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REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF UASIN GISHU

FOR THE YEAR ENDED
30 JUNE, 2025

PAPERS LAID	
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UASIN GISHU 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 the International Sector Accounting Standards (IPSAS)**

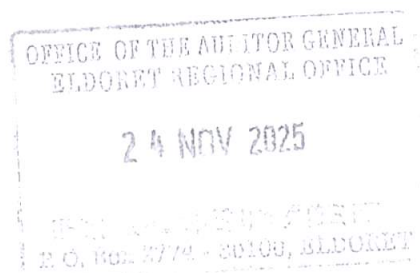


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1. Acronyms, Abbreviations and Definition of Key Terms

A. Acronyms and Abbreviations

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

B) Definition of Terms

Fiduciary Management Means officers directly involved in management of entity's finances and resources

2. Key Entity Information and Management

(a) Background information

The County 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 45 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management Team

The *Uasin Gishu County Assembly's* day-to-day management is under the following key organs:

No.	Designation	Name
1.	Speaker of the County Assembly	Hon. Philip K. Muigei
2.	Clerk of the County Assembly	Mr. Shadrack K. Choge
	Head of Departments	
1.	Director-Finance & Accounting	Mr. William K Koech
2.	Director- Information Services	Mr. Haron Sitenei
3.	Director -Human Resource	Ms. Miriam Sawe
4.	Director Legislative services	Mr. Richard Yego
5.	Principal Finance Officer	Mr. Peter Ouyo
6.	Principal Fiscal Analyst	Mr. Lazarus Kemboi
7.	Serjeant-at- Arms	Mr. Thomas Salbei
8.	Principal Accountant	Ms. Jesang Sally
9.	Legal Officer	Ms. Michele Saina
10.	Research Officer	Mr. Elias Koech
11.	Procurement Officer	Mr. Samson Changwony
12.	Public Relations Officer	Mr. David Sum
13.	Hansard Editor	Mr. Richard Bett

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer- Clerk	Mr. Shadrack K. Choge
2.	Chief Finance Officer	Mr. William K Koech
3.	Principal Finance Officer	Mrs. Jesang Sally
4.	Principal Accountant	Mr. Lazarus Kemboi
4.	Procurement Officer	Mr. Samson Changwony

Key Entity Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

Finance Committee Activities

- Investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget;
- Discuss and review the estimates and make recommendations to the House;
- Examine the County Fiscal Strategy Paper presented to the House;
- Examine Bills related to the County budget, including Appropriations Bills;

Public Accounts and Investment committee

- Examination of the accounts showing the appropriations of the sum voted by the House to meet the public expenditure and of such other accounts laid before the House as the Committee may think fit; and
- Examination of the working of the county public investments.

The Public Accounts and Investments Committee shall further:

- (a) Examine the reports and accounts of the public investments;*
- (b) Examine the reports, if any, of the Auditor General on the public investments; and*
- (c) Examine in the context of the autonomy and efficiency of the public investments, whether the affairs of the public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices.*

Budget and Appropriation Committee

- Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays; and
- Consider all matters related to economic policies, planning, projects and programmes as proclaimed by the County Executive through reports, papers and speeches made by the Governor and those officers appointed by him or her; and all matters related to finance in the County Government other than the specific documents dealing with issues of the annual budget as specified in the Public Finance Management Act, 2012

(e) Entity Headquarters

P.O. Box 100,
Uganda Road,
ELDORET, KENYA

(f) Entity Contacts

Telephone: (254) 053-2062077
E-mail: info@ugcountyassembly. or.ke
Website: countyassembly. or.ke

(g) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA
2. **Other Commercial Banks**
Kenya Commercial Bank
Eldoret West Branch
P.O Box 1597-30100
ELDORET, KENYA

(h) Independent Auditor

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

(i) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
NAIROBI, KENYA

(j) County Attorney

Uasin Gishu County
P.O Box 40
ELDORET, KENYA

3. Governance Statement

The County Assembly

a. Background and Roles

The County Assembly is constituted by the MCAs of Uasin Gishu County Government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the County Assembly Service Board while the county assembly clerk is the secretary.


Section 10 (4) of the county governments 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 provide 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

No.	Photo	Name	Profile
1.		Hon. CPA. Philip Muigei County Assembly Speaker	DOB: 24 th April 1988 Hon. Philip Muigei served as an Accountant for the Uasin Gishu County Assembly from 1 st May 2015 to June, 2022. He is now serving as the third Speaker of the County Assembly of Uasin Gishu.

2.		<p>Hon. Julius Sang Leader of Majority.</p>	<p>DOB: 21st Jul 1968 Hon. Julius Sang served as a Councillor for the defunct County Council of Wareng for a period of Five Years. During his term as the Councillor he served as the Chairperson of Finance Committee. He is now serving his second term as a Member of County Assembly</p>
3.		<p>Hon. Francis Muya Leader of Minority.</p>	<p>DOB: 13th Jun 1976 Hon. Francis Muya is a seasoned politician serving his third term. He previously served as Councillor for the defunct Municipal Council of Eldoret for a period of Five Years. During his term as the Councilor he served as a Member of the Finance Committee.</p>
4.		<p>Mr. Shadrack Choge Clerk of the County Assembly</p>	<p>Master's Degree DOB: 31st May 1976 He Joined the Assembly in the year 2018 He served previously in private sector for fifteen Years before joining the public service in May, 2018 as Clerk to the County Assembly of Uasin Gishu.</p>

c. Sectorial Committees

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

The County Assembly has the following select and sectorial committees;

- i. Committee of Powers and Privileges
- ii. Audit Committee
- iii. Public Accounts/Investment Committee
- iv. Budget and Appropriations Committee
- v. Devolution and Public Administration
- vi. Public Service Management
- vii. Education and Vocational Training

*County Government of Uasin Gishu
Uasin Gishu County Assembly
Annual Report and Financial Statements For the year ended 30th June 2025*

- viii. Youth and Sports
- ix. Health Services
- x. Culture Heritage and Community Services
- xi. Trade, Tourism and Industrialization
- xii. Co-operatives and Enterprise Development
- xiii. Lands and Physical Planning
- xiv. Agriculture and Agribusiness
- xv. Housing and Urban Development
- xvi. Roads, Transport and Public Works
- xvii. Implementation
- xviii. Water, Irrigation and Sanitation
- xix. Energy, Environment, Climate Change and Natural Resources
- xx. Labour, Social Welfare, Gender and Children
- xxi. Livestock and Fisheries
- xxii. ICT, E-government and Innovation

d. Select Committees

Select committees are generally responsible for overseeing the work of county departments and agencies.

i. 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 members during FY 2024/2025 were:

Member	Designation	Ward
Hon.Philip Muigei	Chairperson	Speaker
Hon. Sarah Malel	Vice-Chairperson	Kimumu
Hon. Amos Kiptanui Kimeli	Member	Racecourse
Hon. Carolyne Cherono	Member	Nominated
Hon.Ezekiel Kodi	Member	Ziwa
Hon.Nicholas Bittok	Member	Tapsagoi

ii. Public Accounts/Investment Committee

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 Six sittings to deal with arising matters. The members who served in the committee during the year were:

Member	Designation	Ward
Hon. Gilbert Kipsang Kosgei	Chairperson	Cheptiret/Kipchamo
Hon. Pamela Jemutai Ng'etich	Vice-Chairperson	Nominated
Hon. Reginah Chumba	Member	Nominated
Hon. Francis Muya Mwangi	Member	Langas
Hon. Hillary Kipchumba Toroitich	Member	Moiben
Hon. Patrick Kimeli Kimaiyo	Member	Moisbridge
Hon. David Kiptoo Tarus	Member	Kapkures
Hon. Peter Kimani Wanjohi	Member	Huruma
Hon. Rebecca Jerop	Member	Nominated

iii. 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. Samuel Sawe	Chairperson	Kamagut
Hon. Isaac Samoei	Vice-Chairperson	Kapsaos
Hon. Isaac Chirchir	Member	Soy
Hon. Sarah Malel	Member	Kimumu
Hon. Julius Sang	Member	Megun
Hon. Rebecca Sugut	Member	Kuinet/Kapsuswa
Hon. David Letting	Member	Kipkenyo
Hon. Amos Kiptanui	Member	Race Course
Hon. Jonathan N'getich	Member	Kaptagat
Hon. Carolyne Cherono	Member	Nominated
Hon. Isaac kirwa	Member	Kapsoya
Hon. Moses Kebenei	Member	Simat /Kapseret

iv. Agriculture, Livestock and Fisheries

All matters related to agriculture, including crop and animal husbandry; livestock sale yards; County abattoirs; plant and animal disease control; fisheries; animal control and welfare, including licensing of dogs; and facilities for the accommodation, care, and burial of animals.

