

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

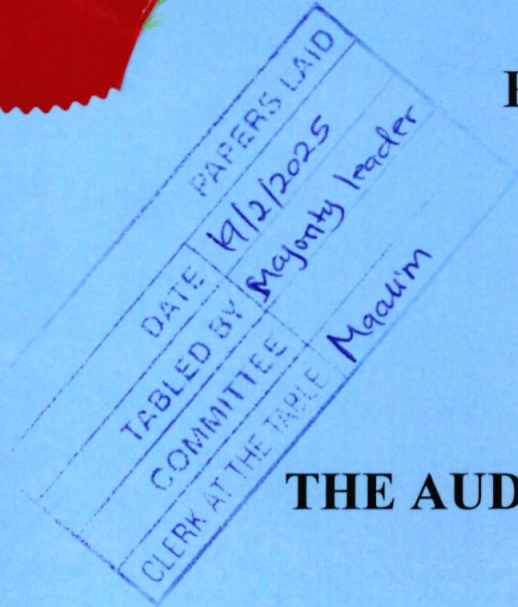
PARLIAMENT
OF KENYA
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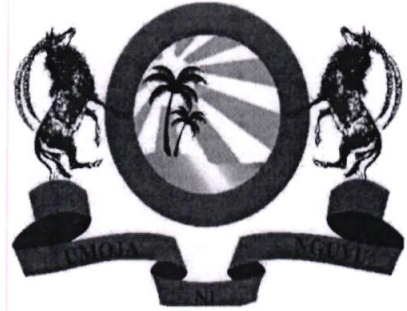
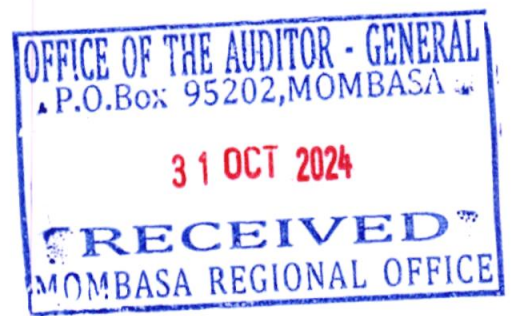
THE AUDITOR-GENERAL

ON

KWALE COUNTY ASSEMBLY

**FOR THE YEAR ENDED
30 JUNE, 2024**





KWALE COUNTY ASSEMBLY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

Prepared in accordance with the Cash Basis of Accounting Method under the International Public
Sector Accounting Standards (IPSAS)

Count Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

TABLE OF CONTENTS

1. Acronyms and Glossary of Terms	ii
2. Key Entity Information and Management.....	iii
3. Governance Statement.....	viii
4. Foreword By the Clerk of The Assembly.....	xiii
5. Statement Of Performance Against County Assembly Predetermined Objectives	xx
6. Corporate Social Responsibility Statement/Sustainability Reporting	xxii
7. Statement Of Management Responsibilities.....	xxiv
8. Report Of the Independent Auditor County Assembly of Kwale for the year ended 30 th June 2024	xxvi
9. Statement of Receipts and Payments for The Year Ended 30 th June 2024	1
10. Statement Of Financial Assets and Liabilities As At 30 th June 2024.....	2
11. Statement Of Cash Flows for The Period Ended 30 th June 2024	3
12. Statement Of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30 th June 2024.....	4
12A Statement of Comparison Of Budget & Actual Amounts: Recurrent for the year ended 30 th June 2024	6
12B Statement Of Comparison of Budget & Actual Amounts: Development for the year ended 30 th June 2024.....	8
13. Budget Execution By Programmes And Sub-Programmes.....	10
14. Significant Accounting Policies	11
15. Notes to the Financial Statements.....	17
16. Progress On Follow On Prior Year Auditor's Recommendations	35
17. Annexes	36

1. Acronyms and Glossary of Terms

a) Acronyms

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

b) Glossary of Terms

Comparative FY	Means the financial year preceding the current financial year.
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2. Key Entity Information and Management

(a) Background information

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

(b) Key Management Team

The 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

Count Government of Kwale

Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

No.	Designation	Name
5.	Director Information Technology & Communication	 Mr. Paul Mwero Ruwah

