

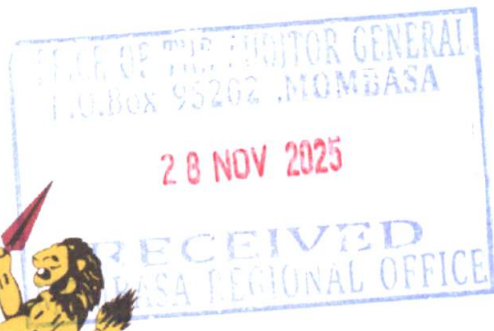


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**REPORT**  
**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**COUNTY ASSEMBLY OF KWALE**  
**FOR THE YEAR ENDED**  
**30 JUNE, 2025**

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COMMITTEE	
CLERK AT THE TABLE	Abdirahman.

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COUNTY ASSEMBLY OF KWALE

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2025

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Transitional Financial Statements under the International Public Sector Accounting Standards  
(IPSAS)

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

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**1. Acronyms, Abbreviations and Definition of Key Terms**

**A. Acronyms and Abbreviations**

<i>ADP</i>	<i>Annual Development Plan</i>
<i>AIE</i>	<i>Authority to Incur Expenditure</i>
<i>CA</i>	<i>County Assembly</i>
<i>CARA</i>	<i>County Allocation of Revenue Act</i>
<i>CBK</i>	<i>Central Bank of Kenya</i>
<i>CECM</i>	<i>County Executive Committee Member</i>
<i>CE</i>	<i>County Executive</i>
<i>CG</i>	<i>County Government</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>COG</i>	<i>Council of Governors</i>
<i>CRA</i>	<i>Commission on Revenue Allocation</i>
<i>CRF</i>	<i>County Revenue Fund</i>
<i>CT</i>	<i>County Treasury</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>MCA</i>	<i>Member of County Assembly</i>
<i>OAG</i>	<i>Office of the Auditor General</i>
<i>OCOB</i>	<i>Office of the Controller of Budget</i>
<i>OSR</i>	<i>Own Source Revenue</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>NT</i>	<i>National Treasury</i>
<i>WB</i>	<i>World Bank</i>
<i>KRB</i>	<i>Kenya Roads Board</i>
<i>Kshs</i>	<i>Kenya Shillings</i>
<i>FY</i>	<i>Financial Year</i>
<i>IFMIS</i>	<i>Integrated Financial Management Information System</i>
<i>GDP</i>	<i>Gross Domestic Product</i>
<i>CSR</i>	<i>Corporate Social Responsibility</i>
<i>CAF</i>	<i>County Assemblies Forum</i>
<i>WDF</i>	<i>Ward Development Fund</i>
<i>ICT</i>	<i>Information Communication Technology</i>
<i>MD&amp;A</i>	<i>Management Discussion and Analysis</i>
<i>HR</i>	<i>Human Resource</i>
<i>HRIS</i>	<i>Human Resource Information System</i>

**County Assembly of Kwale**  
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<i>PSC</i>	<i>Parliamentary Service Commission</i>
<i>PAYE</i>	<i>Paye As You Earn</i>
<i>NSSF</i>	<i>National Social Security Fund</i>
<i>NHIF</i>	<i>National Hospital Insurance Fund</i>
<i>NDC</i>	<i>National Determined Contribution</i>
<i>PPE</i>	<i>Property, Plant and Equipment</i>
<i>ECL</i>	<i>Expected Credit Loss</i>
<i>B/F</i>	<i>Balance Brought Forward</i>

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

**B. Definition of Key Terms**





**2. Key Entity Information and Management**

**(a) Background information**



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

**(b) Key Management Team**

The County Assembly of Kwale day-to-day management is under the following key organs:

No.	Designation	Name
1.	Speaker of the County Assembly	 Hon. Seth Kamanza Mwatela
2.	Clerk of the County Assembly	 Ms. Fatuma Hassan Mwalupa
3.	Director Finance and Accounts	 CPA Philip Wanje Ziro
4.	Director Human Resource and Administration	 Mr. Nick Olweya Siso

**County Assembly of Kwale  
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No.	Designation	Name
5.	Director Information Technology & Communication	 Mr. Paul Mwero Ruwah
6.	Director Supply Chain Management	 Mr. John Genya Kalu

**(c) Fiduciary Management**

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

No.	Designation	Name
1	Clerk	Fatuma Hassan Mwalupa
2	Director Finance And Accounts	CPA Philip Wanje Ziro
3	Director HR and Administration	Mr. Nick Olweya Siso
4	Director Supply Chain Management	John Genya Kalu
5	Director Information Technology & Communication	Mr. Paul Mwero Ruwah
6	Chief Hansard Editor	Mercy Murugi Ndirangu
7	Head of Sargent at Arms	Guzo Hamisi Mwatero
8	Human Resource Officer	Felistus Mwongeli Kalungu
9	Head of ICT	Joseph Ruwa Zecha
10	Ag. Internal Audit	CPA Happy Nyevu Samini

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

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**a) Fiduciary Oversight Arrangements**

1. Internal Audit Committee

***Key Fiduciary Responsibility.***

***Financial reporting***

(a) The audit committee should review, and report to the board and executive management on, the significant financial reporting issues and judgements made in connection with the preparation of the entity's financial statements (having regard to matters communicated to it by the auditor), interim reports, preliminary announcements and related formal statements.

(b) The audit committee should consider significant accounting policies, any changes to them and any significant estimates and judgements.

(c) Where, following its review, the audit committee is not satisfied with any aspect of the proposed financial reporting by the entity, it shall report its views to the board and executive management.

(d) The audit committee should review related information presented with the financial statements, including the business review, and corporate governance statements relating to the audit and to risk management

**Narrative Reporting**

(a) Where requested by the board or executive management, the audit committee should review the content of the annual report and accounts and advise the Executive Management, Accounting Officers, and the Boards or executive management on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for stakeholders to assess the entity's performance, business model and strategy.

**Whistle blowing**

(a) The audit committee should review arrangements by which staff of the entity or any other person may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

**Internal controls and risk management systems**

a) The audit committee should review the entity's internal financial controls (that is, the systems established to identify, assess, manage and monitor financial risks).

**The internal audit process**

(a) The audit committee should monitor and review the effectiveness of the entity's internal audit function.

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

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2. Public Investments and Accounts Committee

**Key Fiduciary Responsibility.**

- a) The examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit.
- b) The examination of the reports, accounts and workings of the county public investments;
- c) The examination, in the context of the autonomy and efficiency of the county public investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices

3. Finance, Budget and Appropriation Committee

**Key Fiduciary Responsibility.**

- a) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget,
- b) Discuss and review the estimates and make recommendations to the County Assembly;
- c) Examine the County Budget Policy Statement presented to the County Assembly;
- d) Examine Bills related to the national budget, including Appropriations Bills;  
and
- e) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

**b) County Assembly Headquarters**

P.O. Box 231-80403  
Kwale County Head Quarters  
Kwale/Kinango Highway  
**KWALE, KENYA**

**c) County Assembly Contacts**

E-mail: [info@kwaleassembly.go.ke](mailto:info@kwaleassembly.go.ke)  
Website: [www.kwaleassembly.go.ke](http://www.kwaleassembly.go.ke)

**d) County Assembly Bankers**

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

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

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2. Kenya Commercial Bank  
P.O. Box 43 – 80403  
**KWALE, KENYA**

**e) Independent Auditor**

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

**f) Principal Legal Adviser**

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

**g) County Attorney**

Office of County Attorney  
P.O. Box 4-80403  
Kwale County Government Head Quarters  
Kwale/Kinango Highway  
**KWALE, KENYA**

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

**3. Governance Statement**

**a. Background and roles**

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


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

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

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

**b. Profiles**


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

No.	Designation	Profile
1.	Hon. Seth Kamanza Mwatela -Speaker	 <p>Hon. Seth Mwatela Kamanza is an Advocate of the High Court of Kenya and politician serving as the Speaker of the Kwale County Assembly. He was elected to this position in September 2022. As Speaker, he has been active in county governance, overseeing legislative processes and public engagement. For instance, he has hosted delegations and participated in activities such as establishing an Ombudsman office in Kwale to manage citizens' complaints. Moreover, Mwatela has evidenced leadership in devolution at the national level. Since 2025, he has served as Chairman of the County Assemblies Forum (CAF), the coordinating body for Kenya's 47 county assemblies. In this role, he has been vocal about strengthening devolution—for example, urging the national government to constitutionally anchor the Ward Development Fund (WDF) and create a pension</p>

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

No.	Designation	Profile
		scheme for county assembly members (MCAs) emphasizing that such measures would empower grassroots governance and enhance service delivery
2.	 <p data-bbox="347 1088 778 1153">Hon. Hanifa Badi Mwajirani-Majority Leader</p>	<p data-bbox="866 497 1406 1153">Hon. Hanifa Badi Mwajirani is a pioneering Kenyan politician and currently serves as a Member of County Assembly (MCA) representing Ramisi Ward in Kwale County. She made history as the first elected female MCA in the county's history, after winning the Ramisi Ward seat. She was also a nominated Member of County Assembly from 2017 - 2022. Prior to entering politics, Hanifa Badi Mwajirani worked as a police officer, serving in the Gender Directorate. Her transition from law enforcement into politics was motivated by her belief that women must be present in leadership to make meaningful change. In the County Assembly of Kwale, she holds significant responsibilities, serving on multiple influential committees — Education, Budget, and Health Services.</p>
3.	 <p data-bbox="347 1615 778 1680">Hon. Tumaini Mwachaunga-Minority Leader</p>	<p data-bbox="866 1167 1406 1485">Hon. Tumaini Mwachaunga is an elected member of County Assembly for Bongwe - Gombato Ward. He did diploma in Food Technology. He holds diploma in public administration and certificate in toxicology. He worked for Mombasa Maize Miller from 2001 to 2007 before joining politics.</p> <p data-bbox="866 1503 1406 1630">In the County Assembly of Kwale, he holds significant responsibilities, serving on multiple influential committees including, health</p>

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

No.	Designation	Profile
4.	 Fatuma Hassan Mwalupa-Clerk	<p>Ms. Fatuma Hassan Mwalupa is the current and the 3rd Clerk of the County Assembly of Kwale. She is an Advocate of the High Court of Kenya and holds a Master's Degree in Human Resource.</p> <p>She has an outstanding history as a Public Officer in the Assembly Service, having joined the Kwale County Assembly in 2014 as a Deputy Clerk rising through ranks and became the Acting Clerk from August 2018 to 2023 and now the substantive Clerk of the Kwale County Assembly, managing and overseeing portfolios on Legislative Procedural Services, Human Resource, Financing as the Accounting officer, among others.</p>

**c. Sectoral Committees**

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

The County Assembly has the following Select and Sectoral committees:

- a) Committee on Implementation
- b) Committee on Public Investment and Accounts
- c) Committee on Finance, Budget and Appropriation
- d) Committee on Delegated County Legislation
- e) Powers and Privileges
- f) Committee on Rules and Procedure
- g) Health Services
- h) Water Services
- i) Energy
- j) Agriculture, Fisheries and Livestock Development
- k) Children, Culture and Community Service
- l) Early Childhood Education and Vocational Training
- m) Labour and Social Welfare
- n) Lands, Mining, Environment and Natural Resources
- o) Gender and Special Interests
- p) Transport and Public Works
- q) Planning, Trade, Tourism and Co-operatives Development
- r) Justice and Legal Affairs

