,953	-	-	-	158,703,953
Total	312,486,487	50,264,311	-	-	362,750,798

APPENDIX IX

TRIAL BALANCE AS AT 30TH JUNE, 2025		
DETAILS	TOTAL	
	DR	CR
TRANSFER FROM CBK (RECURRENT)		924,156,118
TRANSFER FROM CBK (DEVELOPMENT)		45,283,217
OTHER INCOME-COMMISSION		149,071
COMPESATION/EMPLOYEES COST	487,006,888	
MCAS & STAFF SERVICE GRATUITY	34,605,049	
UTILITIES	1,317,015	
COMMUNICATION	4,626,840	
DOMESTIC TRAVEL	268,754,935	
FOREIGN TRAVEL	34,812,975	
HIRE OF TRANSPORT/TRANSPORT COST	72,160.00	
PRINTING AND ADVERTISEMENT	4,269,176	
TRAINING	17,037,195	
HOSPITALITY	18,948,821	
INSURANCE	49,196,439	
SPECIALISED MATERIALS	2,463,730	
OFFICE & GENERAL SUPPLIES	6,705,844	
OTHER OPERATING EXPENSES	30,228,225	
MAINTAINCE- MOTOR VEHICLE	6,512,854	
MAINTAINANCE- OTHER ASSETS	1,346,340	
FUEL	6,741,975	
DEPRECIATION & ARMORTIZATION	11,465,150	
SALARY ADVANCES-PAYMENTS	1,397,100	
(DVT A/C) BALANCE	1,941,578	
(RECURRENT A/C) BALANCE	638	
CASH BAL IN COOP/IMPREST A/C	3	
OFFICE EQUIPMENT& FURNITURES	9,464,488	
DEPRECIATION-OFFICE EQUIPMENT & FURNITURE		1,183,061
INFRASTRUCTURE MCAs WARD OFFICES	119,948,759	
DEPRECIATION-INFRASTRUCTURE		2,398,975
BUILDING	32,601,849	
DEPRECIATION-BULDING		652,037
BUILDING NEW CHAMBER WIP	158,703,953	
COMPUTER & ICT EQUIPMENT	12,758,935	
DEPRECIATION-COMPUTER & ICT EQUIPMENT		4,248,725
MOTOR VEHICLE	27,070,000	
DEPRECIATION-MOTOR VEHICLE		2,707,000
LAND INHERITED- FROM MASAKU COUNTY COUNCIL	1	
PLANT & MACHINERY	2,202,813	

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DEPRECIATION-PLANT & MACHINERY		275,352
PENDING BILLS-SUPPLIERS AS AT 30TH JUNE 2024		104,465,598
PENDING BILLS-EMPLOYEES COST AS AT 30TH JUNE 2024		53,205,878
CREDITORS AS AT 30 JUNE 2025		39,459,042
EMPLOYEES COST AS AT 30 JUNE 2025		45,577,132
PENDING BILLS-WARD STAFF CONTINGENT LIABILITY AS AT 30TH JUNE 2024		24,410,437
MCA _s CAR & HOUSE LOANS A/C		37,700,000
CREDITORS DVT-IKUNZA	-	1,941,577
CREDITORS DVT RETENTION a/c	-	19,304,345
CREDITORS WARD STAFF SEVERANCE PAY	-	29,773,964
CASH BALANCE (RENTENTION A/C)	19,304,345	
CASH BALANCE (FAMILY BANKA/C)	27,507,831	
OPENING EQUITY		62,122,375
TOTAL	1,399,013,904	1,399,013,904