Member	Designation	Ward
Hon. James Kiprotich Serem	Chairperson	Karuna/Meibeki
Hon. Jewel Kogo	Vice-Chairperson	Nominated
Hon. Gilbert Kiptoo Chepkonga	Member	Ainabkoi/Olare
Hon. Carolyne Jeptanui	Member	Nominated
Hon. David Kimeli Letting	Member	Kipkenyo

v. Devolution, Legal Affairs and Public Administration.

The Committee deals with all matters related to implementation of the devolved system of government within the county; Constitutional affairs; the administration of law and justice, including elections, ethics, integrity and anti-corruption measures; and protection of human rights and good governance.

Member	Designation	Ward
Hon. David Kiptoo Tarus	Chairperson	Kapkures
Hon. Caroline Cheronu	Vice-Chairperson	Nominated
Hon. Veronica Burgei	Member	Nominated
Hon. Tabitha Wambui	Member	Nominated
Hon. Julius Kibet Sang	Member	Megun
Hon. Gilbert Kipsang Kosgei	Member	Cheptiret/Kipchamo

vi. Labour and Social Welfare, Gender, Children, Youth and Sports.

Member	Designation	Ward
Hon. Patrick Kimeli Kimaiyo	Chairperson	Moisbridge
Hon. Reginah Chumba	Vice-Chairperson	Nominated
Hon. Richard Kipkirong Kering	Member	Ngeria
Hon. Thomas Kiprugut Yego	Member	Tarakwa
Hon. Hillary Kipchumba Toroitich	Member	Moiben
Hon. Mercy Jepkurui	Member	Nominated
Hon. Marygorreti Boroswa	Member	Kipsomba
Hon. Gilbert Kipchumba Lagat	Member	Kiplombe

vii. Education and Vocational Training.

All matters related to pre-primary education, youth polytechnics, home craft centres and child care facilities; educational bursary programmes; and the provision of infrastructure, equipment and facilities in pre-primary and vocational educational institutions within the County.

Member	Designation	Ward
Hon. Thomas Kiprugut Yego	Chairperson	Tarakwa
Hon. Carolyne Jeptanui	Vice-Chairperson	Nominated
Hon. Robert Kering	Member	Nominated
Hon. Serem James Kiprotich	Member	Karuna/Meibeki
Hon. Mercy Jepkurui	Member	Nominated
Hon. Marygoretti Boroswa	Member	Kipsomba
Hon. David KiptooTarus	Member	Kapkures
Hon. Tabitha Wambui	Member	nominated
Hon. Reginah Chumba	Member	Nominated
Hon. Nicholas Kipruto Bittok	Member	Tapsagoi
Hon. Gilbert Kipchumba Lagat	Member	Kiplombe

viii. Health Services.

All matters related to County health facilities and pharmacies; ambulance services; promotion of primary health care; licensing and control of undertakings that sell food to the public; veterinary services (excluding regulation of the profession); cemeteries, funeral parlours and crematoria; and refuse removal, refuse dumps and solid waste disposal.

Member	Designation	Ward
Hon. Rebecca Chepchirchir Magut	Chairperson	Kuinet/Kapsuswa
Hon. Isaac Kemboi	Vice-Chairperson	Kapsoya
Hon. Nathan Maina Malamoch	Member	Segero
Hon. Moses Kipchumba Kebenei	Member	Simat/Kapseret
Hon. Julius Kibet Sang	Member	Megun
Hon. Carolyne Cheronno	Member	Nominated
Hon. Hillary Kipchumba Toroitich	Member	Moiben
Hon. Gerard Kiplagat Koech	Member	Nominated
Hon. Samuel Kipsang Sawe	Member	Kamagut
Hon. Everlyne Chepkoech Tirop	Member	Nominated

ix. Lands, Housing, Physical Planning and Urban Development

All matters related to County planning and development, including statistics; land survey and mapping; boundaries and fencing; housing; and urban development

Member	Designation	Ward
Hon. Amos Kiptanui Kimeli	Chairperson	Racecourse
Hon. Isaac Kiptanui Chirchir	Vice-Chairperson	Soy
Hon. Moses Kipchumba Kebenei	Member	Simat/Kapseret
Hon. Rebecca Chepchirchir Sugut	Member	Kuinet/Kapsuswo
Hon. Isaac Kirwa Kemboi	Member	Kapsoya
Hon. Francis Muya Mwangi	Member	Langas
Hon. Gilbert Kipchumba Lagat	Member	Kiplombe
Hon. Isaac Kibet Samoei	Member	Kapsaos
Hon. Sarah Jelagat Malel	Member	Kimumu

x. Roads, Transport and Public Works

All matters related to County transport, including County roads; street lighting; traffic and parking; public road transport; and County public works and services

Member	Designation	Ward
Hon. Gilbert Chepkonga	Chairperson	Ainabkoi/Olare
Hon. Rebbeca Jerop	Vice-Chairperson	Nominated
Hon. Pamela Jemutai Ng'etich	Member	Nominated
Hon. Francis Muya Mwangi	Member	Langas
Hon. Julius Kiptoo Songok	Member	Tulwet/Chuiyat
Hon. Gilbert Kipsang Kosgei	Member	Cheptiret/Kipchamo
Hon. David Biwott Keitany	Member	Sergoit
Hon. Isaac Kiptanui Chirchir	Member	Soy
Hon. Naomi Chepkemboi Serem	Member	Nominated
Hon. Isaac Kibet Samoei	Member	Kapsaos
Hon. Benjamin Kimeli Natui	Member	Ngenyilel

xi. Culture, Heritage and Community Services

All matters related to cultural activities, public entertainment and public amenities, including betting, casinos and other forms of gambling; racing; liquor licensing; cinemas; video shows and hiring; libraries; museums; cultural activities and facilities; County parks and recreation facilities; ensuring and coordinating the participation of communities in governance; fire fighting,

Member	Designation	Ward
Hon. Richard Kipkirong Kering	Chairperson	Ngeria
Hon. Robert Kering	Vice-Chairperson	Nominated
Hon. Thomas Kiprugut Yego	Member	Tarakwa
Hon. Mercy Jepkurui	Member	Nominated
Hon. Rebecca Jerop	Member	Nominated
Hon. Ezekiel Kodi Ngeti	Member	Ziwa
Hon. Reginah Chumba	Member	Nominated
Hon. Mary Goretti Boroswa	Member	Kipsomba
Hon. Benjamin Kimeli Natui	Member	Ngenyilel
Hon. Gilbert Kipchumba Lagat	Member	Kiplombe
Hon. Carolyne Jeptanui	Member	Nominated

xii. Water, Energy, Environment, Natural Resources and Wildlife Management

All matters related to the use of water for both domestic and irrigation purposes including storm water management systems in built-up areas; sanitation services; the implementation of national government policies on energy, natural resources and environmental conservation, including soil and water conservation and forestry; and control of air pollution, noise pollution, other public nuisances and outdoor advertising.