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

**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 held two meetings in FY 2024/2025. The committee members during FY 2024/2025 were:

Member	Designation	Ward
Hon Seth Mwatela	Chairperson	Speaker
Hon. Ali Bedzame Mwauchi	Vice Chairperson	Ndavaya
Hon. Victor Nyanje	Member	Kasemeni
Hon. James Dawa	Member	Puma
Hon. Andrew Mulei	Member	Kubo South
Hon. Josephine Kinyajui	Member	Nominated
Hon. Mulki Adan	Member	Nominated
Hon. Omar Mwaduga	Member	Pongwe Kikoneni
Hon. Judy Kengo	Member	Nominated

**ii. Public Investment & Accounts Committee**

The committee was formed to provide oversight on the County's finances. The committee held sixty-eight meetings in FY 2024/2025. The members who served in the committee during the year were:

Member	Designation	Ward
Hon. Omar Kitengele	Chairperson	Ukunda
Hon. Melder Nyakiti	Vice Chairperson	Nominated
Hon. James Dawa	Member	Puma
Hon. Andrew Mulei	Member	Kubo South
Hon. Elizabeth Mwangolo	Member	Nominated

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

**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 committee held forty five meetings in FY 2024/2025. The members who served in the committee during the period were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Manza Beja	Chairperson	Mwereni
Hon. Hanifa Mwajirani	Vice Chairperson	Ramisi
Hon. Mwaboza Mwachuo	Member	Tsimba Golini
Hon. Juma Maone	Member	Kinondo
Hon. Teresia Muoki	Member	Nominated
Hon. Yusuf Sengeza	Member	Mkongani
Hon. Mulki Adan	Member	Nominated
Hon. Augustine Ndegwa	Member	Nominated
Hon. Hamisi Mkaha	Member	Mwavumbo

**Audit Committee**

The audit committee was constituted in 2020. Its mandate is to advise the County Assembly on institutional risk management and compliance. The committee held four meetings in FY 2024/2025. The committee members during FY 2024/2025 were:

<b>Member</b>	<b>Designation</b>
DR. CPA Francis Kalama Fondo	Chairperson
CPA Kaamil Said Bokoko	Member
CPA Joseph Mwanzanje Nyawa	Member
Valerie Maina	Member
CPA Happy Nyevu Samini	Ag. Secretary

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

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**e. 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 all the twenty wards 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.

During the budget and bills making process the Assembly ensured that it understood the stakeholder requirements, expectations, perceptions, personal agenda and concerns and that the stakeholders understood the role of the Assembly. Stakeholders are normally affected during the delivery of the Assembly's mandate and their support is also key towards the achievement of the desired objectives. The Assembly engaged stakeholders in a manner that fostered a sustainable relationship and maintained public trust and confidence. In engaging with its stakeholders, the Assembly upheld transparency, accountability, and equity that sustained a consultative and collaborative relationship.

The County Assembly also subjected two bills through public participation i.e., the Annual Development Plan 2024/2025 and the Budget Estimates 2024/2025.

**f. Risk management**

The County Assembly of Kwale has a working internal audit sector and internal Audit Committee that helps streamline the internal control systems. The Assembly is in the verge of generating the Risk Management Policy that will help curb any risks emanating from its operations.

**g. Compliance**

The Assembly is guided by different laws in its operation including but not limited to the Constitution of Kenya 2010, The PFM Act 2012 and its regulations, the County Assembly Service Act, County Revenue Act, Public Procurement and Asset Disposal Act 2015 with its regulations and different policies both external and internal. In its undertaking, the County Assembly of Kwale adheres with the relevant laws while executing its mandates by providing timely statutory reports.

## County Assembly of Kwale

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

#### 4. Foreword by Clerk of the County Assembly

The Financial Statements reflect the County Assembly's financial performance and position for the year ended 30th June 2025. These transitional statements were prepared in accordance to the International Public Sector Accounting Standards (IPSAS) as the Financial Report Framework provided for by the Public Sector Accounting Standards Board.

##### (i) Budget performance

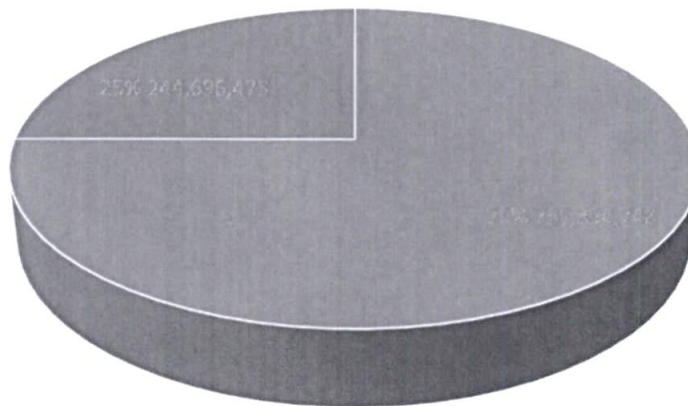
The County Assembly of Kwale had a total budget of Ksh. 1,345,909,649 divided into a Recurrent Budget of Ksh. 739,799,205 that include domestic payables from previous financial year of Ksh. 114,392,700 and a Development Budget of Ksh. 606,110,444 that include domestic payables from previous financial year of Ksh. 186,873,297. The actual exchequer releases were Ksh. 982,188,197 translating to 73% on actual comparable basis.

The absorption of the County Assembly's recurrent budget was Ksh. 735,394,748, which translated to 99% absorption rate while the development budget had a usage of Ksh. 244,696,475 a translation of 40% absorption rate. On average, 73% of the total budget was absorbed during the financial year.

#### ACTUAL EXPENDITURE ANALYSIS

	Recurrent	Development	Total
Actual	735,394,748	244,696,475	980,091,223
Absorption	75%	25%	100%

#### ACTUAL EXPENDITURE ANALYSIS



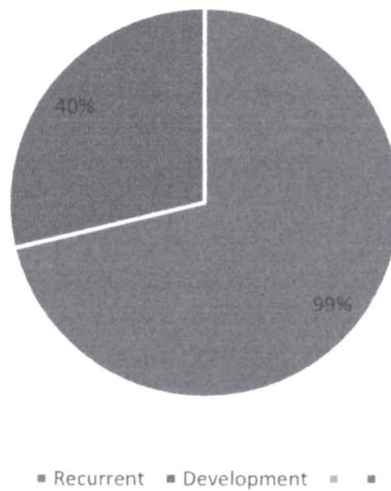
■ Recurrent ■ Development

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

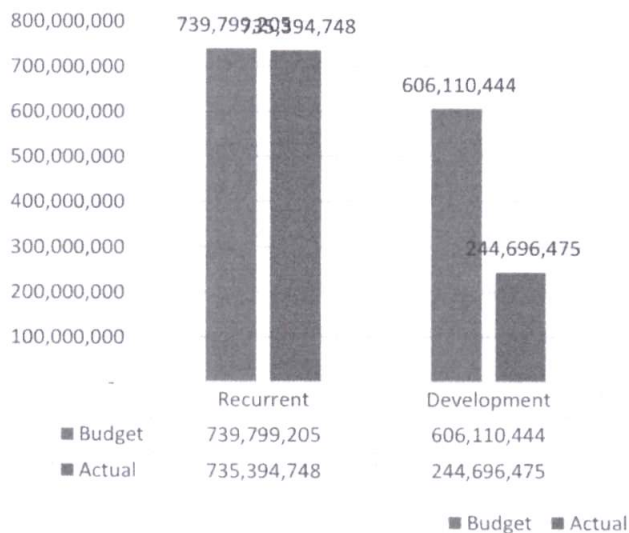
**BUDGET ANALYSIS FY 2024/2025**

	<b>Recurrent</b>	<b>Development</b>	<b>Total</b>
<b>Budget</b>	739,799,205	606,110,444	<b>1,345,909,649</b>
<b>Actual</b>	735,394,748	244,696,475	<b>980,091,223</b>
<b>Absorption Rate</b>	<b>99%</b>	<b>40%</b>	<b>73%</b>

**ABSORPTION RATE**



**Budget Absorption Analysis**



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

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**(ii) Operational Performance**

- a) During the fiscal year 2024/25, the House deliberated on and successfully passed a total of three crucial laws. These include:
- i. The County Appropriation Bill
  - ii. The First Supplementary Appropriation Bill
  - iii. The Second Supplementary Appropriation Bill

These legislative measures have been put in place to enhance the overall efficiency of County Operations, encompassing both recurrent and developmental expenditures. The primary advantage of these laws is that they ensure the allocation of resources to support essential services, thereby guaranteeing that the County's residents receive the intended services effectively.

- b) The County Budget Estimates for FY 2024/2025 was passed on 26<sup>th</sup> June 2024, The First Supplementary Budget for FY 2024/2025 was passed on 12<sup>th</sup> September, 2024 and The Second Supplementary Budget for FY 2024/2025 was passed on 16<sup>th</sup> June 2025

- c) We have two main categories of committees in our County Assembly: Sectoral Committees and Select Committees. Within each category, there are several committees, and there are also Housekeeping Committees and Watchdog Committees. Overall, our County Assembly comprises more than 19 committees. Here are some examples from each category and highlight their respective mandates:

**Category A** (Sectoral Committees - Aligned to County Departments): In this category, we have committees such as the Agriculture Committee, Health Services Committee, Children Culture and Community Services Committee, Gender and Special Interest Committee, Lands Committee, among others. These committees are primarily responsible for providing oversight to all County government projects and activities related to their specific sectors. They ensure that County resources are used efficiently and effectively in delivering services to our county.

**Category B** (Select Committees): One of the notable committees in this category is the House Business Committee. Select Committees play a vital role in managing various aspects of the County Assembly's business and operations. They help streamline the legislative process, coordinate activities, and ensure that the County Assembly functions smoothly.

In summary, both categories of committees, as well as Housekeeping and Watchdog Committees, have consistently carried out their duties in accordance with the County Assembly Standing Orders. These committees are essential in upholding transparency, accountability, and the overall effectiveness of our County government.

**Enacted Legislation:** Over the course of the reporting period, the County Assembly has successfully passed a range of legislative measures aimed at improving the well-being and governance of our county. These laws encompass various sectors and address the diverse needs of our constituents. Some of the notable laws are as outlined above. **Part (a)**

**Committee Mandates:** Our County Assembly operates through a system of committees, each with its distinct mandate. These committees are instrumental in scrutinizing, debating, and shaping

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

legislation, as well as conducting oversight functions to ensure the efficient and effective implementation of policies and programs. Here are examples of committees and their mandates:

**a. Finance, Budget, and Appropriation Committee:**

- Mandate: Responsible for budgetary matters, financial oversight, and recommending budget allocations.

**b. Health Services Committee:**

- Mandate: Oversight of healthcare policies, facilities, and programs within the county.