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APPENDIX XX

SALARY ADVANCE

SALARY ADVANCE					
AS AT 30TH JUNE 2025					
S/NO.	NAME OF THE OFFICER	DATE	AMOUNT GIVEN	RECOVERIES	BALANCE
			KES	KES	KES
1	HON. JOHN KIOKO	01/07/2024	160,000.00	120,000.00	40,000.00
2	MONICAH MUSYOKA	01/07/2024	40,000.00	24,000.00	16,000.00
3	STANLEY NYAGAH	01/07/2024	86,000.00	24,000.00	62,000.00
4	DOREEN MUNYIVA	01/09/2024	30,000.00	25,000.00	5,000.00
5	HON. PHOEBE KOKI	30/10/2024	300,000.00	200,000.00	100,000.00
6	HON. JUDAS NDAWA	30/10/2024	200,000.00	133,600.00	66,400.00
7	HON. DANIEL NDWIKI	24/12/2024	100,000.00	50,400.00	49,600.00
8	RODAH KAVUU	24/12/2024	30,000.00	15,000.00	15,000.00
9	GIDEON KISINI	28/03/2025	120,000.00	20,000.00	100,000.00
10	MESHACK KOECH	28/03/2025	90,000.00	15,000.00	75,000.00
11	MWENDE MUSAU	01/06/2025	150,000.00	12,500.00	137,500.00
12	GEOFFREY KIMEU	03/06/2025	100,000.00	8,400.00	91,600.00
13	HON. FELIX MUTUNGA	01/07/2025	332,000.00	282,000.00	50,000.00
14	EVERLYNE NGULI NZEKI	01/07/2024	49,700.00		
		01/08/2024	250,000.00		
		02.07.2025	200,000.00		
			499,700.00	280,700.00	219,000.00
15	HON.ROSE WAVINYA BENJAMIN	07.07.2025	150,000.00		150,000.00
16	MS.ABIGAEL MULEI,	20.06.2025	170,000.00		170,000.00
17	MS.LYDIA NDAMBUKI	09.07.2025	50,000.00		50,000.00
	TOTAL		3,107,400.00	1,210,600.00	1,397,100.00

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APPENDIX XXI

DEVELOPMENT PROJECTS

DEVELOPMENT PROJECTS UNDERTAKEN DURING THE FY			
AS AT 30TH JUNE 2025			
S/NO	NAME	DESCRIPTION	AMOUNT
1	SAMPAL EAST AFRICA LTD	CONSTRUCTION OF GATE,FENCING,WATER COLLECTION AND ALL ELECTRICAL ASSOCIATED WORKS-KANGUNDO EAST WARD OFFICE	1,677,663.92
2	IKUNXA & NYILA E.A CO.LTD	CONSTRUCTION OF GATE,FENCING,WATER COLLECTION AND ALL ELECTRICAL ASSOCIATED WORKS-ATHIRIVER WARD OFFICE	335,242.05
3	TOP LIFE CONTRACTORS COMPANY LIMITED	CONSTRUCTION OF GATE,FENCING,WATER COLLECTION AND ALL ELECTRICAL ASSOCIATED WORKS-MATUNGULU WEST WARD OFFICE	2,794,838.00
4	SLYTRACK HOLDINGS LIMITED	CONSTRUCTION OF GATE,FENCING,WATER COLLECTION AND ALL ELECTRICAL ASSOCIATED WORKS-MITABONI WARD OFFICE	1,740,740.00
5	AMFA GLOBAL INVESTMENTS LTD	CONSTRUCTION OF GATE,FENCING,WATER COLLECTION AND ALL ELECTRICAL ASSOCIATED WORKS-MATUU WARD OFFICE	2,420,125.00
6	WACMANI ENTERPRISES LTD	WARD OFFICES-SUPPLY,DELIVERY AND ASSEMBLING OF EXECUTIVE HIGH BACK CHAIRS	1,128,600.00
7	SLYTRACK HOLDINGS LIMITED	CONSTRUCTION OF GATE,FENCING,WATER COLLECTION AND ALL ELECTRICAL ASSOCIATED WORKS-KATHIANI CENTRAL WARD OFFICE	1,065,286.00
8	QUICKLINK COMMUNICATION LTD	CONSTRUCTION OF GATE,FENCING,WATER COLLECTION AND ALL ELECTRICAL ASSOCIATED WORKS-MASINGA WARD OFFICE	2,395,241.00
9	LEACHER CONTRACTORS LIMITED	PROPOSED WORKS AND FINISHES FOR BOUNDARY WALLING AT MACHAKOS COUNTY	4,252,212.00
10	SLYTRACK HOLDINGS LIMITED	CONSTRUCTION OF GATED HOUSE AT THE COUNTY ASSEMBLY OF MACHAKOS	2,502,834.00
11	KONECTLINK ENTERPRISES LTD	CONSTRUCTION OF GATE,FENCING,WATER COLLECTION AND ALL ELECTRICAL ASSOCIATED WORKS-LOWER KAWEA WARD OFFICE	2,006,429.00
12	SOMBOHTEKIH BUILDING CONTRA	CONSTRUCTION PIT LATRINE-KANGUNDO CENTRAL WARD OFFICE	69,252.00
13	FAST CHOICE LTD	SUPPLY OF FURNITURE AND HOUSEHOLD APPLIANCES FOR THE SPEAKER'S OFFICIAL	8,204,021.00
14	MBUYU BUSINESS SOLUTIONS LIMITED	CONSTRUCTION OF GATE,FENCING,WATER COLLECTION AND ALL ELECTRICAL ASSOCIATED WORKS-KYELENI WARD OFFICE	2,274,211.70
15	MULTIPLIER & ACCELERATOR INVESTMENT LIMITED	CONSTRUCTION OF GATE,FENCING,WATER COLLECTION AND ALL ELECTRICAL ASSOCIATED WORKS-UPPER KAWEA WARD OFFICE	1,908,749.20
16	SENTRYSPACE DESIGNS LIMITED	PROPOSED LANDSAPING WORKS AT MACHAKOS COUNTY ASSEMBLY	8,566,194.00
TOTAL INCURRED AND PAID			43,341,638.87
PENDING CONTRACTOR			
1	IKUNXA & NYILA E.A CO.LTD	CONSTRUCTION OF GATE,FENCING,WATER COLLECTION AND ALL ELECTRICAL ASSOCIATED WORKS-ATHIRIVER WARD OFFICE	1,941,577.47
TOTAL INCURRED AND NOT PAID			1,941,577.47
GRAND TOTAL			45,283,216.34