Member	Designation	Ward
Hon. Jonathan Kiprop Ngetich	Chairperson	Kaptagat
Hon Veronica Burgei	Vice-Chairperson	Nominated
Hon. David Waiganjo Waweru	Member	Nominated
Hon. David Letting Kimeli	Member	Kipkenyo
Hon. Richard Kipkirong Kering	Member	Ngeria
Hon. Amos Kiptanui Kimeli	Member	Racecourse
Hon. Juliet Chelimo	Member	Nominated
Hon. Sarah Jelagat Malel	Member	Kimumu
Hon. Patrick Kimeli Kimaiyo	Member	Moisbridge
Hon. Ezekiel Kodi Ngeti	Member	Ziwa
Hon. Peter Kimani Wanjohi	Member	Huruma

xiii. Lands and Physical Planning

All matters related to County planning and development, including statistics; land survey and mapping; boundaries and fencing; housing; and urban development.

Member	Designation	Ward
Hon. Moses Kipchumba Kebenei	Chairperson	Simat/Kapseret
Hon. Naomi Chepkemboi Serem	Vice-Chairperson	Nominated
Hon. Gilbert Kiptoo Chepkonga	Member	Ainabkoi/Olare
Hon. Jonathan Kiprop Ngetich	Member	Kaptagat
Hon. Francis Muya Mwangi	Member	Langas
Hon. David Kimeli Letting	Member	Kipkenyo
Hon. Jewel Kogo	Member	Nominated
Hon. Amos Kiptanui Kimeli	Member	Racecourse
Hon. Sarah Jelagat Malel	Member	Kimumu
Hon. Isaac Kiptanui Chirchir	Member	Soy
Hon. Isaac Kibet Samoei	Member	Kapsaos

xiv. 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 an Annual consultative meeting in 2024/2025 where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

The County Assembly also subjected Three bills through public participation. The key mandate of the County Assembly of Uasin Gishu 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 (Explain the reasons underperformance/ Overperformance)
Legislation, oversight and representation	Three Bills passed into Acts of the County Assembly	Improved service delivery to citizens	Three bills passed in the year 2024/2025 by the County Assembly	In FY 2024/2025 Three bills were passed into law.	Budget Cut

(f) Risk management

- i. The county Assembly is in the process of developing the following mechanisms so as to enhance internal control measures ;
- ii. Effective arrangements aimed at managing risks and internal controls,
- iii. Formal processes that are aimed at and assessing risks,
- iv. Formal processes to analyses risks as a way of providing basis for risk management.
- v. Formal processes to assess changes in the internal and external environment which could give rise to risks.
- vi. How to identify and analyses risks in the period and show how they will be managed.

(g) Compliance

- County Government Act Section 8 of the County Governments Act provides that the County Assembly shall vet and approve nominees for appointment to county public offices.
- Public Procurement and Assets Disposal Act 2015
- County Assemblies Services Act 2017
- Public Finance Management Act 2012 and its Regulations 2015ch compliance are prepared and discussed at the relevant levels or other government offices.
- The Constitution of Kenya, 2010

Article 185 of the Constitution of Kenya 2010 provides for the legislative authority of county assemblies, vesting the legislative authority of a county and the exercise of that authority in its County Assembly.

4. Foreword by the Clerk of the Assembly

(i) Budget Performance

The County Assembly had a recurrent budget of ksh 807,964,487 and kshs 110,667,175 for development in the financial year under review.

(ii) Operational Performance

The committees performed as follows;

- i. Devolution and Public Administration
- ii. Public Service Management (*Considered and approved amendments on County Organogram*)
- iii. Education and Vocational Training (*Considered and approved amendments on Bursary and Skill Development Act*)
- iv. Finance, Budget and Appropriation Committee- (*Processed Budget, 2No. Supplementary Budget, Annual Development Plan and Finance Bill*)
- v. Youth and Sports
- vi. Health Services
- vii. Culture Heritage and Community Services
- viii. Trade, Tourism and Industrialization
- ix. Co-operatives and Enterprise Development
- x. Lands and Physical Planning (*processed 5No. Local Physical Development Plan and successfully handled two petitions*)
- xi. Agriculture and Agribusiness
- xii. Housing and Urban Development
- xiii. Roads, Transport and Public Works (*considered, approved and oversighted all roads maintenance programmes in the County*)
- xiv. Implementation.
- xv. Water, Irrigation and Sanitation.
- xvi. Energy, Environment, Climate Change and Natural Resources.
- xvii. Labour, Social welfare, Gender and Children.
- xviii. Livestock and Fisheries
- xix. ICT, E-government and Innovation.
- xx. Delegated committee
- xxi. House Business committee (*Ensured smooth running of the plenary sittings by planning and approving house business in time*)
- xxii. Liaison committee (*Facilitated Smooth running of all committees*)

The oversight role of the County Assembly includes;

- Vetting-Was done by; Appointment committee
- Site visits-Done by Implementation, Health Services, Culture and labour and social protection
- Interrogation of quarterly reports
- Carry out petitions-Done by Land and physical planning, Health and trade and Industrialization Committees.

(iii) Performance of key development projects

a. The Assembly Perimeter Wall;

The County Assembly has implemented the construction of a perimeter wall around its precincts. The perimeter security is now a form of access control for the Assembly, managing the flow of people or assets around it and allowing entry to those with authorization.

The perimeter wall provides the first line of defence against unauthorized access to the Assembly premises. It provides deterrence to potential security threats while delaying and preventing any loss or damage due to burglaries or other criminal acts. The Construction of the perimeter wall completes and ensures that Assembly assets are well taken care of. The project is 62% complete.

b. The County Assembly Ultra-Modern Office Building and Assembly Chambers;

The County Assembly is undertaking construction of a modern County Assembly building which, upon completion, will accommodate all County Assembly's services under one roof.

The building will have an office block of Seventeen (17) storey with one (1) basement parking floor. The overall height upon completion is 53 meters from the ground.

The construction commenced on 11th January 2022 and was expected to be completed in October 2024. However, the construction works has been terminated by the current contractor.

The county Assembly is currently in a process of identifying a new contractor to continue with the works. Upon completion the building will host offices to all members of County Assembly together with staff. This will address a long-standing challenge where office space has hampered the smooth running of Assembly operations where Members of County Assembly and staff have shared office space. In addition to a spacious Assembly chambers, Public and Speaker's galleries, the building will host amenities like a cafeteria, gymnasium, Members' lounge and rest rooms.

The Construction will mark a major milestone in the quest to provide adequate working space and a more conducive working environment for Members of the County Assembly and Staff to ensure they discharge their oversight, representation and legislation mandates for the people of Uasin Gishu.

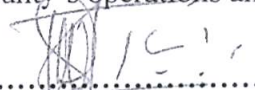
c. Comment on value-for-money achievements

The projects have positively improved the lives of the citizens of the county as follows;

- Representation of policy levels
- Stakeholders' engagement
- Public participation of projects
- Efficient and effective oversight roles at ward levels

d. Challenges and Recommended Way Forward

The County Assembly does not have adequate office space for staff and members. Moreover, there are no spacious rooms for committees. On the other hand, there were slow project implementations, slow County's operations and at some point, there were delays in exchequer releases.



.....
NAME: SHADRACK K. CHOGE
CLERK OF THE COUNTY ASSEMBLY

*County Government of Uasin Gishu
Uasin Gishu County Assembly
Annual Report and Financial Statements For the year ended 30th June 2025*

5. Statement of Performance against Predetermined Objectives

Programme	Strategic Objective	Outcome	Indicator	Performance	Remarks
Legislation, oversight and representation	Three bills were passed into Acts of the County Assembly	Improved Service delivery citizens	Four Bills	In FY 2024/25 three Bills were passed	
	Enhance Professional development of MCAs	Improved Service delivery citizens	20% improved efficiency in Assembly Operations	Three trainings were conducted	

The Parliament through CARA, 2024 reduced the Assembly's recurrent ceiling by approximately 78.5 Million thus impacting negatively on the performance of County Assembly Budget against the Assembly's predetermine objectives.