**c. Education Committee:**

- Mandate: Monitoring and enhancing the quality of education and educational institutions in the county.

**d. Infrastructure and Transport Committee:**

- Mandate: Oversight of infrastructure development projects, roads, and transportation systems.

**e. Agriculture and Environment Committee:**

- Mandate: Monitoring agricultural policies, environmental conservation, and natural resource management.

**f. Legal and Justice Committee:**

- Mandate: Reviewing legal matters, ensuring adherence to laws, and addressing legal concerns within the county.

d) The County Assembly committees play a crucial role in overseeing the various functions of the county government. Their oversight functions include:

- **Scrutiny and Review:** Committees thoroughly examine proposed legislation and policies to ensure they align with the best interests of our constituents.
- **Budget Oversight:** Monitoring the allocation and utilization of county funds to ensure transparency, accountability, and efficiency in financial matters.
- **Program Evaluation:** Assessing the effectiveness of government programs and projects to enhance service delivery.
- **Stakeholder Engagement:** Facilitating public participation and engaging with relevant stakeholders to gather input and feedback.
- **Reporting:** Providing regular reports to the County Assembly on their findings, recommendations, and actions taken.

In conclusion, the County Assembly and its committees are committed to enacting laws that benefit our constituents and ensuring that the county government operates transparently and effectively. Through diligent oversight, these committees help safeguard the interests of the people we serve, promoting good governance and accountability in our county.

**(iii) Performance of key development projects**

- a) These are the key development projects that the County Assembly planned, undertook and its impact.

**County Assembly of Kwale  
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<b>Project Description.</b>	<b>Project Progress</b>	<b>Project Output</b>	<b>Project Outcome</b>	<b>Project Impact.</b>
Ward Offices	<i>20 Offices Completed</i>	<i>Creation of Office space for MCAs</i>	<i>Accessibility of Services to the Public</i>	<i>Improved Service Delivery to the Public.</i>
Speakers Residence	<i>Completed &amp; Occupied</i>	<i>Permanent Residence for the Assembly Speaker.</i>	<i>Improved Security and Safety to the Speaker.</i>	<i>Adequate time for the Speaker to Serve the Assembly effectively</i>
County Assembly Complex	<i>Completed &amp; Occupied</i>	<i>Creation of new Chambers, Office space for MCAs, Speaker and Assembly Staff and public gallery.</i>	<i>Adequate Office Space and Good Working Environment for Members and Staff.</i>	<i>Efficient Service Delivery</i>

b) The following key development projects were included in the Assembly's strategic plan, procurement plan and work plan. Their progress status and its effect ones completed are highlighted as below.

<b>Project Description.</b>	<b>Project Progress</b>	<b>Project Efficiency and Effectiveness</b>
Ward Offices	<i>20 Offices Completed</i>	<i>Improved Service Delivery to the Public.</i>
Speakers Residence	<i>Completed &amp; Occupied</i>	<i>Adequate time for the Speaker to Serve the Assembly effectively</i>
County Assembly Complex	<i>Completed &amp; Occupied</i>	<i>Efficient Service Delivery</i>

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

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- c) The County Assembly has ensured Full compliance to various Acts and Regulations to promote responsible and fair competition practices on all tendering processes with transparency and Accountability. To ensure transparency, the Assembly rolled the E-Sourcing system in IFMIS to ensure quick and openness in the procurement process.

**(iv) Comment on value-for-money achievements**

The County Assembly undertook the construction of the Ward Offices with the sole aim of ensuring that the local citizen can access services of the member of County Assembly in their respective wards. This has improved the lives of the local people as most of their pertinent problems are solved on time and adequately. Further to this, the County Assembly Complex has enabled the staff and members of the County Assembly to perform exceedingly towards the various development affairs of the people of Kwale.

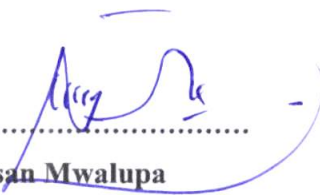
During the Period under Review, the County Assembly recorded minimal engagements on charitable activities on Community Social Responsibility, however through the committee on gender and talent Management, the Assembly mobilised resources to address the various social aspects touching on teenage girls.

**(v) Challenges and recommended way forward**

The year was not without its challenges, Budget restrictions from the IFMIS department and late disbursement of exchequer releases by the Controller of Budget greatly affected the timely execution of Assembly activities.

In order to enhance our financial performance, we finalized the review of the strategic plan, implemented the already developed human resource manual as well employ appropriate project management skills to ensure that all assembly's projects contribute to the realisation of the Assemblies vision and mission Statement. This greatly enhanced the performance of the assembly in undertaking her key responsibilities of oversight, legislation and representation.

Finally, yet importantly, I must thank the County Assembly Service Board, team of management, Members and the entire staff of the County Assembly for their zeal in realizing the Vision of this great institution.

  
.....  
**Fatuma Hassan Mwalupa**  
Clerk of the County Assembly

**County Assembly of Kwale  
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**5. Statement of Performance against Predetermined Objectives**

**Strategic development objectives**

The key mandate of the County Assembly of Kwale 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.

<b>Program 1</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>	<b>Remarks</b>
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	7 bills passed in the County Assembly	In FY 2024/2025 MCAs were trained on Leadership and Integrity.	
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	70% Increase in efficient Assembly operation	Standing orders were reviewed and resulted to members participation in motions on the floor of the house.	
	Enhanced professional development of MCAs – Review and amendments of laws	Review and amendments of laws	Quality of laws passed	3 Acts and Bills passed	
	Enhanced professional development of MCAs – Public participation awareness programs	Public participation awareness to the public	Increased participation during public participation	General public engaged well during public participation	

**County Assembly of Kwale  
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<b>Program 2</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>	<b>Remarks</b>
Administration	Well trained and equipped Workforce to propel the Operations of the Assembly far and Beyond Expectations.	Increased Efficiency on staff output	Timely Production of reports and fully Compliance to law and statutory deadlines.	-In the Year under Review, 126 Assembly staff were trained including the ward staff on various aspects of their Profession. -Development of Sectoral plans -Review and development of departmental policies -Development of Sectoral plans -Review and development of departmental policies	

**6. Environmental and Sustainability Reporting**

**a) Sustainability strategy and profile**

Kwale County Assembly exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on our Strategic pillars: putting the Citizen first, delivering relevant services, and improving operational excellence

As an Assembly we recognise the importance of running a sustainable institution and committed to sustainable economic environment and social impacts resulting from our everyday activities. Our goal is to continuously improve operations and create shared values through various initiatives that includes operational efficiencies in all our processes, diversity and inclusion. We are aligning our operations to the expectations and aspirations of the citizens of Kwale.

**b) Environmental performance**

We are committed to environmental conservation and have held tree planting programmes across the county. Through various legislations, the assembly has been keen on passing bills geared towards environmental conservation.

The Assembly through the ICT policy has an outlined Environmental Sustainability strategy to promote sustainable use of ICTs, in line with the best environmental practices for instance, going paperless on almost all our operations. The Assembly prioritizes environmental sustainability practices such as enhanced energy efficiency and adoption of renewable energy. In this regard, the Assembly installed solar power in its ward offices and clean power at the Assembly's Complex.

**c) Employee welfare**

We take the health and wellbeing of our people very seriously. To improve the social wellbeing of the staff, several welfare programs have been maintained in the Assembly. This include among a good medical cover, pension scheme and a group life cover. Other staff events that we were engaged in included; team building, celebrating staff birthdays, staff retreats and staff wellness activity. These activities promoted staff productivity and boosted the team spirit. We have occupational health and safety protocols in place to ensure the physical security of staff, including strict security measures on all of our buildings.

In ensuring wellness and work-life balance, the County Assembly Service Board approved Thursday afternoons as a sports day where all staff are supposed to participate in their various sports. The games provide an opportunity for all staff to showcase their talents and informally interact hence enhancing unity. The Assembly also organised a training on personal financial management and planning for its staff to instil financial discipline

**County Assembly of Kwale**  
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**d) Marketplace practices-**

**a) Responsible Supply chain and supplier relations-**

Kwale County Assembly strictly adhere to the laid down regulations and law regarding procurement processes that include, the Public Procurement Regulatory Authority, The Public Procurement and Disposal Act, the PFM Act etc.

**b) Responsible ethical practices-**

To maintain a Corruption free environment and good supplier relations, The Assembly has prequalified list of suppliers and strictly follows the IFMIS E-sourcing platform for transparency and efficiency in its operations. This notwithstanding, the Assembly normally does timely payment of suppliers to avoid accumulation of debts

**c) Stewardship of goods and services**

Through its oversight mandates, the County Assembly of Kwale ensures the Executive undertakes timely projects as passed by the Assembly and as per the standards hence service delivery to the citizens.

**e) Community Engagements**

On May 9, 2025, the County Assembly of Kwale spearheaded a comprehensive town cleaning initiative as a core component of its annual Corporate Social Responsibility (CSR) program. Led by the Director of Human Resource, Mr. Nick Siso, a dedicated team of Assembly staff volunteered their time and effort to improve the environmental hygiene of Kwale town. The initiative was strategically timed to coincide with the onset of the rainy season to mitigate public health risks associated with water and vector-borne diseases.

The primary objective of this initiative was to contribute directly to the health and well-being of the Kwale community. The timing was a critical strategic consideration. The rainy season, while essential for agriculture, often leads to an increase in stagnant water and improper waste accumulation, creating breeding grounds for disease vectors like mosquitoes and increasing the risk of waterborne illnesses such as cholera and typhoid.

A significant aspect of the initiative was community engagement. While conducting the clean-up, Assembly members interacted with residents and local business owners, emphasizing that environmental stewardship is a shared responsibility.

Following the physical clean-up, the Assembly issued a public appeal, urging all residents of Kwale to adopt consistent cleaning practices in their immediate surroundings. This message highlights that collective, sustained effort is the most effective strategy for preventing the outbreak of diseases and ensuring a healthy, pleasant living environment for all.

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*The team, led by Director of HR Mr. Nick Siso, showcasing the collaborative spirit of the CSR initiative.*

The Kwale town cleaning initiative was a resounding success, meeting all its stated objectives. It not only improved the physical cleanliness of the town but also reinforced the vital connection between the County Assembly and the community it serves.

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

**7. Management Discussion and Analysis**

This Management Discussion and Analysis (MD&A) provides a summary of the operational and financial performance of the County Assembly of Kwale over the past five years. It highlights progress made in legislative, oversight, and representation functions while assessing compliance, risks, arrears, and sectoral developments.