APPENDIX XXII

SUMMARY OF EXCHEQUER RELEASES

FY 2024/2025-RECURRENT		
MONTH	TREASURY ORDER	AMOUNT (KSHS)
AUGUST 21.08.2024	TREASURY ORDER DD 21082024 COB/MKS/001/191(3) DD 19082024	9,863,547.00
21.08.2024	TREASURY ORDER DD 21082024 COB/MKS/001/191(4) DD 19082024	17,537,600.00
21.08.2024	TREASURY ORDER DD 21082024 COB/MKS/001/191(1) DD 19082024	19,308,464.00
SEPTEMBER 26.09.2024	TREASURY ORDER DD 26092024 COB/MKS/001/191(2) DD 19092024	35,110,507.00
OCTOBER 18.10.2024	TREASURY ORDER DD 15102024 COB/MKS/001/194(1) DD 15102024	27,274,200.00
NOVEMBER 06.11.2024	TREASURY ORDER DD 04112024 COB/MKS/001/195(4) DD 04112024	2,442,773.00
06.11.2024	TREASURY ORDER DD 04112024 COB/MKS/001/195(4) DD 04112024	22,725,800.00
06.11.2024	TREASURY ORDER DD 04112024 COB/MKS/001/195(4) DD 04112024	27,274,200.00
27.11.2024	TREASURY ORDER DD 27112024 COB/MKS/001/199(7) DD 26112024	4,203,100.00
27.11.2024	TREASURY ORDER DD 27112024 COB/MKS/001/199(3) DD 26112024	10,829,183.00
27.11.2024	TREASURY ORDER DD 27112024 COB/MKS/001/199(4) DD 26112024	11,177,357.00
27.11.2024	TREASURY ORDER DD 27112024 COB/MKS/001/199(6) DD 26112024	23,700,178.00
27.11.2024	TREASURY ORDER DD 27112024 COB/MKS/001/199(5) DD 26112024	25,496,261.00
27.11.2024	TREASURY ORDER DD 27112024 COB/MKS/001/199(2) DD 26112024	34,630,025.00
29.11.2024	TREASURY ORDER DD 28112024 COB/MKS/001/199(1) DD 21112024	34,963,897.00
DECEMBER 20.12.2024	TREASURY ORDER DD 20122024 COB/MKS/001/200(6) DD 19122024	7,869,150.00
20.12.2024	TREASURY ORDER DD 20122024 COB/MKS/001/200(5) DD 19122024	10,674,465.00
20.12.2024	TREASURY ORDER DD 20122024 COB/MKS/001/200(3) DD 19122024	12,597,967.00
20.12.2024	TREASURY ORDER DD 20122024 COB/MKS/001/200(4) DD 19122024	34,091,330.00