There was also slow progress on the Construction of County Assembly Chambers and offices leading to low absorption of development funds.

The revocation of nomination of Nine Members and subsequent replacement with new nominated members meant the Assembly was to re-budget in line with the costs related to the new appointment such as budgeting for Car Reimbursement and other benefits.

6. Environmental and Sustainability Reporting

(Two-to-three pages)

a) Sustainability Strategy and Profile –

The County Assembly's powers and functions are envisaged in the constitution of Kenya 2010. These enables the Assembly to manage her affairs by promoting democratic and accountable exercise of her powers, through fostering National unity, giving power to self-governance to the people and enhancing public participation in matters that affects their area of jurisdictions. All these powers and functions needs to be managed well as provided in the relevant law.

b) Environmental Performance

Safety precautions are required to make sure that the workers are safe all the time. This helps workers in improving the productivity and quality of the service delivery to the citizen of this County.

The County Assembly has a policy on environment drawn from its manual of 2015. This manual is important for the well-being of both employees and employers because human loss is immeasurable and intolerable. As, such loss or injuries can cause major loss to the families. Among the safety measures include; wearing of right safety equipment, use of mechanical Assistance, Use tools appropriately and Reduction of work place environmental stress.

c) Employee Welfare

We have been successful in our endeavors of ensuring that the environment surrounding and within the precincts of the Assembly is conducive for Honourable Members, staff and members of the public.

On matters recruitment we are guided by the values and principles of the public service spelt out in the Article 232 of the constitution. This is elaborated well in the HR Manual.

The County Assembly has a department, welfare committee and training committee that takes care of general wellness of the Assembly staff and members. It also takes care of working conditions, capacity building, career growth, benefits, sports, and grievance and representation issues relating to the welfare of the staff. It has mandates like being voice of the people, handling wellness of the staff members, handling staff complains and sensitizing staff on the importance of the welfare as well as implementation of the policy. Also in place is a safety and health committee, which deals with safety of the staff, and Members.

d) Market place practices-

County Assembly of Uasin Gishu does not engage in competition practices rather its operations are guided by the provisions of the law that stipulates its mandate as legislation, presentation and oversight.

a. Responsible Supply Chain and Supplier Relations-

During procurement process, tenderers are advised to submit their bids in sealed envelopes and are invited to participate in the tender opening process. This is an open process which avoids unfair practices like competitor bashing and predatory pricing as it allows tenderers to compete freely.

County Assembly of Uasin Gishu endeavor to maintain good relationship with its suppliers. We fast track the payments of suppliers by honoring their contracts as soon as we get funding from the National Treasury. As a result of this practice the Assembly has minimal pending bills.

b. Responsible ethical practices-

For a free corrupt environment, the County Assembly; Exposes corrupt activities and risks, keep the public sector honest, transparent and accountable. On the other hand, the organisation can stop dishonest practices.

In compliance with the provisions of Public Procurement and Disposal Act, 2015 the Assembly always advertises for works, goods and services it intend to acquire. This practice ensures the Assembly get works, good and services at a better prices.

Ensure public sector employees act in the public interest

c. Stewardship of goods and services

Strengthening democratic institutions improving service delivery. Adhering to the rule of law and Combating corruption. Line efforts to safeguard the rights and interests of its citizens.

e) Community Engagements

The County Assembly engages the community in two areas i.e. through sporting activities and structured process where citizens, people, or a segment of a community can interact, exchange views and influence decision-making process.

7. Management Discussion and Analysis

The County Assembly continues to implement several key development projects aimed at strengthening legislative operations and service delivery. The flagship projects include the construction of modern County Assembly Chambers, office buildings, and the Speaker's residence. These initiatives are designed to enhance institutional capacity and create a conducive working environment for both Members and staff. The Assembly remains fully compliant with all statutory and regulatory requirements, reflecting its commitment to good governance, accountability, and adherence to the rule of law.

Major Risks

Despite the progress made, the County Assembly faces several risks that could affect its operations and strategic objectives. These include:

- Changes in enabling legislation, which may alter the Assembly's mandate, structure, or operational frameworks.
- Political interference, which poses challenges to the independence and effectiveness of legislative processes.

Kenya's Economic Outlook

Kenya's economy continues to show resilience despite global and domestic pressures. Key sectors such as agriculture, services, ICT, and construction continue to drive growth. However, inflationary pressures, high debt servicing obligations, and fluctuating global markets remain constraints. The fiscal environment emphasizes prudent resource management, prioritization of essential services, and strengthening of public financial discipline at both national and county levels.

Future Outlook and Strategic Aspirations

Looking ahead, the Assembly aims to:

- Complete the construction and equipping of Ward Offices to bring legislative services closer to the people and improve public engagement.
- Invest in technology upgrades, including digital platforms, automation, and ICT infrastructure, to enhance efficiency, transparency, and accessibility of legislative processes.
- Prepare for the upcoming IEBC boundary review cycle, which is expected to affect the number of Members County Assembly and staff establishment. The Assembly will align its resources, infrastructure, and administrative systems to effectively accommodate these changes.

Statement of Management Responsibilities

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended 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 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 Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash 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's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2025, and of its financial position as at that date.

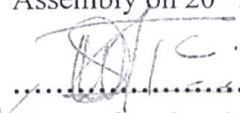
The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's 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.

Approval of the financial statements

The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 20th August, 2025.


.....
Name: Shadrack K.Choge

Clerk of the County Assembly

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF UASIN GISHU 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.

A Qualified Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of County Assembly of Uasin Gishu set out on pages 1 to 36, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of County Assembly of Uasin Gishu 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 Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unsupported Expenditure

The statement of financial performance reflects use of goods and services of Kshs.506,719,468 as disclosed in Note 9 to the financial statements. However, review of payment vouchers revealed that expenditure totalling Kshs.158,870,049 was not supported with invoices, requisitions, professional opinion, delivery and inspection reports as shown below:

SN	Item	Amount (Kshs)
1	Training expenses	30,489,600
2	Hospitality supplies and services	42,963,703
3	Field Allowance	21,625,750
4	Advertisement	35,795,896
5	Boards and conferences	20,418,300
6	Boards allowances	7,576,800
	Total	158,870,049

In the circumstances, the accuracy, and completeness of use of goods and services amount of Kshs.506,719,468 could not be confirmed.

2. Misclassification of Expenditure

The following amounts were charged to the wrong items of expenditure accounts as tabulated in the table below; -

Expenditure Account Charged	Correct Account to be Charged	Expenditure Amount Kshs.
Purchase of office furniture and fittings	Additions-Furniture and fittings	1,036,811
Supply of Broadcasting and information services	Additions-ICT and Other Equipment	218,000
Supplies and accessories for computers and printers	Additions-ICT and Other Equipment	13,233,633

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

3. Lack of Property, Plant and Equipment Register

The statement of financial position reflects property, plant and equipment balance of Kshs.1,069,163,464 as disclosed in Note 15 to the financial statements. However, Management did not prepare a fixed asset register in a format prescribed with minimum requirements of identification or serial number, acquisition date, description of asset, location, class, cost of acquisition, accumulated depreciation and net book value. The asset register was not updated and detailed supporting schedules and analysis for each asset category were not provided for audit.

In addition, included in the balance is an amount of Kshs.39,977,011 comprising of Kshs.1,036,811, Kshs.7,919,263 and Kshs.31,020,973 in respect of additions furniture and fittings, ICT and other equipment, work in progress. However, computer accessories amounting to Kshs.13,233,633 were not disclosed in the fixed asset register.