(c) Fiduciary Management

The key management personnel who held office during the year 30th June 2024 who had direct fiduciary responsibility were:

No.	Designation	Name
1	Accounting Officer- Clerk	Ms. Fatuma Hassan Mwalupa
2	Director Finance And Accounts	CPA Philip Wanje Ziro
3	Director HR and Administration	Mr. Nick Olweya Siso
4	Director Information Technology & Communication	Mr. Paul Mwero Ruwah
5	Chief Hansard Editor	Mercy Murugi Ndirangu
6	Senior Legal Council	Lucy Mwende Waweru
7	Senior Procurement Officer	John Genya Kalu
8	Head of Sargent at Arms	Guzo Hamisi Mwatero
9	Human Resource Officer	Felistus Mwongeli Kalungu
10	Head of ICT	Joseph Ruwa Zecha
11	Head of Internal Audit	CPA Dickson Nyundo Mangale

Key Entity Information and Management (Continued)

(d) 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.

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.

(e) Entity Headquarters

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

(f) Entity Contacts

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

Key Entity Information and Management (Continued)

(g) Entity Bankers

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

Count Government of Kwale

Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

2. Kenya Commercial Bank

P.O. Box 43 – 80403

KWALE, KENYA

(h) Independent Auditor

Auditor-General

Office of The Auditor-General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

(i) Principal Legal Adviser

The Attorney-General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

(j) County Attorney

Office of County Attorney

P.O. Box 4-80403

Kwale County Government Head Quarters

Kwale/Kinango Highway

KWALE, KENYA

3. Governance Statement

The County Assembly

The County Assembly is constituted by the MCAs of Kwale County Government. The Speaker who is elected by the MCAs heads it. The speaker is also the chairperson of the County Assembly Service Board while the County Assembly clerk is the secretary.

Section 10 (4) of the county governments 2012 provides that a county assembly shall observe the following order of precedence.

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

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

- a) Vet and approve nominees for appointment to county public office as may be provided for in this Act or any other law.
- b) Perform the roles set out under Article 185 of the Constitution.
- c) 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.
- d) Approve the borrowing by the county government in accordance with Article 212 of the Constitution.
- e) Approve county development planning; and
- f) Perform any other role as may be set out under the Constitution or legislation.

The County Assembly Executes its mandate, through committees which are broadly classified into two.

a) Select Committees

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

b) 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

Count Government of Kwale

Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

- 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

a) Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. During the year, the committee held two meetings. The committee members during FY 2023/2024 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

Count Government of Kwale

Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

b) 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 2023/2024. The committee members during FY 2023/2024 were:

Member	Designation
Francis Kalama Fondo	Chairperson
Kaamil Said Bokoko	Member
Joseph Mwanzanje Nyawa	Member
Aisha Ashok Kumar	Member
Dickson Nyundo Mangale	Secretary

c) Public Accounts/Investment Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held 16 extra sittings to deal with arising matters. 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

d) Budget and Appropriations Committee

The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were:

Count Government of Kwale

Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

Member	Designation	Ward
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

In addition to the above committees of the County Assembly, the County Assembly has an independent Audit Committee which was constituted in 2020 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

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 2023/2024 and the Budget Estimates 2023/2024.

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.

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.

4. Foreword By the Clerk of The Assembly

The Financial Statements reflect the County Assembly's financial performance and position for the year ended 30th June 2024. These statements were prepared in accordance with the Cash basis Accounting Method under the International Public Sector Accounting Standards (IPSAS) as the Financial Report Framework provided for by the Public Sector Accounting Standards Board.