**Key Programs, Projects, and Investment Decisions**

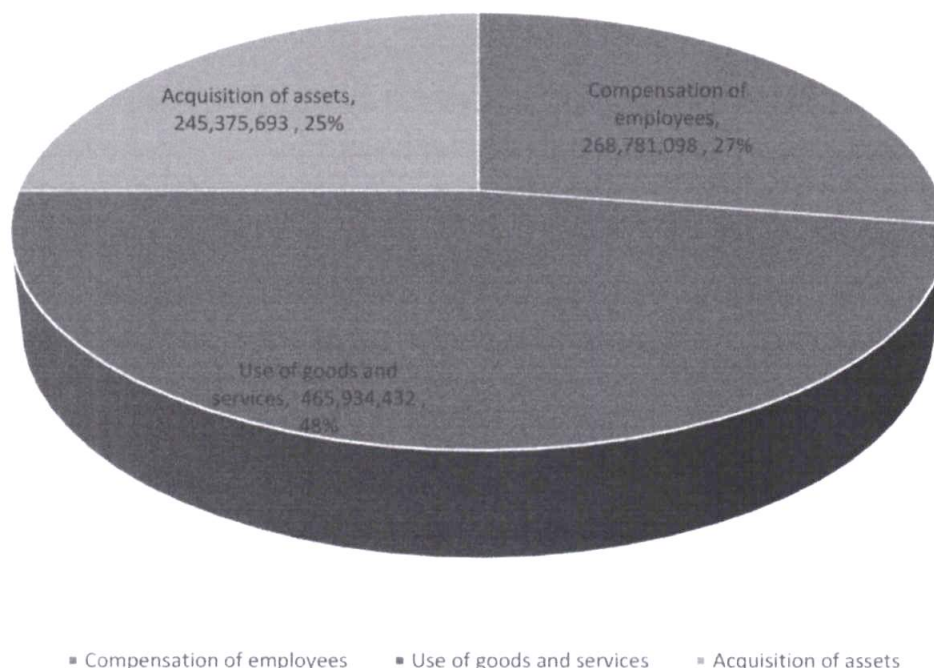
<b>Program/Project</b>	<b>Objective</b>	<b>Status</b>	<b>Key Achievements</b>
Capacity Building for Members and Staff	Strengthen legislative and oversight skills	Continuous	Improved debate quality & committee work
ICT & e-Parliament Systems	Automate Hansard & records	Ongoing	Faster reporting & transparency
Public Participation Forums	Enhance citizen involvement	Ongoing	Wider inclusivity in laws and budgets
Chamber & Offices Renovation	Improve workspaces	Completed FY 2024/25	Conducive legislative environment

Chart 1: County Assembly of Kwale Expenditure Distribution (2024/2025)

<b>Actual Expenditure Distribution FY 2024/2025</b>		
<b>Program</b>	<b>Actual Expenditure</b>	<b>%ge</b>
Compensation of employees	268,781,098	27%
Use of goods and services	465,934,432	48%
Acquisition of assets	245,375,693	25%
<b>Total</b>	<b>980,091,223</b>	<b>100%</b>

**County Assembly of Kwale  
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Actual Expenditure Distribution FY2024/2025



**Compliance with Statutory Requirements**

The County Assembly has consistently sought compliance with national laws and regulations:

- Budgeting & Financial Reporting: Annual budgets and financial statements submitted to oversight bodies on time.
- PFM Act 2012: Fiscal responsibility principles largely observed.
- HR Compliance: Recruitment aligned to PSC guidelines.
- Audit Findings: Auditor-General reports note reduced audit queries, though some HR issues on Non-Compliance with the Law on Ethnic Composition remain recurring issues.

**Major Risks Facing the Assembly**

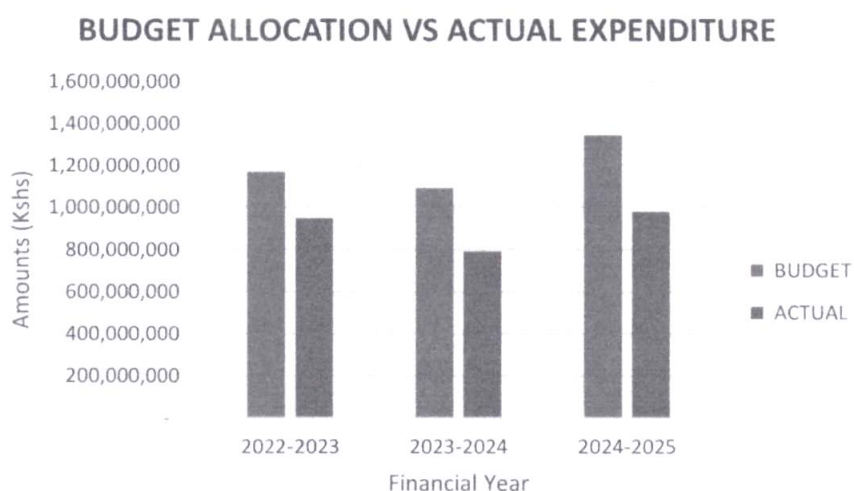
Risk	Description	Mitigation
Budgetary Delays	Late exchequer disbursements affect operations	Engagement with Treasury, prioritization
Political Tensions	Disruptive alignments among MCAs	Mediation and leadership training

**County Assembly of Kwale  
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ICT Security Threats	Increased cyber risk with digitalization	ICT security policies, capacity building
Public Perception	Limited understanding of Assembly's role	Strengthened civic education & communication

Chart 2: Budget Allocations vs Actual Expenditure (2022/23–2024/25)

BUDGET ALLOCATION VS ACTUAL EXPENDITURE		
YEAR	BUDGET	ACTUAL
2022-2023	1,169,141,072	947,446,328
2023-2024	1,090,712,566	791,119,186
2024-2025	1,345,909,649	980,091,223



**Material Arrears in Statutory & Other Obligations**

The Assembly continues to reduce pending bills through structured settlement.

Statutory deductions (PAYE, NSSF, NHIF) are fully up-to-date.

**Review of the Economy and Sector**

- National Economy: GDP grew at ~5% but slowed during COVID-19. Inflation and high debt levels continue to strain resources available to counties.
- County Economy: Reliance on agriculture, tourism, and trade. Fiscal transfers remain the main funding source; own-source revenues are below target.

**County Assembly of Kwale**  
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- Legislative Sector: Expanding demand for oversight on budgets, public participation, and compliance with devolution laws.

**Future Developments**

The County Assembly is aligning with both county priorities and national strategies:

- Full automation of committee records and Hansard services.
- Completion of modern office complex and chambers.
- Enhanced public participation through digital platforms.
- Specialized training on climate change, gender, and inclusivity legislation.
- Pending bills clearance plan for financial sustainability.

**Conclusion**

The Assembly has made notable progress in strengthening governance, compliance, and service delivery. Despite budgetary and political risks, management is committed to reforms that ensure transparency, accountability, and effective legislation.

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

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**8. 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.

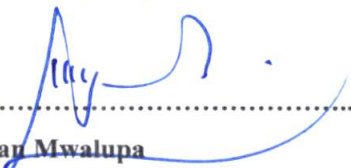
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2025. This responsibility includes: (i) maintaining adequate financial 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 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 02/12/2025 2025.

  
.....  
**Fatuma Hassan Mwalupa**  
Clerk of County Assembly

# REPUBLIC OF KENYA

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



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

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

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### PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying transitional IPSAS financial statements of the County Assembly of Kwale set out on pages 1 to 56, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of

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

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

### **Basis for Opinion**

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final budget and actual receipts on comparable basis of Kshs.1,345,909,649 and Kshs.982,188,197 respectively, resulting to under-funding of Kshs.363,721,452 or 27% of the budget.

The under-funding affected the planned activities and may have impacted negatively the service delivery to the residents of Kwale.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year's Audit Matters**

In the prior year audit report, three issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance. These were regularity of human resource

management practices, irregular subscription to the County Assembly Forum and grounded motor vehicles. Review of the status during audit of the County Assembly in 2024/2025 revealed that the matters remained unresolved.

### **Other Information**

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

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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance 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. Regularity of Human Resource Management Practices**

Review of the human resource management practices at the County Assembly revealed the following anomalies:

##### **1.1. Non-Compliance with the One Third of Basic Salary Rule**

Review of payroll records revealed that some officers drew salary less than a third of their basic pay contrary to Section 19(3) of the Employment Act of 2007 which requires that an employee's pay should not be deducted beyond one third of the basic salary.

## **1.2. Non-Compliance with the Law on Ethnic Composition**

Review of human resource records provided for audit shows that out of seventy-three (73) permanent and pensionable employees, the dominant ethnic community constitute 80% (4) at top management, 85% (11) at middle management and 89% (48) at low management which includes one (1) staff from persons living with disability. Further, 80% (67) of contractual/temporary employees are from the same dominant community. The ethnic composition is above the set levels and contrary to Section 7 (1) and (2) of the National Cohesion and Integration Act, 2008 which requires all public offices to seek to represent the diversity of the people of Kenya in employment of staff and that no public institution to have more than one third of its staff establishment from the same ethnic community.

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

## **2. Irregular Payment of Subscription Fees**

The statement of financial performance and Note 10 to the financial statements reflects use of goods and services amount of Kshs.354,627,760. Included in the expenditure was Kshs.32,067,205 in respect to other operating expenses including bank charges. Review of expenditure records revealed that Kshs.3,500,000 was incurred on subscription fees to the County Assemblies Forum (CAF) without supporting legislation, guidelines and policies to ascertain the authenticity of the payment, contrary to Section 149(1) of the Public Finance Management Act, 2012, which requires that an accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is lawful and authorized and in an effective, efficient, economical and transparent manner.

In the circumstances, the legality of the expenditure of Kshs.3,500,000 paid to County Assemblies Forum could not be confirmed.

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Asset Management**

Review of asset register, ownership documents and payment vouchers revealed the following unsatisfactory matters:

#### **1.1. Incomplete Asset Register**

Physical inspection carried out on 29 May, 2025 showed that the assets were not tagged. Further, the asset register did not have key information such as location, condition and the date when the asset register was last updated.

#### **1.2. Lack of Land Ownership Documents**

Review of the County Assembly's asset register showed that land and buildings were valued at Kshs.22,900,000 and Kshs.1,489,770,423 respectively. However, the County Assembly does not have ownership documents for the land on which the Assembly is constructed or provided evidence on steps taken to obtain the ownership documents.

In the circumstances, effectiveness of internal controls and risk management on assets could not be confirmed.

### **2. Grounded Motor Vehicles**

Review of the asset records shows that the Assembly had seven (7) motor vehicles. Physical verification of the assets on 29 May, 2025 revealed that one (1) motor vehicle purchased at a cost of Kshs.2,854,368 was grounded within the premises. The vehicle had been grounded since financial year 2022/2023 and management did not provide any explanation on action being taken to salvage the asset from further impairment and loss of value.

In the circumstances, the grounded motor vehicle may cause inefficiency and hamper service delivery to the residents of Kwale.

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 the County Assembly's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

04 December, 2025

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

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

	Notes	2024/2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from CRF	6	982,188,197
Miscellaneous Revenue	7	-
<b>Total</b>		<b>982,188,197</b>
<b>Revenue from exchange transactions</b>		
Other income	8	-
<b>Total revenue</b>		<b>982,188,197</b>
<b>Expenses</b>		
Employee costs	9	268,781,098
Use of goods and services	10	354,627,760
Transfers to other Government Entities	11	-
Depreciation and amortization expense	12	-
Other Grants and Subsidies	13	-
Finance costs	14	-
Social Benefits	15	-
<b>Total expenses</b>		<b>623,408,858</b>
Gain/(loss) on sale of assets	16	-
Gain/Loss on Foreign Exchange	17	-
Gain/Loss on fair value of investments	18	-
Impairment loss	19	-
<b>Surplus/Deficit for the year</b>		<b>358,779,339</b>
Taxation	20	-
<b>Net Surplus/Deficit</b>		<b>358,779,339</b>

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

.....