In the circumstances, the accuracy and completeness of property plant and equipment balance of Kshs.1,069,163,464 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Uasin Gishu 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 qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance, However, the Management had not resolved the issues nor given any explanation for failure to implement the recommendations The unresolved prior year audit matters. **See table below;**

No.	Year	Audit Matter
1.	2023-2024	Variances in Financial Statements and IFMIS Report
2.	2023-2024	Unsupported Fuel Expenditure
3.	2023-2024	Anomalies in Non-Current Register
4.	2023-2024	Accumulation of Pending Accounts Payables
5.	2023-2024	Failure to Adhere on Ethnic Balance in Staff Composition
6.	2023-2024	Salaries Paid Outside IPPD
7.	2023-2024	Stalled Construction of Speakers Residence
8.	2023-2024	Delayed Construction of Main Chambers and Office Building
9.	2023-2024	Irregular Payment to County Assembly Forum
10.	2023-2024	Non-Compliance with a Third of Basic Salary Rule
11.	2023-2024	Failure to Submit Financial Statements for County Assembly Service Board
12.	2023-2024	Failure to Maintain and Update Imprest Register
13.	2023-2024	Weak Internal Controls
14.	2023-2024	Weak ICT internal controls

Other Information

Management is responsible for the Other Information set out on page III to XXII which comprise of Key Information and Management, Governance Statement, Foreword by the Clerk of the Assembly, Statement of Performance against the County Assembly's Predetermined Objectives, Environmental and Sustainability Reporting, Management Discussion and Analysis, Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the County Assembly of Uasin Gishu 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. Failure to Adhere to Ethnic Balance in Staff Composition

Review of personnel records indicated that the County Assembly had one hundred and thirty-two (132) members of staff, out of whom one hundred and twenty-two (122) or approximately 92% were from the dominant ethnic community in the County. This was contrary to Section 65 (1)(e) of the County Government Act, 2012, which requires that at least thirty per cent (30%) of vacant post at entry level should be filled by candidates who are not from the dominant ethnic community in the County.

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

2. Non- Compliance with the One Third Salary Basic Rule

The statement of financial performance reflects employee costs of Kshs.399,384,899 as disclosed in Note 8 to the financial statements. However, review of the payroll revealed that twenty (20) County Assembly employees earned a net salary of less than a third of the basic pay contrary to Section 19(3) of the Employment Act, 2007 which states that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of Subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages.

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

3. Failure to Submit Financial Statements for the County Assembly Service Board

As previously reported, the County Assembly Board did not submit financial statements to the Auditor General for audit. The Board has since its inception in the year 2013 not prepared nor submitted its financial statements for audit which is contrary to Section 32(a) of the County Assembly Services Act, 2017 which states that within three months after the end of each financial year, the Secretary shall submit to the Auditor General the accounts of the Board for the year with copies to the County Treasury, Controller of Budget and Commission on Revenue Allocation.

In addition, Management did not establish a County Assembly Fund as required by Section 36(1) of the County Assembly Service Act, 2017 which provides that there shall be established for each county, a fund to be known as the County Assembly Fund.

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

4. Failure to Maintain an Updated Imprest Register

Examination of the imprest register revealed that the Assembly does not maintain a complete and updated register for management and control of imprest issued. Further, it was observed that details relating to the payees, personal numbers, designation, imprest warrant number, date of issue, due date and date of surrender, were not recorded in the imprest register. This was contrary to provisions of Regulations 93(4)(c) of the Public Finance Management Regulations (County Government), 2015 on management of issuance and control of imprests. It was not possible to confirm whether imprests issued were managed lawfully and in an effective manner.

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

5. Salaries Paid Outside Integrated Personnel Payroll Data Payroll

The statement of financial performance reflects employee costs amount of Kshs.399,384,899 as disclosed in Note 8 to the financial statements. However, review of salary records revealed that the total employee costs as per the casted payroll was kshs.324,574,622 as at 30 June, 2025 leading to a variance of Kshs.74,810,277. The difference represents payments made to staff in various ward offices outside IPPD. No explanation was provided for the processing of the wages outside the IPPD system. This is contrary to National Treasury circular No.ES/03 R(10) on the guidelines for preparation of the 2022/23-2024/25 medium-term budget of 19 July, 2021 which states that allocation for personnel emoluments must be supported by integrated personnel payroll data (IPPD) database and Section 1.5.1 of the Treasury Guidelines through the Financial Accounting Recording and Reporting manual which requires that each County Government department is responsible for populating the IPPD with the information contained in these documents, issuing each appointee with a unique payroll number from the system, and justification for deviating from The National Treasury directive.

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

6. Anomalies in Inventory Management

Review of the Assembly's stores management revealed that the Assembly had not implemented an inventory management system as required under Regulation 166(4)(d) of the Public Procurement and Asset Disposal Regulations, 2020, despite having an ERP platform capable of supporting such functionality. The absence of an automated inventory management system undermines accountability, accuracy, and security of inventory records and limits access to real-time information on stock levels, movement, and condition.

In addition, bin cards were not maintained in the stores contrary to Regulation 172(k) of the Public Procurement and Asset Disposal Regulations, 2020, which requires the stores officer to ensure that bin cards are properly kept for each item and placed on or near the respective stock.

Further, stock-taking was not carried out during the first, second, and third quarters of the financial year as required by Section 162(2) of the Public Procurement and Asset Disposal Act, 2015. Instead, Management only carried out a stock count at the end of the financial year.

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

7. Proposed Construction of Masonry Perimeter Wall, Swimming Pool and Other Accessories at the Speakers Residence

A contract was awarded to a local contractor on 7 March, 2024 for the construction of facilities at the Speaker's residence at a contract sum of Kshs.41,350,010. At the time of audit, payments totalling Kshs.26,075,127 or 63% of the contract sum had been disbursed against two Interim Payment Certificates. Certificate No. 1 dated 1 November, 2024, for Kshs.11,061,019 and Certificate No. 2 dated 6 March, 2025 for Kshs.15,014,108. Site inspection conducted on 9 June, 2025 revealed that overall physical progress stood at only 50% against the contractual completion deadline of 15 September, 2025. The contractor was not on the site and no works were ongoing.

In the circumstances, value for money of Kshs.26,075,127 paid to the contractor towards the project could not be confirmed.

8. Stalled Construction of Speaker's Residence

As previously reported, the County Assembly advertised a tender for the construction of the speaker's residence on 16 May, 2023. The tender was awarded to a local contractor on 21 June, 2023, at a contract sum of Kshs.34,850,935 for a period of seventy-two (72) weeks. However, progress status reports from the contract/project implementation committee have not been provided for review.

The total gross valuation according to the first interim payment certificate raised on 6 March, 2024 was Kshs.17,520,750 which represents 50.27% of the contract price. The project status report from the Department of Public Works dated 7 March, 2025 indicated that overall progress stood at 55% after 88 weeks, with cumulative payments amounting to Kshs 17,520,750, representing 50% of the contract sum.

However, physical verification in the month of October, 2025 revealed that the project has stalled, the contractor was not on site, and the project is past the completion date of 6 November, 2024 as per the signed contract agreement casting doubt on the ability of the contractor to complete the project.

In the circumstances, value for money for Kshs.17,520,750 already paid could not be confirmed.

9. Stalled Construction of Main Chambers and Office Building for the Assembly

As previously reported, the tender for proposed construction of new chambers and office building for the County Assembly of Uasin Gishu was awarded to a local contractor for a contract sum of Kshs.491,934,272 and a contract agreement signed on 25 November, 2021 for a period of one hundred and forty-one (141) weeks. On 21 August, 2023, the contractor entered into a sub-contract agreement for building works and an approval was granted by the County Assembly Service Board on 29 September, 2023.