(i) Budget performance

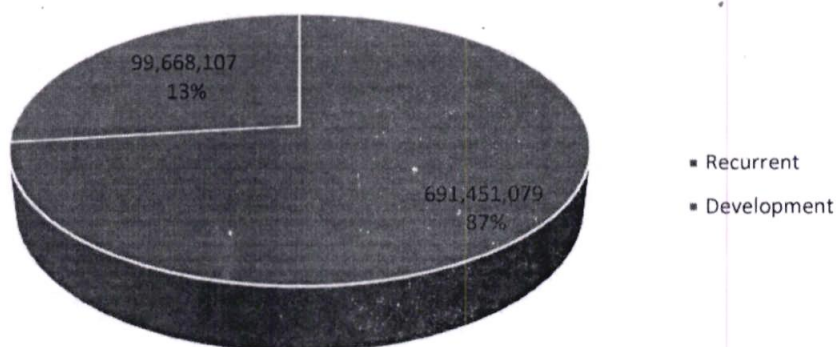
The County Assembly of Kwale had a total budget of Ksh. 1,090,712,566 divided into a Recurrent Budget of Ksh. 793,628,805 that include domestic payables from previous financial year of Ksh. 126,416,396 and a Development Budget of Ksh. 297,083,761 that include domestic payables from previous financial year of Ksh. 93,773,194. The actual exchequer releases were Ksh. 791,216,911 translating to 73% on actual comparable basis.

The absorption of the County Assembly's recurrent budget was Ksh, 691,451,079 which translated to an 87% absorption rate while the development budget had a usage of Ksh. 99,668,107 a translation of 34% absorption rate. On average, 73% of the total budget was absorbed during the financial year.

ACTUAL EXPENDITURE ANALYSIS

	Recurrent	Development	Total
Actual	691,451,079	99,668,107	791,119,186
Absorption	87%	13%	100%

ACTUAL EXPENDITURE ANALYSIS



Count Government of Kwale

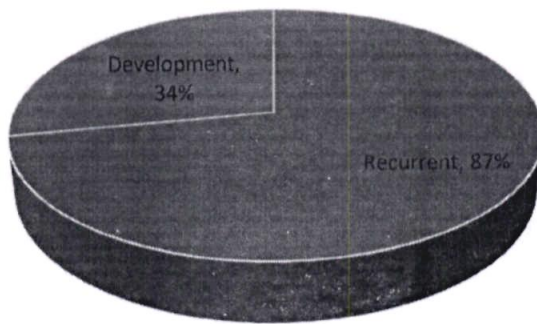
Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

BUDGET ANALYSIS FY 2023/2024

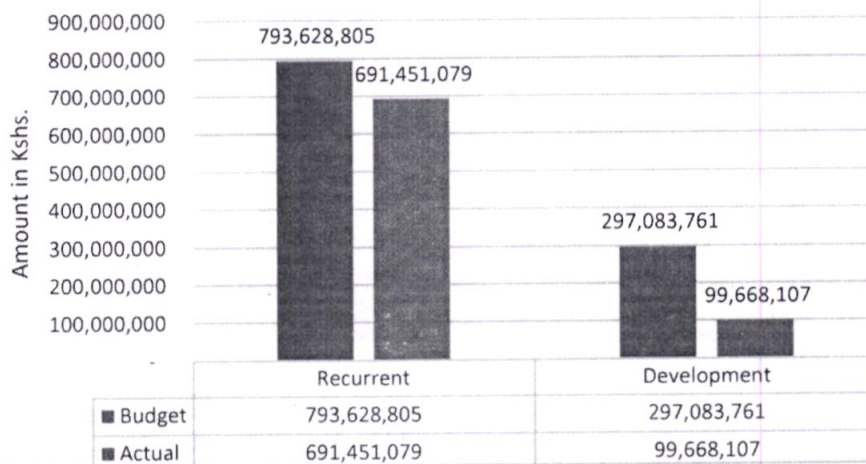
	Recurrent	Development	Total
Budget	793,628,805	297,083,761	1,090,712,566
Actual	691,451,079	99,668,107	791,119,186
Absorption Rate	87%	34%	73%

ABSORPTION RATE



■ Recurrent ■ Development

Budget Analysis FY 2023/2024



(ii) Operational Performance

- a) During the fiscal year 2023/24, 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 2023/2024 was passed on 27th June 2023, The First Supplementary Budget for FY 2023/2024 was passed on 24th October, 2023 and The Second Supplementary Budget for FY 2023/2024 was passed on 20th May 2024.
- 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 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.

Project Description.	Project Progress	Project Output	Project Outcome	Project Impact.
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 & 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 & 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>

Count Government of Kwale

Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

- 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.