**Fatuma Hassan Mwalupa**  
**Clerk of The County Assembly**

.....

**CPA Philip Wanje Ziro**  
**Director Finance & Accounts**  
**ICPAK M/No. 20407**

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

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

	Notes	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	21	33,126,318	58,276,710
Receivables from Exchange Transactions	22	-	-
Receivables from Non-Exchange Transactions	23	10,496,664	10,496,664
Inventories	24	-	-
Current portion of investments	25	-	-
<b>Total Current Assets</b>		<b>43,622,982</b>	<b>68,773,374</b>
<b>Non-Current Assets</b>			
Receivables from Exchange Transactions	22(b)	-	-
Non- Current portion of investments	25	-	-
Property, Plant and Equipment	26	245,375,693	-
Intangible Assets	27	-	-
Investment Property	28	-	-
Right-of-use assets	29	-	-
Biological Assets	30	-	-
Tangible Natural Resources	31	-	-
<b>Total Non- Current Assets</b>		<b>245,375,693</b>	<b>-</b>
<b>Total Assets (A)</b>		<b>288,998,675</b>	<b>68,773,374</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	32	2,625,517	114,031,045
Refundable Deposits and Prepayments	33	31,128,199	58,266,458
Current Provision	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Employee Benefit Obligation	37	-	-
Current Portion of Borrowings	38	-	-
<b>Total Current Liabilities</b>		<b>33,753,717</b>	<b>172,297,503</b>
<b>Non-Current Liabilities</b>			

**County Assembly of Kwale**  
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	Notes	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
Non-Current Provisions	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Non-Current Employee Benefit Obligation	37	-	-
Borrowings – Non-Current Portion	38	-	-
Service Concession Liability	39	-	-
<b>Total Non- Current Liabilities</b>		-	-
<b>Total Liabilities (B)</b>		<b>33,753,717</b>	<b>172,297,503</b>
<b>Net Assets(A-B)</b>		<b>255,244,958</b>	<b>-103,524,129</b>
<b>Represented By:</b>			
Reserves		-7,948,191	-7,948,191
Accumulated Surplus		244,934,622	-113,834,464
Capital Fund		18,258,527	18,258,527
<b>Net Assets</b>		<b>255,244,958</b>	<b>-103,524,129</b>

The financial statements set out on pages 1 to 7 were signed by:

.....  
**Fatuma Hassan Mwalupa**  
**Clerk of The County**  
**Assembly**

.....  
**CPA Philip Wanje Ziro**  
**Director Finance & Accounts**  
**ICPAK M/No. 20407**

**County Assembly of Kwale**  
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**12. Statement of Changes in Net Assets for the year ended 30 June 2025**

	Accumulated Surplus	Reserves	Capital Fund	Total
<b>As at 30<sup>th</sup> June 2024 (cash basis)</b>	<b>97,725</b>	<b>-7,948,191</b>	<b>18,258,527</b>	<b>10,408,060</b>
Adjustments:				-
Recognition of assets	-			-
Recognition of liabilities	-113,932,189			-113,932,189
<b>As at July 1, 2024</b>	<b>-113,834,464</b>	<b>-7,948,191</b>	<b>18,258,527</b>	<b>-103,524,129</b>
Return to CRF	-10,252			-10,252
Surplus/ deficit for the year	358,779,339			358,779,339
Other changes (specify)		-	-	-
<b>As at June 30, 2025</b>	<b>244,934,622</b>	<b>-7,948,191</b>	<b>18,258,527</b>	<b>255,244,958</b>

**Note:** Adjustment for recognition of liabilities of Ksh 113,392,189 under prior year adjustments relate to recurrent pending payables/bills from previous financial year as per **Appendix IX** of this financial statement.

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

		2024/2025
	Notes	Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from CRF		982,188,197
Miscellaneous Revenue		-
Other income		-
<b>Total receipts</b>		<b>982,188,197</b>
<b>Payments</b>		
Employee costs		268,781,098
Use of goods and services		466,033,287
Transfers to other Government Entities		-
Other Grants and Subsidies		-
Finance costs		-
Social Benefits		-
<b>Total payments</b>		<b>734,814,385</b>
<b>Net cash flows from/(used in) operating activities</b>	40	<b>247,373,812</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE		-272,513,953
Purchase Intangible assets		-
Proceeds from sale of PPE		-
Proceeds from sale of Biological Assets		-
Purchase of investments		-
Sale of investments		-
<b>Net cash flows from/(used in) investing activities</b>		<b>-272,513,953</b>
<b>Cash flows from financing activities</b>		
Returns to CRF		-10,252
Proceeds from borrowings		-
Repayment of borrowings		-
<b>Net cash flows from financing Activities</b>		<b>-10,252</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>-25,150,392</b>
Cash and cash equivalents at 1 July	21	58,276,710
<b>Cash and cash equivalents at 30 June</b>	21	<b>33,126,318</b>

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

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

Recurrent and Development Budgets Combined

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c= a+b	d	e= c-d	f= d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Budget carry overs (Special Purpose A/c)</b>		-	-	-		
<b>Receipts</b>						
Transfers from the CRF	927,501,295	418,408,354	1,345,909,649	982,188,197	363,721,452	73%
Other receipts	-	-	-	-	-	-
<b>Total Receipts</b>	<b>927,501,295</b>	<b>418,408,354</b>	<b>1,345,909,649</b>	<b>982,188,197</b>	<b>363,721,452</b>	<b>73%</b>
<b>Payments</b>						
Compensation of employees	308,612,767	-36,510,456	272,102,311	268,781,098	3,321,213	99%
Use of goods and services	376,209,310	90,808,366	467,017,676	465,934,432	1,083,244	100%
Subsidies	-	-	-	-	-	-
Transfers to other government units	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets	242,679,218	364,110,444	606,789,662	245,375,693	361,413,969	40%
Finance costs, including loan interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
<b>Total</b>	<b>927,501,295</b>	<b>418,408,354</b>	<b>1,345,909,649</b>	<b>980,091,223</b>	<b>365,818,426</b>	<b>73%</b>
<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,096,974</b>	<b>-2,096,974</b>	

**County Assembly of Kwale**  
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**Reconciliation table**

	Description of Particulars	Amount in K.shs
	Actual Surplus Amounts as per the statement of Budget	2,096,974
1	Payables paid (Withholding taxes paid)	98,856.00
2	Retention monies balances	31,128,199
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	33,126,317

**Budget Notes**

- 1. Under acquisition for Assets, the underutilization was majorly affected by the Development projects whereby 60% of the total budgetary allocation was not absorbed and by end of the year the contractor had not submitted certificates of equal worth to warrant payment.*
- 2. The changes between the original budget and final budget was as a result of pending bills from the previous financial year and internal reallocations which were introduced in the current budget through supplementary budgets as per (IPSAS 24.29)*

**15. Notes to the Financial Statements**

**1. General Information**

County Assembly of Kwale 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). 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.

- ❖ Inventory
- ❖ Partial recognition of financial assets and liabilities

The entity has taken into partial recognition of the financial assets and liabilities during the 1st year and partial recognition of the Non-Current assets. The entity has recognised the Assets for the year of Ksh 245,375,693 however, no depreciation was charged during the year in conformity with the Kwale County Assembly Assets Depreciation Policy which states that; *Depreciation shall commence when the asset is available for use (i.e., when it is in the location and condition necessary for it to operate as intended) and No depreciation is charged during the year of purchase/Acquisition* . The entity is looking forward to incorporate full assets in the 2nd year upon valuation reports of the Assets and also incorporate the inventory as we look towards full adoption during the 3rd year of transition. We have the Transition Committee in place spearheading the process to ensure a smooth transition process.

These financial statements were authorised for issue by the accounting officer on 30th September 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.

**County Assembly of Kwale**  
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**Reporting period**

The reporting period for these financial statements is for the period ended 30<sup>th</sup> June 2025.

**County Assembly of Kwale**  
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**Notes to the financial statements**

**Critical accounting judgements**

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

Recognition of revenue

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

Recognition of non-exchange expenses and liabilities

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

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

Purpose and nature of financial instruments

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

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO<sub>2</sub>eq. Entities commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

**County Assembly of Kwale**  
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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.

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

**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.***

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

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

*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 1<sup>st</sup> 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 transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1<sup>st</sup> 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 1<sup>st</sup> 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1<sup>st</sup> January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>

*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.)*

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

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**Notes to the Financial Statements (Continued)**

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2024/2025 was approved by the County Assembly on 30<sup>th</sup> June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of Kshs. 418,408,354 on the 2024/25 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

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

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**Notes to the Financial Statements (Continued)**

**Budget information (continued)**

The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial cash flows has been presented under page 7 of these financial statements.

**c) Investment property**

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

**d) Property, plant and equipment**

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

**County Assembly of Kwale**  
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**Notes to the Financial Statements (Continued)**

**e) Right of use asset**

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

**f) Tangible Natural Resources**

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

**g) Leases**

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

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

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**Notes to the Financial Statements (Continued)**

**h) 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.

**i) 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.

**j) 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.

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

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**Notes to the Financial Statements (Continued)**

**i. Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

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

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**Notes to the Financial Statements (Continued)**

**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

**Fair value through surplus or deficit**

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

**Impairment**

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

**ii. Financial liabilities**

**Classification**

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

**Notes to the Financial Statements (Continued)**

**k) 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*.

**l) 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.

**m) 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.

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

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**Notes to the Financial Statements (Continued)**

**n) 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.

**o) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements.

**p) 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.

**q) Employee benefits**

**Retirement benefit plans**

The County Assembly of Kwale 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.

**r) Foreign currency transactions**

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

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

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**Notes to the Financial Statements (Continued)**

**s) 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.

**t) Related parties**

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

**u) 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.

**v) 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.

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

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**Notes to the Financial Statements (Continued)**

**w) 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.

**x) 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.

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

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**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.