During the year under review, a total of Kshs.106, 366,497 was paid to the sub-contractor being payment for construction of chambers. However, the following anomalies were noted;

- i. On July, 2024, the chairperson of the project implementation committee issued his resignation from the committee. The circumstances and the current composition status of the project implementation committee were not provided for audit review.
- ii. The project implementation committee during project verification on 12 July, 2024 issued a notice of slow progress dated 27 August, 2024 to the contractor as well as the sub-contractor where it was noted that the progress of work was very slow and the work done was not commensurate with time elapsed.
- iii. As at 30 June, 2025, a total of Kshs.169,923,009 had been paid to the contractor and sub-contractor representing 35% of the total contract sum. In addition, payments of kshs.1,436,308 and 10,636,649 were made to two firms in relation to the preparation of final accounts following the proposed contract termination.
- iv. A technical assessment report dated 15 March, 2025 estimated physical progress at only 35%, while the contract period had lapsed by 24 weeks as at the time of audit. No formal conclusion had been reached despite the intended termination of the contract.
- v. The Assembly had not initiated procurement processes for the completion of the remaining works, pending formal closure with the current contractor.
- vi. According to the site handover report, the commencement date for the project was 11 January, 2022 and the expected completion date was 30 October, 2024. The time lapse as at the time of audit was one hundred and sixty-five weeks beyond one hundred and forty-one weeks of the contract duration period. However, physical verification in the month October, 2025 revealed that the project had stalled.

In the circumstances, value for money for already paid instalment of Kshs.169,923,009 could not be confirmed.

10. Breaches of Rights and Privileges of Persons with Disabilities

During the year under review, it was noted that the Assembly did not adhere to the requirement that at least five (5%) percent of all appointments be reserved for persons with disabilities. As at the time of audit, only four (4) employees with disabilities were

recorded in the HIRS payroll, representing 2% of the total workforce of two hundred and thirty-four (234) employees. This was contrary to Section B.23(2) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 on the rights and privileges of persons with disabilities.

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

11. Non-Submission of Annual Climate Change Report

During the year under review, it was noted that contrary to Section 19(5) of the Climate Change Act, 2023 which requires County Governments, through the designated County Executive Committee Member, to submit an annual report on the progress of implementing climate change actions to the County Assembly for review and debate, and thereafter forward a copy to the Directorate, there was no evidence, through review of minutes or supporting documentation, to confirm that the 2024/2025 annual climate change report had been submitted to the County Assembly as mandated. This reflects a lapse in the County Assembly's oversight role in ensuring that the County Executive complies with statutory reporting obligations on climate change actions.

In addition, the County Assembly did not have a strategic plan in place, hindering an evaluation of its effectiveness in overseeing the integration of climate change action plans into the County Executive's sectoral strategies, action plans, and related implementation projections. This indicates weaknesses in ensuring fulfilment of climate change responsibilities by the County Executive.

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

12. Failure to Provide Annual Operations Report

During the year under review, it was noted that Assembly did not provide County Assembly Service Board annual operations report for 2023/2024 financial year contrary to Section 36(1) of the County Assembly Services Act, 2017 which states that within three months after the end of each calendar year, the Board shall prepare and lay before the County Assembly, a report of its operations during that year. There was also no indication of the preparation of the report for the financial year 2024/2025. It was therefore not possible to confirm whether County Assembly Service Board delivered on the mandated functions.

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

13. Receipt of Goods and Services Beyond the Stipulated Period

The statement of financial performance reflects use of goods and services amount of Kshs.506,719,468 as disclosed in Note 9 to the financial statement. However, review of records revealed that the Assembly received goods and services valued at Kshs.3,033,305 beyond the validity delivery period disclosed in local purchase orders and local service orders contrary to Regulation 53(1) of the Public Finance Management

Regulations, 2015 which states that a local purchase order or service order is valid for 30 days from the date of issue.

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

14. Non-Remittance of Statutory Deductions

Examination of statutory deductions, payment vouchers, and bank statements revealed that a total of Kshs.17,545,326, comprising Kshs.5,626,262, Kshs.1,828,623 and Kshs10,090,441 in respect of Housing Levy, NSSF, and PAYE respectively, was not remitted to the respective authorities.

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

15. Long Outstanding Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.41,352,778 as disclosed in Note 16 to the financial statements. However, the balance of Kshs.19,992,767 relates to long outstanding creditors. These balances had remained unsettled for a prolonged period without adequate justification or payment plans. This was contrary to Section 74(4) of the Public Finance Management Act, 2012 which states that an Accounting Officer engages in improper conduct government entity if the officer fails, without reasonable excuse, to pay eligible and approved bills promptly.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by 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 the Lawfulness and Effectiveness in 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. Internal Control Weaknesses

The County Assembly did not have Risk Management Policy and therefore, it may not be able to mitigate potential risk when they occur. In addition, there was lack of Business

Continuity Plan which is a strategic framework that outlines directions and procedures the Assembly will follow when faced with a crisis such as civic unrest, cyber threats or fire.

In the circumstances, the existence of an effective internal control and risk management could not be confirmed.

2. Failure to Establish Audit Committee

During the year under review, it was noted that the Assembly had not established an Audit Committee, and there was no evidence of execution of the internal audit plan or management responses to reports, making it impossible to confirm the effectiveness of oversight mechanisms. In addition, the Internal Audit Department lacked a risk assessment, annual work plan, risk register, and strategic plan, and had not undergone an external quality assessment in the past three years, which are critical for adherence to professional standards. Further, no internal self-assessment or quarterly audit reports were available, and the Internal Audit Charter, last approved in 2018, was outdated and did not meet current standards.

In the circumstances, the Assembly did not benefit accruing from oversight.

3. Weak Information Communication Technology Controls

The County Assembly did not have an approved Information Technology (IT) Strategic Committee, IT strategic plan, IT Steering Committee, and IT Security Policy which are important in performing the oversight function and formulation of policies to ensure that the IT investments and functions are directed towards achievement of the mandate of the County Assembly.

In the circumstances, controls over ICT infrastructure could not be confirmed.

4. Use of Personal Emails for Official Government Business

Review of correspondences and interview with the Information Communication Technology director revealed that most of the workers were using personal emails for official government business which is contrary to Head of public service circular SH/ADM 23(1) dated 14 June, 2022 on Government Information Communication Technology standards, 2019 which directed that from 30 June, 2022, no government official would be allowed to use personal email addresses for official Government business.

In the circumstances, the safety and the reliability of the staff email usage could not be confirmed.

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 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 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

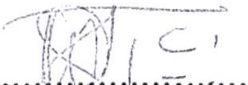
26 November, 2025

County Government of Uasin Gishu
 Uasin Gishu County Assembly
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10. Statement of Financial Performance for the year ended 30 June 2025

	Notes	FY
		2024/25
		Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	838,562,473
Miscellaneous Revenue	7	2,494,241
Total		841,056,714
Expenses		
Employee costs	8	399,384,899
Use of goods and services	9	506,719,468
Transfers to other Government Entities	10	27,214
Depreciation and amortization expense	11	105,397,367
Other Grants and Subsidies	12	11,060,000
Total expenses		1,022,588,948
Deficit for the year		(181,532,234)

This financial statement as set out to pages 1 to 7 were signed by



 Name: Shadrack Choge
 Clerk of the County Assembly





 Name: Lazarus Kemboi
 Principal Accountant
 ICPAK M/No 7993

11. Statement of Financial Position as at 30th June 2025

	Notes	Financial Year	Opening statement
		2024-2025	1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	13	6,451,043	15,943,043
Inventories	14	2,338,505	-
Total Current Assets		8,789,548	15,943,043
Non-Current Assets			
Property, Plant and Equipment	15	1,069,163,464	-
Total Non- Current Assets		1,069,163,464	-
Total Assets (A)		1,077,953,012	15,943,043
Liabilities			
Current Liabilities			
Trade and Other Payables	16	41,352,778	
Refundable Deposits and retention	17	6,450,387	15,915,829
Employee Benefit Obligation	20	65,776,468	-
Total Current Liabilities		113,579,633	15,915,829
Non-Current Liabilities			
Borrowings non-current portion	18	112,078,594	-
Total Non- Current Liabilities		112,078,594	-
Total Liabilities (B)		225,658,227	15,915,829
Net Assets(A-B)		852,294,785	27,214
Represented By:			
Accumulated Surplus		852,294,786	27,214
Net Assets		852,294,786	27,214