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20.12.2024	TREASURY ORDER DD 20122024 COB/MKS/001/200(2) DD 19122024	34,767,090.00
JANUARY 31.01.2025	TREASURY ORDER DD 31012025 COB/MKS/001/202(4) DD 31012025	10,932,439.00
31.01.2026	TREASURY ORDER DD 31012025 COB/MKS/001/202(5) DD 31012025	32,696,652.00
FEBRUARY 06.02.2025	TREASURY ORDER DD 06022025 COB/MKS/001/202(8) DD 04022025	8,264,828.00
06.02.2025	TREASURY ORDER DD 06022025 COB/MKS/001/202(6) DD 04022025	9,700,482.00
06.02.2025	TREASURY ORDER DD 06022025 COB/MKS/001/202(7) DD 04022025	18,405,600.00
MARCH 13.03.2025	TREASURY ORDER DD 12032025 COB/MKS/001/208(1) DD 11032025	30,003,447.00
14.03.2025	TREASURY ORDER DD 12032025 COB/MKS/001/208(4) DD 11032025	6,664,059.00
14.03.2025	TREASURY ORDER DD 12032025 COB/MKS/001/208(4) DD 11032025	11,438,671.00
14.03.2025	TREASURY ORDER DD 12032025 COB/MKS/001/208(3) DD 11032025	11,628,600.00
20.03.2025	TREASURY ORDER DD 12032025 COB/MKS/001/208(2) DD 11032025	11,310,741.00
MAY 29.05.2025	TREASURY ORDER DD 29052025 COB/MKS/001/214(2) DD 28052025	9,854,664.00
29.05.2025	TREASURY ORDER DD 29052025 COB/MKS/001/214(3) DD 28052025	14,426,070.00
29.05.2025	TREASURY ORDER DD 29052025 COB/MKS/001/214(1) DD 28052025	32,726,535.00
JUNE 03.06.2025	TRANSFER OF FUNDS DD 29052025 COB/MKS/001/214(4) DD 28052025	1,514,200.00
10.06.2025	TREASURY ORDER DD 09062025 COB/MKS/001/214 (6) DD 05062025	14,656,110.00
10.06.2026	TREASURY ORDER DD 09062025 COB/MKS/001/214 (7) DD 05062025	18,043,600.00
10.06.2027	TREASURY ORDER DD 09062025 COB/MKS/001/214 (5) DD 05062025	33,756,556.00
17.06.2025	TREASURY ORDER DD 09062025 COB/MKS/001/214(8) DD 05062025	10,556,745.00
18.06.2025	TREASURY ORDER DD 16062025 COB/MKS/001/216 (3) DD 12062025	1,586,230.00
18.06.2025	TREASURY ORDER DD 16062025 COB/MKS/001/216(5) DD 12062025	12,547,885.00

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18.06.2025	TREASURY ORDER DD 16062025 COB/MKS/001/216(2) DD 12062025	17,259,203.00
18.06.2025	TREASURY ORDER DD 16062025 COB/MKS/001/216(1) DD 12062025	33,919,690.00
23.06.2025	TREASURY ORDER DD 16062025 COB/MKS/001/216(4) DD 12062025	11,700,000.00
JULY 01.07.2025	TREASURY ORDER DD 30062025 COB/MKS/001/220(4) DD 27062025	1,559,570.00
01.07.2025	TREASURY ORDER DD 30062025 COB/MKS/001/220(5) DD 27062025	11,726,650.00
01.07.2025	TREASURY ORDER DD 30062025 COB/MKS/001/220(2) DD 27062025	17,806,138.00
01.07.2025	TREASURY ORDER DD 30062025 COB/MKS/001/220(1) DD 27062025	30,761,701.00
04.07.2025	TREASURY ORDER DD 30062025 COB/MKS/001/220(3) DD 27062025	15,158,950.00
08.07.2025	TREASURY ORDER DD 30062025 COB/MKS/001/221(4) DD 30062025	1,568,975.00
08.07.2025	TREASURY ORDER DD 30062025 COB/MKS/001/221(3) DD 30062025	9,709,407.00
08.07.2025	TREASURY ORDER DD 30062025 COB/MKS/001/221(5) DD 30062025	11,666,000.00
08.07.2025	TREASURY ORDER DD 30062025 COB/MKS/001/221(2) DD 30062025	20,069,731.00
08.07.2025	TREASURY ORDER DD 30062025 COB/MKS/001/221(1) DD 30062025	33,998,895.00
	TOTAL	924,156,118.00

MACHAKOS COUNTY ASSEMBLY		
TREASURY RECEIPTS FY 2024/2025-DEVELOPMENT		
MONTH	TREASURY ORDER	AMOUNT (KSHS)
MARCH 13.03.2025	TREASURY ORDER DD 12032025 COB/MKS/001/208(6) DD 11032025	3,954,484.00
JULY 08.07.2025	TREASURY ORDER DD 30062025 COB/MKS/001/220(6) DD 30062025	41,328,733.00
	TOTAL	45,283,217.00

TOTAL RECEIPTS FY 24/25

969,439,335.00