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

**Notes to the Financial Statements (Continued)**

**6. Transfers from CRF**

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers 2024/2025
			Kshs
Recurrent	737,491,722	-	737,491,722
Development	244,696,475	-	244,696,475
Special purpose transfers	-	-	-
<b>Total</b>	<b>982,188,197</b>	<b>-</b>	<b>982,188,197</b>

**7. Miscellaneous Revenue**

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

**8. Other Incomes**

Description	2024/2025
	Kshs
Insurance recoveries	-
Sale of tender documents	-
Services concession income	-
Other incomes not specified elsewhere	-
<b>Total other income</b>	<b>-</b>

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

**Notes to the Financial Statements (Continued)**

**9. Employee Costs**

Description	2024/2025
	Kshs
Basic salaries of permanent employees	103,227,133
Basic wages of temporary employees	28,827,198
Personal allowances – part of salary	100,401,488
Pension and other social security contributions	2,016,000
Employer contributions to compulsory national social security schemes	4,235,530
Employer contributions to compulsory national health insurance schemes	30,073,750
Employer contribution to compulsory housing scheme	-
Other social benefit schemes	-
Other personnel costs	-
<b>Total Employee costs</b>	<b>268,781,098</b>

**10. Use of Goods and Services**

Description	2024/2025
	Kshs
Utilities, supplies and services	3,199,846
Communication, supplies and services	2,898,000
Domestic travel and subsistence	127,842,324
Foreign travel and subsistence	41,128,188
Printing, advertising, and information supplies & services	24,042,684
Rentals of produced assets	-
Training expenses	12,473,360
Hospitality supplies and services	64,256,577
Insurance costs	27,888,896
Specialized materials and services	4,995,074
Other operating expenses <i>including bank Charges</i>	32,067,205
Office and general supplies and services	5,340,750
Fuel Oil and Lubricants	3,141,000
Routine maintenance – vehicles and other transport equipment	3,088,904
Routine maintenance – other assets	2,264,953
<b>Total</b>	<b>354,627,760</b>

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

**Notes to the Financial Statements (Continued)**

**11. Transfers to Other Government Entities**

Description	2024/2025
	Kshs
Transfers to other County Government entities	-
Transfers to self-reporting projects	-
Transfers to car loan and mortgage schemes	-
Others (specify)	-
<b>Total</b>	<b>-</b>

**12. Depreciation and Amortization Expense**

Description	2024/2025
	Kshs
Property, plant and equipment	-
Intangible assets	-
Investment property carried at cost	-
<b>Total</b>	<b>-</b>

**13. Other Grants and Subsidies**

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

**14. Finance Costs**

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

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

**Notes to the Financial Statements (Continued)**

**15. Social Benefits**

Description	2024/2025
	Kshs
Transfers to the elderly	-
Transfers to orphans	-
Transfers to the physically challenged	-
	-
<b>Total social benefit expenses</b>	<b>-</b>

**16. Gain/Loss on Sale of Assets**

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

**17. Gain/Loss on Foreign Exchange**

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

**18. Gain/Loss on Fair Value Investments**

Description	2024/2025
	Kshs
Investments at Fair Value	-
<b>Total Gain</b>	<b>-</b>

**19. Impairment Loss**

Description	2024/2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<b>Total Impairment Loss</b>	<b>-</b>

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

**Notes to the Financial Statements (Continued)**

**20. Taxation**

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

**21. Cash and Cash Equivalents**

Description	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Recurrent Account	246,546	7,219
Development Account	-	-
Deposits Account	31,128,199	58,266,458
Special Purpose Accounts	1,751,572	3,033
Other operating commercial accounts ( <i>Specify</i> )	-	-
<b>Total</b>	<b>33,126,318</b>	<b>58,276,710</b>

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

Financial Institution	Account number	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
Recurrent Accounts			
<i>CBK00001</i>	1000241567	246,546	7,219
Development Accounts			
<i>CBK00002</i>	1000282568	-	-
Deposits Accounts			
<i>CBK00003</i>	1000282557	31,128,199	58,266,458
Special Purpose Accounts			
<i>CBK00004</i>	1142128148	1,751,572	3,033
Other operating commercial accounts			
<i>Cash on Hand</i>		-	-
<b>Total</b>		<b>33,126,318</b>	<b>58,276,710</b>

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

**Notes to the Financial Statements (Continued)**

**22. Receivables from Exchange Transactions**

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

**i) Ageing analysis for Receivables**

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

**ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions**

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

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

**Notes to the Financial Statements (Continued)**

**23. Receivables from Non-Exchange Transactions**

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Other debtors (non-exchange transactions)	10,496,664		10,496,664	
Less: impairment allowance	-		-	
<b>Total receivables from non- exchange transactions</b>	<b>10,496,664</b>		<b>10,496,664</b>	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>2024/2025</b>	<b>% of the total</b>	<b>Opening Balance</b>	<b>% of the total</b>
Less than 1 year	-	%	-	%
Between 1-2 years	-	%	-	%
Between 2-3 years	-	%	10,496,664	100%
Over 3 years	10,496,664	100%	-	%
<b>Total</b>	<b>10,496,664</b>	<b>%</b>	<b>10,496,664</b>	<b>%</b>

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

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

**24. Inventories**

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

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

**Notes to the Financial Statements (Continued)**

Detailed disclosure on inventories

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

**25. Investments**

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

**d) Movement of Equity Investments**

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

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

**Notes to the Financial Statements (Continued)**

**e) Shareholding in other entities**

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

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Kshs	Opening Statement 1 <sup>st</sup> July 2024
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

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

**Notes to the Financial Statements (Continued)**

**26. Property, Plant and Equipment**

	Land	Buildings	Motor vehicles	Office Equipment	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
<b>Depreciation Rate</b>		2%	16.67%	20%	12.5%	33.3%	x%			
<b>Cost</b>	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Opening Bal as 1<sup>st</sup> July 2024</b>										
Additions	-	464,497	-	13,377,700	-	679,218	-	230,854,278	-	245,375,693
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> Jun 2025</b>	-	464,497	-	13,377,700	-	679,218	-	230,854,278	-	245,375,693
<b>Depreciation And Impairment</b>										
Depreciation for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-	-
<b>As At Jun 2025</b>	-	-	-	-	-	-	-	-	-	-
<b>Net Book Values</b>										
<b>Opening Bal as at 1<sup>st</sup> July 2024</b>	-	-	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	-	464,497	-	13,377,700	-	679,218.00	-	230,854,278	-	245,375,693

**County Assembly of Kwale**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**  
**Notes to the Financial Statements (Continued)**

**27. Intangible Assets**

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

**28. Investment Property**

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

**County Assembly of Kwale**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**  
**Notes to the Financial Statements (Continued)**

**29. Right-of-use assets**

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

**30. Biological Assets**

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

**31. Tangible Natural Resources**

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

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**Notes to the Financial Statements (Continued)**

**32. Trade and Other Payables**

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Trade payables	2,625,517		114,031,045	
Payments received in advance	-		-	
Employee payables	-		-	
Third-party payments	-		-	
Other payables	-		-	
<b>Total trade and other payables</b>	<b>2,625,517</b>		<b>114,031,045</b>	
<b>Ageing analysis: (Trade and other payables)</b>	<b>2024/2025</b>	<b>%</b>	<b>Opening balance</b>	<b>% of the Total</b>
Under one year	1,965,517	75%	114,031,045	100%
1-2 years	660,000	25%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	<b>2,625,517</b>		<b>114,031,045</b>	

**33. Refundable Deposits and Prepayments**

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Customer deposits	31,128,199		58,266,458	
Prepayments	-		-	
Other deposits	-		-	
<b>Total deposits</b>	<b>31,128,199</b>		<b>58,266,458</b>	
<b>Ageing analysis: (Refundable deposits)</b>	<b>2024/2025</b>	<b>% of the Total</b>	<b>Opening Balance</b>	<b>% of the Total</b>
<b>Under one year</b>	21,154,398	68%	9,973,802	17%
1-2 years	9,973,802	32%	48,292,656	83%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>31,128,199</b>		<b>58,266,458</b>	

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**Notes to the Financial Statements (Continued)**

**34. Provisions**

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

**35. Lease Liabilities**

Description	2024/2025 Kshs	Opening Statement 1 <sup>st</sup> July 2024 Kshs
Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
<b>At end of the year</b>	-	-

**Maturity Analysis**

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

**Analysed as:**

Description	Amount
Current	-
Non- Current	-
<b>Total</b>	-

**County Assembly of Kwale**

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**Notes to the Financial Statements (Continued)**

**36. Deferred Income**

Description	2024/2025	<i>Opening Statement</i> <i>1<sup>st</sup> July 2024</i>
	Kshs	Kshs
National Government	-	-
International Funders	-	-
Public Contributions and Donations	-	-
<b>Total Deferred Income</b>	-	-

The deferred income movement is as follows:

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
<b>Total</b>	-

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**Notes to the Financial Statements (Continued)**

**37. Employee Benefit Obligations**

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
<b>Total Employee Benefits Obligation</b>	-	-	-	-	-

**Retirement benefit Asset/ Liability (Applicable to Pensions)**

The Entity operates a defined benefit scheme for all full-time employees from July 1, 2024. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

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

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

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**Annual Report and Financial Statements for the year ended June 30, 2025.**  
**Notes to the Financial Statements (Continued)**

**Recognition of Retirement Benefit Asset/ Liability**

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

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

b) Amounts recognized in the Statement of Financial Position

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

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

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**Notes to the Financial Statements (Continued)**

**38. Borrowings**

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

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

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

**County Assembly of Kwale**  
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**Notes to the Financial Statements (Continued)**

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

**39. Service Concession Arrangements Liability**

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

**40. Cash Generated from Operations**

	2024/2025
	Kshs
<b>Surplus for the year before tax</b>	<b>358,779,339</b>
<b>Adjusted for:</b>	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
<b>Working capital adjustments</b>	
Increase in inventory	-
Increase in receivables	-
Increase in deferred income	-
Decrease in payables	-111,405,527
Increase in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>247,373,812</b>

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**Notes to the Financial Statements (Continued)**

**41. Financial Risk Management**

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

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

**i) Credit risk**

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

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

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

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**Notes to the Financial Statements (Continued)**

**Financial Risk Management**

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

**ii) Liquidity risk management**

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

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

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

**Financial Risk Management**

**iii) Market risk**

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

**a) Foreign currency risk**

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

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**Notes to the Financial Statements (Continued)**

**Financial Risk Management**

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

2024/2025

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

**Financial Risk Management**

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

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>20xx</b>			
Euro	10%	-	-
USD	10%	-	-
<b>20xx-1</b>			
Euro	10%	-	-
USD	10%	-	-

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Financial Risk Management**

**Sensitivity analysis**

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant.