This financial statement as set out to pages 1 to 7 were signed by


 Name: Shadrack Choge
 Clerk of the County Assembly


 Name: Lazarus Kemboi
 Principal Accountant
 ICPAK M/No 7993

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

	Accumulated Surplus	Total
As at 30 th June 2024 (cash basis)	27,214	534,749,009
Adjustments: (to recognize assets)	1,076,261,460	541,512,451
Adjustments: (to recognize liabilities)	(37,702,163)	(37,674,949)
As at July 1, 2024	1,038,586,511	1,038,586,511
Surplus/ deficit for the year	(181,532,234)	(181,532,234)
Other changes New Assets acquired	(4,759,491)	(4,759,491)
As at June 30, 2025	852,294,786	852,294,786

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

		FY 2024/25
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		838,562,473
Miscellaneous Revenue		2,494,241
Other income		-
Total receipts		841,056,714
Payments		
Employee costs		333,608,431
Use of goods and services		465,366,690
Transfers to other Government Entities		-
Other Grants and Subsidies		11,060,000
Finance costs		-
Social Benefits		-
Total payments		810,035,121
Net cash flows from/(used in) operating activities	19	31,021,593
Cash flows from investing activities		
Purchase of PPE		28,019,711
Purchase Intangible assets		-
Proceeds from sale of PPE		-
Proceeds from sale of Biological Assets		-
Sale of investments		
Net cash flows from/(used in) investing activities		28,019,711
Cash flows from financing activities		
Returns to CRF		27,214
Proceeds from borrowings		-
Payment of retention fee		12,466,668
Net cash flows from financing Activities		12,493,882
Net increase/(decrease) in cash & Cash equivalents		(9,492,000)
Cash and cash equivalents at 1 July 2024	21	15,943,043
Cash and cash equivalents at 30 June, 2025	21	6,451,043

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

Recurrent and Development Budgets Combined

Revenue/expense 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 *100
Revenues						
Opening balance (Non-refundable special purpose accounts)	-	-	-	-	-	
Transfers from CRF	885,565,536	32,174,009	917,739,545	838,562,473	79,177,072	93%
Miscellaneous Revenue	-	-	-	-	-	
Other income	-	-	-	-	-	
Total revenues	885,565,536	-	917,739,545	838,562,473	79,177,072	93%
Expenses						
Employee costs	438,223,168	(38,092,000)	400,131,168	399,384,899	746,269	100%
Use of goods and services	367,434,368	19,598,834	387,033,202	506,719,993	(119,686,791)	131%
Other Grants and Subsidies	19,908,000	-	19,908,000	11,060,000	8,848,000	56%
Social Benefits	-	-	-	-	-	
Total Recurrent Expenses	825,565,536	(18,493,166)	807,072,370	917,164,892	(110,042,522)	114%
Capital items						
Acquisition of PPE	60,000,000	50,667,175	110,667,175	31,020,937	79,646,238	28%
Acquisition of Intangible assets	-	-	-	-	-	
Purchase of investments	-	-	-	-	-	
Repayment of borrowings	-	-	-	-	-	
Total expenses Development	60,000,000	50,667,175	110,667,175	31,020,937	79,646,238	28%
Total Expenses	885,565,536	32,174,009	917,739,545	948,185,829	(30,446,284)	103%
Surplus/ deficit	-		-			

Budget Notes

Other Grants and Subsidies had a budget of Ksh 19,908,000 but only Ksh 11,060,000 which was 55% of the budget was paid. The underutilization was due to budget cut.

Acquisition of PPE had a budget of Ksh 110,667,175 out of which Ksh 31,020,937 was expensed translating to 28% of the budget utilization. The underutilization was due to budget cut.

Use of goods and services had a budget of Ksh 386,983,202 and a total expenditure of Ksh 506,187,379 translating to a total expenditure of 130% of the approved budget. This was occasioned by budget cut that was done after the expenditures had been incurred. The supplementary budget was approved on 28th May, 2025 when expenditures had already been incurred on affected votes

The changes between the original and final budget arose as result of budget reallocation during the supplementary making process

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15. Notes to the Financial Statements

1. General Information

Uasin Gishu county Assembly Entity is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are Legislation, oversight and representation.

2. Statement of Compliance and Basis of Preparation

Statement of compliance

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

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

These financial statements were authorised for issue by the accounting officer on 28 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 30th June.2025.

Notes to the financial statements

Critical accounting judgements

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

Recognition of revenue

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

Recognition of non-exchange expenses and liabilities

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

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

Purpose and nature of financial instruments

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

Climate change obligations

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

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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 cash flows of an Entity. The new standard requires entities to recognition, measure and present information on right of use assets and lease liabilities.</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>
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 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>
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> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.

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Standard	Effective date and impact:
	The standard also introduces a public sector specific measurement bases called the current operational value.

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	<i>Applicable 1st January 2026</i> 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 transaction.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> 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.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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.

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 fulfilment 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 28th 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 did not record additional appropriations. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

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 of these financial statements.

c) Investment property

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

d) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

e) Right of use asset

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

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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 cash flows 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).

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.

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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.

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. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

Notes to the Financial Statements (Continued)

r) **Borrowing costs**

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

s) **Related parties**

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

t) **Service concession arrangements.**

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

u) **Cash and cash equivalents**

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

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Notes to the Financial Statements (Continued)

v) Comparative figures

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

w) Subsequent events

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

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in 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 FY 2024/2025
	Kshs	Kshs	Kshs
Recurrent	807,541,536	-	807,541,536
Development	31,020,937	-	31,020,937
Total	838,562,473		838,562,473

7. Miscellaneous Revenue

Nature of Revenue	Financial Year 2024/2025
	Kshs
Refunds & Reimbursements	2,494,241
Total	2,494,241

8. Employee Costs

Description	Financial Year 2024/2025
	Kshs
Basic salaries of permanent employees	187,712,928
Basic wages of temporary employees	39,450,600
Personal allowances – part of salary	143,802,889
Pension and other social security contributions	6,387,888
Employer contributions to compulsory national social security schemes-	14,313,117
Employer contribution to compulsory housing scheme	7,717,477
Total Employee costs	399,384,899

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

9. Use of Goods and Services

Description		Financial Year 2024/2025
		Kshs
1	Domestic Travel	226,352,129
2	Field Allowance	21,625,750
3	Foreign	4,219,460
4	Advertisement	35,795,896
5	Training	30,489,600
6	Board & Conference	20,418,300
7	Board Allowances	7,576,800
8	Electricity	1,052,033
9	Water and Sewerage	888,771
10	Internet Connections	2,682,330
11	Trade Shows and Exhibitions	175,000
12	Printing, Advertising - Other	1,261,981
13	Rentals of produced assets	7,425,171
14	Catering Services	42,963,703
15	Medical Insurance	32,697,055
16	Group Insurance	1,412,649
17	Supplies for Broadcasting and Information Services	218,000
18	Purchase of Uniforms and Clothing- Staff	2,367,545
19	Specialized materials - others	36,600
20	Stationery & General Office Supplies	6,960,332
21	Supplies & Accessories for Computer & Printer	14,217,793
22	Sanitary & Cleaning	1,019,540
23	Refined Fuel Oil and Lubricants	7,321,216
24	Contracted Guards and Cleaning Services	4,958,000
25	Membership Fees, Dues & Subscription	5,198,500
26	Bank Charges	43,448
27	Legal Fees	1,780,930
28	Laundry Expenses	253,800
29	Constituency Office Expenses	18,551,400
30	Maintenance Expenses- Motor Vehicles	3,045,771
31	Maintenance of Civil Works	1,292,739
32	Maintenance of Computers, Software & Networking	1,380,415
32	Purchase of office Furniture and Fittings	1,036,811
		506,719,468

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 Notes to the Financial Statements (Continued)

10. Transfers to Other Government Entities

Description	Financial Year 2024/2025
	Kshs
Transfers to other County Government entities	27,214
Total	27,214

11. Depreciation and Amortization Expense

Description	Financial Year 2024/2025
	Kshs
Property, plant and equipment	105,397,367
Intangible assets	-
Investment property carried at cost	-
Total	105,397,367