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

- 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 recoded 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

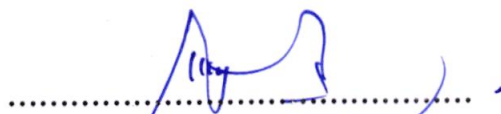
The year was not without its challenges. On the issue of development of MCAs ward offices, the assembly was hampered by unavailability of government land with title deeds where most ward offices are designated to be built. The Assembly is working closely with the department of lands to ensure this is resolved moving forward.

The Electioneering period, slowed passage of some key documents for the County including but not limited to, ten year Sectoral Plan and the County Integrated Development Plan.

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 vision 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

5. Statement Of Performance Against County Assembly Predetermined Objectives

Guidance

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.

Program 1	Objective	Outcome	Indicator	Performance	Remarks
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	3 bills passed in the County Assembly	In FY 2023/2024 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	

Count Government of Kwale

Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

Program 2	Objective	Outcome	Indicator	Performance	Remarks
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. Corporate Social Responsibility Statement/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. 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

d) Market place 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

We are glad to be involved in the social responsibility. In the year under review, the Assembly carried out Bunge Mashinani programme where the public had an opportunity to interact with the Assembly on how it performs its mandate, further the staff of the Assembly are involved in cleaning of Kwale town periodically to make sure that our environment is clean. In addition, the staff of the Assembly visited Kwale Hospital and made donations in forms of drugs and distributed sanitary towels in female wards. Also the Kwale County Assembly netball team donated and installed netball goal posts at Kwale Primary School.

7. 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, 2024. 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, 2024, 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.

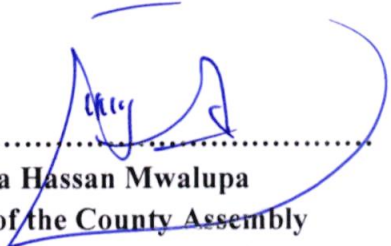
Count Government of Kwale

Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

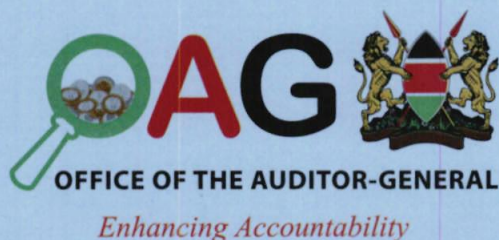
Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 30/10 2024.


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

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 KWALE COUNTY ASSEMBLY FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on the 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 the Lawfulness and Effectiveness in 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 the 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 the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kwale County Assembly set out on pages 1 to 35, which comprise the statement of financial assets and liabilities as at 30 June, 2024, and the statement of receipts and payments, 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 financial statements present fairly, in all material respects, the financial position of Kwale County Assembly as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of the Matter

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.

My opinion is not modified in respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year's 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.

Other Information

The Management is responsible for the other information set out on page iii to xxv which comprise of Key Entity Information and Management, Governance Statement, Statement of performance Against County Assembly Predetermined Objectives, Corporate Social Responsibility Statement/ Sustainability Reporting and Statement of Management Responsibilities. The other information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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 the Lawfulness and Effectiveness in Use of Public Resources section of my report, I

confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Regularity of Human Resource Management Practices

The statement of receipts and payments and Note 4 to the financial statements reflects compensation of employees amount of Kshs.277,502,229. Review of human resource records which include personal files, IPPD and payment vouchers revealed the following:

1.1. 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 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.

1.2. Non-Compliance with the One Third of Basic Salary Rule

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

1.3. Staff Emoluments Paid Outside IPPD Payroll System

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 allocation to personnel emoluments must be supported by integrated personnel Payroll Data (IPPD).

In the circumstances, Management was in breach of the law

2. Irregular Subscription to County Assembly Forum

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.

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed except for the effects of the matter described in the Basis of Conclusion of Effectiveness of Internal Controls, Risk Management and Governance, 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

Grounded Motor Vehicles

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 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.