**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

**Determination of fair value and fair values hierarchy**

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

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

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**Notes to the Financial Statements (Continued)**

**Financial Risk Management**

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

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

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

**iv) Capital Risk Management**

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

	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Revaluation Reserve	-7,948,191	-7,948,191
Retained Earnings	-	-
Capital Reserve	18,258,527	18,258,527
<b>Total Funds</b>	<b>10,310,336</b>	<b>10,310,336</b>
Total Borrowings	-	-
Less: Cash And Bank Balances	-33,126,318	-58,276,710
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>		

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**Notes to the Financial Statements (Continued)**

**42. Related Party Disclosures**

**Nature of related party relationships**

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

**Government of Kenya**

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

**Other related parties include:**

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

	2024/2025 Kshs
<b>Transactions with related parties</b>	
<b>a) Sales to related parties</b>	
Others (specify) e.g. interest and bank charges	277,240
<b>Total</b>	<b>277,240</b>
<b>B) purchases from related parties</b>	
Purchases of electricity from KPLC	2,500,000
Purchase of water from govt service providers	199,846
Rent expenses paid to govt agencies	-
Training and conference fees paid to govt. Agencies	-
Others (specify)	-
<b>Total</b>	<b>2,699,846</b>
<b>b) Grants /transfers from the government</b>	
Grants from national govt	-
Grants from county government	-
Donations in kind	-
<b>Total</b>	<b>-</b>
<b>c) Expenses incurred on behalf of related party</b>	
Payments of salaries and wages for xxx employees	-
Payments for goods and services for xxx	-
<b>Total</b>	<b>-</b>
<b>d) Key management compensation</b>	
Compensation to key management	143,321,023
<b>Total</b>	<b>143,321,023</b>

**County Assembly of Kwale**  
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**43. Segment Information**

*The entity does not operate in different geographical regions or in departments.*

**44. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

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

**Contingent Liabilities**

	2024/2025
	Kshs
<b>Contingent Liabilities</b>	-
Court Case xx against the Entity	-
Bank Guarantees in Favour of Subsidiary	-
Contingent Liabilities arising from Contracts Including PPPs	-
Others (Specify)	-
<b>Total</b>	-

*(Give details)*

**45. Capital Commitments**

<b>Capital Commitments</b>	2024/2025
	Kshs
Authorised for	-
Authorised and contracted for	-
<b>Total</b>	-

**County Assembly of Kwale**

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**Notes to the Financial Statements (Continued)**

**46. Program for Results (PforR) Disclosure**

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

Name of PforR: xxxxxx		Name of Financing Partners: xxx and xxx				
Expenditure Details*	Opening Cumulative for Previous FYs		Current FY		Total Cumulative	
	Budget	Actual	Budget	Actual	Budget	Actual
Program code						
Sub-program						
Sub-program						
<b>Sub-total</b>						
Program code						
Sub-program						
Sub-program						
<b>Sub-total</b>						
<b>Total</b>	<b>xx</b>	<b>xx</b>	<b>xx</b>	<b>xx</b>	<b>xx</b>	<b>xx</b>

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

**47. Events after the Reporting Period**

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

**48. Ultimate And Holding Entity**

The Entity ultimate parent is the Government of Kenya.

**49. Currency**

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

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**16. Appendix**

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Budgetary Control and Performance	The statement of comparison of budget and actual amounts – recurrent and development reflects final receipts budget and actual amounts of Kshs.1,090,712,566 and Kshs.791,216,911 respectively, resulting to under – funding of Kshs.299,495,655 or 27% of the budget. Similarly, the Assembly expended Kshs.791,119,186 against an approved budget of Kshs.1,090,712,566, resulting to an under – expenditure of Kshs.299,593,380 or 27% of the budget. The under-funding and under-expenditure may have affected implementation of the planned programs thereby negatively impacting on service delivery to the public	The management wishes to state that the underfunding of Ksh 299,495,655 was occasioned by delayed exchequer disbursement from the National Treasury, further as at the end of the financial year ie 30th June,2024 this amount had not been received. Moreover, the underutilization was majorly affected by the development projects whereby 60% of the total budgetary allocation was not absorbed & by the end of the year the contractors had not submitted certificates of equal worth to warrant payment.	Resolved	
Unresolved Other Years Audit Matters.	In the audit report for the previous financial year, several issues were raised in respect of the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Although Management has reported that the issues have not been resolved, no evidence was provided to show action taken by Management to resolve the prior year's audit matters.	The management has taken action & all the unresolved audit matters were addressed.	Resolved	
Non-Compliance with the Law on Ethnic Composition	"Review of human resource records provided for audit shows that the dominant ethnic community employed by the Assembly constitute 80% (4) at top	The management wishes to state that it will endeavor to prioritize filling of future vacancies with persons from	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)
	<p>management, 77.8% (7) at middle management and 93.1% (54) at low management level including one (1) staff from persons living with disability for permanent and pensionable positions. Under contractual/temporary employee's dominant community constitute 83.3% (75) of all temporary staff. The ethnic composition is above the levels set under Section 65 (1) (e) of the County Governments Act, 2012 which requires the County Public Service Board to ensure at least thirty percent of vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the county. In the circumstances, Management was in breach of the law"</p>	<p>other ethnic communities who are underrepresented to create a more representative workforce.</p>		
Non-Compliance with the One third of Basic Salary Rule	<p>Review of the payroll records revealed that some officers drew salary less than a third of their basic pay contrary to section 19(3) of the Employment Act 2007 which requires that an employee's salary should not be deducted beyond two thirds of the basic salary. In the circumstance, Management was in breach of the law</p>	<p>The management wishes to state that the earnings of a third of the basic salary of some of the staff and members of County Assembly were occasioned by the introduction of the Housing Levy and increase in the NSSF contributions.</p>	Resolved	
Staff Emoluments Paid Outside IPPD Payroll System	<p>"Review of personnel records and the automated Integrated Payroll and Personnel Database (IPPD) system revealed that the Assembly had an off- shelf payroll system for part of salary payments every month. A total of Kshs.52,931,684 had been paid through the off-shelf system contrary to National Treasury Circular No.16/2020 which requires that the</p>	<p>The management wishes to clarify that all Members of the County Assembly and staff are paid through HRIS payroll system save for the ward staff who are under short contracts. However, we are now in the tail end of incorporating the ward staff in the HRIS payroll system.</p>	Resolved	

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

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)
	<p>allocation to personnel emoluments must be supported by integrated personnel Payroll Data (IPPD). In the circumstances, Management was in breach of the law"</p>			
Irregular Subscription to County Assembly Forum	<p>The statement of receipt and payments and Note 5 to the financial statements reflects use of goods and services amount of Kshs. 312,412,109. Included in the expenditure was Kshs.24,554,212 in respect to other operating expenses. Review of the records revealed that Kshs. 2,000,000 was incurred on subscription fees to the County Assemblies Forum (CAF) without supporting legislation, guidelines and policies to confirm the authenticity of the payment contrary to Section 149(1) of the Public Finance Management Act, 2012, which requires that an accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the Officer is designated are used in a way that is; (a) lawful and authorized and (b) effective, efficient, economical and transparent. In the circumstances, the legality of the expenditure of Kshs.2,000,000 paid to County Assemblies Forum could not be confirmed</p>	<p>The management wishes to confirm that, County Assembly Forum is a registered society under the societies Act with a sole mandate to support the County Assemblies in discharging their three core functions, being an Assembly, the Kwale County Assembly becomes a member of CAF. Further, the payment in respect to CAF was provided for in the budget under the Membership Fees, Dues and Subscriptions to Professional and Trade Bodies Vote.</p>	Resolved	
Grounded Motor Vehicles	<p>Annex 4 – summary of non-current asset register shows an historical cost balance of Kshs.1,537,275,658 as at 30 June, 2024. The assets balance includes Kshs.43,650,048 in respect to transport equipment. Review of records and asset register for the Assembly revealed that the entity owns</p>	<p>The management wishes to state that, the assembly vehicles are obsolete and are due for disposal. Further, the management has set aside a disposal committee to dispose the Vehicles.</p>	Resolved	

**County Assembly of Kwale**  
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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)
	seven (7) motor vehicles allocated for the running of the Assembly operations. However, physical verification of the motor vehicles conducted on 2 October, 2024 revealed that out of seven (7) vehicles, two vehicles procured at a cost of Kshs.2,854,368 and Kshs.5,482,840 respectively were grounded. The vehicles had been grounded since financial year 2022/2023 and management did not provide an explanation on action being taken to salvage the assets from further impairment and loss of value. In the circumstances, the grounded motor vehicles may cause inefficiency and hamper service delivery to the residents of Kwale.			

**Guidance Notes:**

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

.....  
Accounting Officer  
Date 02/10/2025

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

**Appendix II: Projects implemented by (The Entity)**

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

**Status of Projects completion**

Project	Total project Cost KSh	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
Servant Quarter at Speakers Residence	15,505,882.98	15,505,882.98	100%	15,505,882.98	15,505,882.98	Exchequer
Swimming Pool and Gazebo at Speakers Residence	13,236,871.63	13,236,871.63	100%	13,236,871.63	13,236,871.63	Exchequer
Perimeter Wall and Gate at Speakers Residence	24,380,473.36	24,380,473.36	100%	24,380,473.36	24,380,473.36	Exchequer
Speaker's Official Residence	58,051,340.00	58,051,340.00	100%	58,051,340.00	58,051,340.00	Exchequer
Administrative Office	45,623,345.00	45,623,345.00	100%	45,623,345.00	45,623,345.00	Exchequer
MCA'S office Mwavumbo Ward	6,990,502.00	6,990,502.00	100%	6,990,502.00	6,990,502.00	Exchequer
MCA'S office Kinondo Ward	6,682,821.00	6,682,821.00	100%	6,682,821.00	6,682,821.00	Exchequer
MCA'S office Mkongani ward	6,520,081.60	6,520,081.60	100%	6,520,081.60	6,520,081.60	Exchequer
MCA'S office Puma Ward	6,642,502.20	6,642,502.20	100%	6,642,502.20	6,642,502.20	Exchequer
MCA'S office Pongwe/Kikoneni ward	6,508,684.00	6,508,684.00	100%	6,508,684.00	6,508,684.00	Exchequer
MCA'S office Waa Ng'ombeni Ward	9,992,530.00	9,992,530.00	100%	9,992,530.00	9,992,530.00	Exchequer
MCA'S office Ndavaya ward	6,998,152.00	6,998,151.86	100%	6,998,152.00	6,998,152.00	Exchequer
MCA'S office Vanga Ward	6,508,690.00	6,508,690.38	100%	6,508,690.00	6,508,690.00	Exchequer
MCA'S office Kasemeni ward	6,896,380.00	6,896,380.00	100%	6,896,380.00	6,896,380.00	Exchequer
MCA'S office Tiwi ward	13,786,292.80	13,786,292.80	100%	13,786,292.80	13,786,292.80	Exchequer
MCA'S office Ukunda ward	13,955,356.80	13,955,356.80	100%	13,955,356.80	13,955,356.80	Exchequer
MCA'S office Ramisi ward	13,786,292.06	13,786,292.50	100%	13,786,292.06	13,786,292.06	Exchequer
MCA'S office Kinango ward	13,267,001.20	13,267,001.20	100%	13,267,001.20	13,267,001.20	Exchequer