12. Other Grants and Subsidies

Description	Financial Year 2024/2025
	Kshs
Car reimbursement	11,060,000
Total Grants and Subsidies	11,060,000

13. Cash and Cash Equivalents

Description	Financial Year	Opening Statement
	2024/2025	1 st July 2024
	Kshs	Kshs
Recurrent Account	657	27,214
Deposits Account	6,450,387	15,915,829
Total	6,451,044	15,943,043

(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	Financial Year	Opening Statement
		2024/2025	1 st July 2024
		Kshs	Kshs
Recurrent Accounts			
CBK- Central Bank of Kenya	1000241837	491	17,459
Development Accounts			
CBK-Central Bank of Kenya	1000292897	-	1,793
Deposits Accounts			
CBK-Central Bank of Kenya	1000292881	6,450,387	15,915,829
KCB-Kenya Commercial Bank	1178442411	166	7,961
Cash on Hand			
Total		6,451,044	15,943,043

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Notes to the Financial Statements (Continued)

14. Inventories

Description	Financial Year 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Goods held for distribution	2,338,505	-
Total	2,338,505	-

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Notes to the Financial Statements (Continued)

15. Property, Plant and Equipment

	Land	Buildings	Motor Vehicles	Furniture and Fittings	ICT & Other Equipment	Heritage & Cultural Assets	Work in Progress	Total
Depreciation Rate		2.50%	12.50%	25%	33.30%	2.50%		
Cost as at 1st July 2024	0	320,760,667	77,242,713	30,588,983	99,065,036	7,091,610	0	534,749,009
Transfers/adjustments-Basically Depreciation	0	8,019,017	9,655,339	7,647,246	32,988,657	177,290	0	58,487,549
BF 1st July 2024	600,000,000	312,741,650	67,587,374	22,941,737	66,076,379	6,914,320	0	1,076,261,460
Add Additions	0	0	0	1,036,811	7,919,263	0	31,020,937	39,977,011
Cost as at 30th June 2025	600,000,000	312,741,650	67,587,374	23,978,548	73,995,642	6,914,320	31,020,937	1,116,238,471
Depreciation and impairment								0
At 1st July 2024								0
Depreciation charge for the year	0	7,818,541	8,448,422	5,994,637	24,640,549	172,858	0	47,075,007
As at 30 June 2025	0	7,818,541	8,448,422	5,994,637	24,640,549	172,858	0	47,075,007
Net Book Values								0
As at 30 June 2025	600,000,000	304,923,109	59,138,952	17,983,911	49,355,093	6,741,462	31,020,937	1,069,163,464
As at 30 June 2024	0	320,760,667	77,242,713	30,588,983	99,065,036	7,091,610	0	1,134,749,009

The working progress relate to the new county Assembly offices and chambers which is under construction.

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 Notes to the Financial Statements (Continued)

16. Trade and Other Payables

Description	Financial Year 2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	41,352,778		-	
Payments received in advance	-		-	
Employee payables	65,776,468		-	
Third-party payments	-		-	
Other payables	-		-	
Total trade and other payables	107,129,246			
Ageing analysis: (Trade and other payables)	Current FY	%	Opening balance	% of the Total
Under one year	107,129,246	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	107,129,246		-	

17. Refundable Deposits and Prepayments

Description	Financial Year 2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Deposits and retention	6,450,387		15,915,829	
Total deposits	6,450,387		15,915,829	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Opening Balance	% of the Total
Under one year	6,450,387	%	15,915,829	100%
1-2 years		%	-	%
2-3 years		%	-	%
Over 3 years		%	-	%
Total	6,450,387		15,915,829	

Notes to the Financial Statements (Continued)

18. Borrowings

Description	Financial Year 20 24/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	112,078,594	109,584,353
Long Term Borrowings	-	-
Total	112,078,594	109,584,353

19. Cash Generated from Operations

	Financial Year 2024/2025
	Kshs
Surplus for the year before tax	(181,532,234)
Adjusted for:	
Depreciation	105,397,367
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	-
Increase in inventory	-
Increase in receivables	-
Increase in deferred income	-
Increase in payables	107,156,460
Increase in payments received in advance	-
Net cash flow from operating activities	31,021,593

Notes to the Financial Statements (Continued)

20. 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

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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:

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. 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.

i) 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	-	-	41,352,778	41,352,778
Current portion of borrowings	-	-	112,078,594	112,078,594
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	--	65,776,468	65,776,468
Total			219,207,840	219,207,840

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Notes to the Financial Statements (Continued)

21. 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.

	<i>Financial Year 2024/2025</i>
	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	147,967
Purchase of water from govt service providers	411,229
Rent expenses paid to govt agencies	-
Training and conference fees paid to govt. Agencies	-
Others (specify)	-
Total	-
b) Grants /transfers from the government	
Grants from national govt	-
Grants from county government	-
Donations in kind	-
Total	-
c) Expenses incurred on behalf of related party	-
Payments of salaries and wages for employees	-
Payments for goods and services for year 2024/2025	-
Total	-
d) Key management compensation	
Compensation to key management	
Total	559,196

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Notes to the Financial Statements (Continued)

22. Events after the Reporting Period

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

23. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

24. Currency

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

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16. Appendix

Appendix 1:

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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)
1. Non-Compliance with a third rule	Payroll reveals that 35% of the employees earned a net salary less than a third of the Basic Salary	We have noted the concern raised and advice the affected staff accordingly. The Assembly will endeavor to comply with a third rule	On-going	One year
2. Failure to submit Financial statement by the County Assembly service board.	The board has since inception not prepared nor submit its financial statements for Audit	Pursuant to section 165 of the (PFMA) 2012, section 47 of the public Audit act 2015 and County Assembly Services Act, 2017 Section 32(1) the County Assembly of Uasin Gishu submitted her main accounts financial statements and car and mortgage. The main account had only two components, recurrent expenditure amounting to ksh 796,524,510 Million and 276,532,127 million for development. The Service Board's only expenditure was board allowances of ksh	On-going	One year

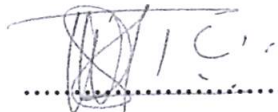
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		7,500,000 which was included in the operation and maintenance of the Assembly recurrent expenditure.		
3.Failure to Observe Ethnic Diversity Composition	In selecting candidates for for appointment,the County Public Service Board was in breach of the law by selecting candidates who were not from the dominant ethnic community.	The County Assembly Service Board in compliance with an advisory given by the Senate Public Accounts Committee has developed a road map on how to achieve the 30 percent on ethnicity. Attached is a copy of the road map for your reference and further action		
4. Payment of Salary Outside Integrated Personnel Payroll Data (IPPD) payroll.	No explanation was provided for the processing of wages outside the IPPD system.	The Count Assembly is in the process of obtaining the IPPD numbers for the remaining staff so as to enable their salaries be processsd through IPPD system	On-going	One year
3.Failure to Establish Performance Management Steering Committee and Staff Advisory		The County Assembly has establish a steering committee and also formed a staff Advisory Commiitee which is in place and active	Resolved	

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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)
Committee.				



Clerk of the County Assembly

Date

24/11/2025

Appendix II: Projects implemented by (The Entity)

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

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Status of Projects completion

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

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
Assembly offices and chambers	491,934,273	160,635,051	33%	72,667,175	1,008,685	Uasin Gishu county own revenue
Speakers official residence	34,850,935	21,457,875	62%	8,000,000	3,937,125	Uasin Gishu county own revenue
Speakers residence perimeter wall	41,850,010	26,075,127	62%	30,000,000	26,075,127	Uasin Gishu county own revenue
Total	568,635,218	208,168,053		110,667,175	31,020,937	

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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	
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	--	--	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	--	--	-
-	-	-	-	-	-	-	-	-	--	-

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Appendix VI: Reporting of Climate Relevant Expenditures

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

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 (Kshs .)	Comments
-	-	-	-	-	-	-