**County Assembly of Kwale**  
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Assembly complex- Proposed External Works	156,399,413.00	156,399,413.00	100%	156,399,413.00	156,399,413.00	Exchequer
Assembly complex- Fittings & Fixtures	136,525,897.00	136,525,896.95	100%	136,525,897.00	136,525,897.00	Exchequer
Security Walk & Luggage Scanner	13,377,700.00	13,377,700.00	100%	13,377,700.00	13,377,700.00	Exchequer
Renovations of Ward Offices-Kinango Ward	4,946,600.00	4,937,600.00	100%	4,946,600.00	4,946,600.00	Exchequer
Renovations of Ward Offices-Mkongani & Ndayava Ward	9,447,600.00	9,447,600.00	100%	9,447,600.00	9,447,600.00	Exchequer
Renovations of Ward Offices-Waa Ng'ombeni Ward	4,992,000.00	4,992,000.00	100%	4,992,000.00	4,992,000.00	Exchequer
Renovations of Ward Offices-Samburu Chengoni Ward	4,995,200.00	4,995,200.00	100%	4,995,200.00	4,995,200.00	Exchequer
Renovations of Ward Offices-Vanga Ward	4,986,370.00	4,984,370.00	100%	4,986,370.00	4,986,370.00	Exchequer
Renovations of Ward Offices-Tsimba Golini Ward	4,949,270.00	4,949,270.00	100%	4,949,270.00	4,949,270.00	Exchequer
Renovations of Ward Offices-Tiwi & Kinondo Wards	12,298,230.00	12,298,230.00	100%	12,298,230.00	12,298,230.00	Exchequer
Renovations of Ward Offices-Mwavumbo Ward	4,850,000.00	4,850,000.00	100%	4,850,000.00	4,850,000.00	Exchequer
Renovation of Speaker's Residence	43,021,937.00	43,021,936.45	100%	43,021,937.00	43,021,937.00	Exchequer
Assembly Complex	583,615,213.00	583,615,213.42	100%	583,615,213.00	583,615,213.00	Exchequer
MCA'S office Mackinon Road Ward	6,990,502.00	6,990,502.00	100%	6,990,502.00	6,990,502.00	Exchequer
MCA'S office Bongwe/ Gombato Ward	6,861,423.20	6,861,423.20	100%	6,861,423.20	6,861,423.20	Exchequer
MCA'S office Tsimba Golini ward	6,520,093.00	6,520,093.00	100%	6,520,093.00	6,520,093.00	Exchequer
MCA'S office Dzombo Ward	6,999,930.00	6,999,930.00	100%	6,999,930.00	6,999,930.00	Exchequer
MCA'S office Samburu Chengoni Ward	6,830,165.84	6,830,165.84	100%	6,830,165.84	6,830,165.84	Exchequer
MCA'S office Kubo South Ward	9,817,225.00	9,817,225.00	100%	9,817,225.00	9,817,225.00	Exchequer
MCA'S office Mwereni Ward	9,917,272.32	9,917,272.32	100%	9,917,272.32	9,917,272.32	Exchequer
Septic tank/Soak Pit	1,567,000.00	1,567,000.00	100%	1,567,000.00	1,567,000.00	Exchequer
Assembly complex- Mechanical Works	84,320,168.00	84,320,168.00	100%	84,320,168.00	84,320,168.00	Exchequer
Renovations of Ward Offices-Mackinon Ward	4,977,560.00	4,978,160.00	100%	4,977,560.00	4,977,560.00	Exchequer
Renovations of Ward Offices-Bongwe Gombato Ward	4,799,570.00	4,799,570.00	100%	4,799,570.00	4,799,570.00	Exchequer

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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		Where Recorded/recognized					Total Transfers during the Year
					Statement of Financial Performance		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		

**County Assembly of Kwale**  
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**Appendix VII: Disaster Expenditure Reporting Template**

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

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Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost e/f (Kshs) Current Year
Land	-				-
Buildings and structures	-	464,497			464,497
Transport equipment	-				
Office equipment, furniture and fittings	-	13,377,700			13,377,700
ICT Equipment	-	679,218			679,218
Machinery and Equipment	-				
Biological assets	-				
Infrastructure Assets- Roads, Rails	-				
Heritage and cultural assets	-				
Intangible assets					
Work in Progress	-	230,854,278			230,854,278
<b>Total</b>	-	<b>245,375,693</b>	-	-	<b>245,375,693</b>

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**Appendix IX: Recurrent Pending Bills Analysis**

Vote	PV No.	Payee	GL Date	Transaction Number	Line Description	Outstanding Bal	Additions during the year	Paid	Balance
4130201	PV 01/2	Garashi Taxi	17-Dec-24	Garashi001-25	Commercial airplane travel; Domestic	1,588,000.00		1,588,000.00	0.00
4130201	PV 18/2	New Ukunda Service Station	17-Dec-24	201469	Diesel fuel; Unleaded, 1ltr	200,000.00		200,000.00	0.00
4130201	PV 24/2	Pride Inn Flamingo	17-Dec-24	27973/11731/11 777/14267/1540 7	Catering Services	941,048.00		941,048.00	0.00
4130201	PV 02/12	Trident Insurance	17-Dec-24	2024-04-28-002	PROVISION FOR MEDICAL COVER FOR STAFF	11,944,778.00		11,944,778.00	0.00
4130201	PV 37/6	Villagio Travel Limited	17-Dec-24	2.2162E+11	Commercial airplane travel; Domestic	4,110,000.00		4,110,000.00	0.00
4130201	PV 13/6	Prime Number Holdings Limited	18-Dec-24	KRACU010001 7240/4	Water; Bottled, 500ml	1,000,000.00		1,000,000.00	0.00
4130201	PV 06/2	Nation Media Group	18-Dec-24	PO869	Newspaper advertising; 1page coloured	716,824.00		716,824.00	0.00
4130201	PV 34/6	Big Point General Supplies	18-Dec-24	Bigp01	Digital printing; Provision of design and print services	2,100,000.00		2,100,000.00	0.00
4130201	PV 03/5	Jacaranda Hotel	18-Dec-24	JAC01	Catering Services	3,341,428.00		3,341,428.00	0.00
4130201	PV 09/2	Forever Car Hire	18-Dec-24	For345	Commercial airplane travel; Domestic	1,960,000.00		1,960,000.00	0.00
4130201	PV 12/6	Farhash General Supplies	18-Dec-24	FAR02	Water; Bottled, 500ml	932,000.00		932,000.00	0.00
4130201	PV 25/2	The Star	18-Dec-24	1.0455E+34	Newspaper advertising; 1page coloured	921,678.00		921,678.00	0.00
4130201	PV 08/2	Ukhy Mumy	18-Dec-24	Ukhy	Catering services; Comprehensive	1,486,000.00		1,486,000.00	0.00
4130201	PV 26/2	Nemoco Enterprises	19-Dec-24	Nemoco 78	Digital printing; Provision of design and print services	2,304,548.00		2,304,548.00	0.00
4130201	PV 29/6	Hamad Construction	20-Dec-24	68	Water; Bottled, 500ml	1,944,000.00		1,944,000.00	0.00
4130201	PV 11/2	Bahari Agencies	20-Dec-24	Bahari	Commercial airplane travel; Domestic	5,738,314.00		5,738,314.00	0.00
4130201	PV 27/2	Wakaka Investment	20-Dec-24	Waka01	Digital printing; Provision of design and print services	2,000,337.00		2,000,337.00	0.00
4130201	PV 07/2	Kochan Enterprises	20-Dec-24	50	Digital printing; Provision of design and print services	1,064,000.00		1,064,000.00	0.00
4130201	PV 28/2	Chadz Events and Suppliers	20-Dec-24	KRACU010000 9281/1A	Digital printing; Provision of design and print services	1,300,000.00		1,300,000.00	0.00
4130201	PV 70/6	Diani Reef Hotel	20-Dec-24	Reef2024	Catering services; Comprehensive	1,127,000.00		1,127,000.00	0.00
4130201	PV 05/2	Sasu Enterprises	23-Dec-24	Sasuu2023	Catering	386,500.00		386,500.00	0.00
4130201	PV 85/6	Itham Enterprises Limited	28-Jan-25	Itham001	Telecommunication equipment installation or Maintenance	1,928,500.00		1,928,500.00	0.00
4130201	PV 31/6	Standard Group	29-Jan-25	871	Newspaper advertising; 1page coloured	2,141,320.00		2,141,320.00	0.00

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4130201	PV 86/6	Saiguru Travels	30-Apr-25	NBO/23/INV/0 28531	Commercial airplane travel; Domestic	1,833,647.00	1,833,647.00	0.00
4130201	PV 30/2	Madison Gen Insurance	30-Jun-25		Being payment for pending bills	1,036,063.00	1,036,063.00	0.00
4130201	PV 17/2	Madison Gen Insurance	30-Jun-25		Being payment for pending bills	204,022.00	204,022.00	0.00
4130201	PV 19/2	KLB	30-Jun-25		Being payment for pending bills KLB	208,800.00	208,800.00	0.00
4130201	PV 02/2	Kenya School of Government	30-Jun-25		Being payment for pending bills KSG	155,282.00	155,282.00	0.00
4130201	PV 03/2	CPST	30-Jun-25		Being payment for pending bills CPST	160,800.00	160,800.00	0.00
4130201	PV 04/2	Pwani University	30-Jun-25		Being payment for pending bills Pwani	350,000.00	350,000.00	0.00
4130201	PV 69/6	Mnarani Beach Club	30-Jun-25		Being payment for pending bills	161,850.00	161,850.00	0.00
4130201	PV 09/6	Wellness World Sports and Safety Wea	30-Jun-25		Being payment for pending bills	870,000.00	870,000.00	0.00
4130201		Northcoast Hotel	30-Jun-25		Being payment for conference services	660,000.00	660,000.00	0.00
4130201	PV 15/2	KWAWASCO	30-Jun-25		Being payment for pending bills	99,200.00	99,200.00	0.00
4130201	PV 22/2	Madison Gen Insurance	30-Jun-25		Being payment for pending bills	661,046.00	661,046.00	0.00
4130201	PV 106/6	Car loan & Mortgage	30-Jun-25		Being payment for Car loan & Mortgage Fund	53,000,000.00	53,000,000.00	0.00
4130201	PV 32/6	Mdn Consulting Limited	30-Jun-25		Being payment to MDN Consultancy	2,864,400.00	2,864,400.00	0.00
4130201	PV 95/6	Trident Insurance	30-Jun-25		Being payment to TRIDENT GLA	490,804.00	490,804.00	0.00
<b>Sub-Total</b>						<b>113,932,189.00</b>	<b>113,272,189.00</b>	<b>660,000.00</b>

Vote	PV No.	Payee	GL Date	Transaction Number	Line Description	Outstanding B/F	Additions during the year	Paid during the year	Bal
2211103	PV 84/6	UDUGU	28-Jun-25		Being payment for supply of cleaning materials	0.00	2,000,000.00		
		KRA	28-Jun-24		Being payment for withholding tax for	42,511.75		42,511.75	1,965,517.25
		KRA	28-Jun-24		Being payment for withholding tax for	16,508.60		16,508.60	
		KRA	28-Jun-24		Being payment for withholding tax for	39,835.65		39,835.65	0.00
<b>Sub-Total</b>						<b>98,856.00</b>	<b>2,000,000.00</b>	<b>133,338.75</b>	<b>1,965,517.25</b>
<b>GRAND TOTAL</b>						<b>114,031,045.00</b>	<b>2,000,000.00</b>	<b>113,405,527.75</b>	<b>2,625,517.25</b>

County Assembly of Kwale  
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**Appendix X: Receivables ageing Analysis**

<b>TAX RECEIVABLES AGEING ANALYSIS</b>					
<b>DATE OF PAYMENT</b>	<b>EFT NO</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>	<b>%GE</b>	<b>Ageing</b>
30TH OCT 2018	FT18303M759P	TAX Notice from KRA PIN:P051432259E Dated 02.10.2018	4,119,392.00	39%	7 years
03RD JUL 2020	FT20185HM3MJ	Erroneous double payment of FBT-Vide FT20171CBKJD	1,899,057.00	18%	5 years
29TH MAR 2022	FT22082WLCT6	Demand notice-for paid PAYE-Feb 2022	4,478,215.00	43%	3 years
			<b>10,496,664.00</b>		