The audit was conducted in accordance with ISSAIs 2315 and 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 (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

The Assembly Management Committee is responsible for overseeing the Kwale 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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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 IFPP 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

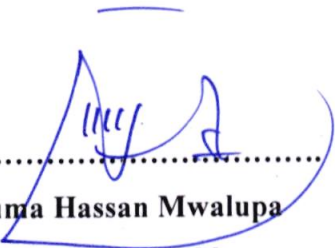
Nairobi

23 December, 2024

9. Statement of Receipts and Payments for The Year Ended 30th June 2024

		2023-2024	2022-2023
	Note	KShs	KShs
Receipts			
Transfers from the CRF	1	791,216,911.	955,008,190
Proceeds from sale of assets	2	-	-
Miscellaneous receipts	3	-	-
Total receipts		791,216,911	955,008,190
Payments			
Compensation of employees	4	277,502,229	241,761,780
Use of goods and services	5	312,412,109	300,928,656
Subsidies	6	-	-
Transfers to other government entities	7	30,968,000	113,392,000
Other grants and transfers	8	-	-
Social security benefits	9	-	-
Acquisition of assets	10	170,236,848	291,363,891
Finance costs	11	-	-
Other payments	12	-	-
Total payments		791,119,186	947,446,328
Surplus/deficit		97,725	7,561,863

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/10/2024 and signed by:

.....

Fatuma Hassan Mwalupa
 Clerk of the Assembly

.....

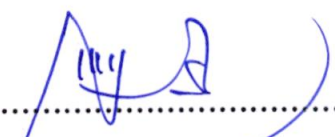
CPA Philip Wanje Ziro
 Director Finance & Accounts– County Assembly
 ICPAK Member Number: 20407

Count Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

10. Statement Of Financial Assets and Liabilities As At 30th June 2024

		2023-2024	2022-2023
Financial assets	Note	KShs	KShs
Cash and cash equivalents			
Bank balances	13A	58,276,711	90,126,052
Cash balances	13B	-	-
Total cash and cash equivalents		58,276,711	90,126,052
Imprests and Advances	14	10,496,664	10,596,664
Total financial assets		68,773,375	100,822,716
Financial liabilities			
Third party deposits and retention	15	58,365,314	82,564,189
Net financial assets		10,408,060	18,258,527
Represented by			
Fund balance b/fwd	16	18,258,527	15,311,980
Prior year adjustment	17	(7,948,191)	(4,615,316)
Surplus/(deficit) for the year		97,725	7,561,863
Net Financial Position		10,408,060	18,258,527

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/06 2024 and signed by:



Fatuma Hassan Mwalupa
 Clerk of the Assembly



CPA Philip Wanje Ziro
 Director Finance & Accounts– County Assembly
 ICPAK Member Number: 20407

Count Government of Kwale

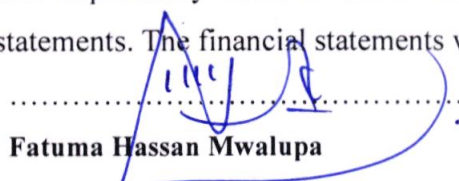
Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

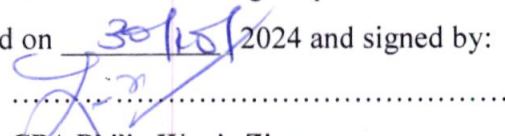
11. Statement Of Cash Flows for The Period Ended 30th June 2024

		2023-2024	2022-2023
	Note	KShs	KShs
Cash flows from operating activities			
Receipts from operating income			
Transfers from the CRF	1	791,216,911	955,008,190
Miscellaneous receipts	3	-	-
Total receipts from operating income		791,216,911	955,008,190
Payments for operating expenses			
Compensation of employees	4	277,502,229	241,761,780
Use of goods and services	5	312,412,109	300,928,656
Subsidies	6	-	-
Transfers to other government entities	7	30,968,000	113,392,000
Other grants and transfers	8	-	-
Social security benefits	9	-	-
Finance costs	11	-	-
Other payments	12	-	-
Total payments for operating expenses		620,882,338	656,082,436
Net receipts/(payments) from operating activities		170,334,573	298,925,754
Adjusted for:			
Prior year adjustment	17	7,948,191	4,615,316
Decrease/(increase) in accounts receivable:	18	200,000	-
Increase/(decrease) in accounts payable:	19	24,198,875	10,929,852
Net cash flows from operating activities		138,387,507	305,240,290
Cash flow from investing activities			
Proceeds from sale of assets	2	-	-
Acquisition of assets	10	170,236,848	291,363,891
Net cash flows from investing activities		170,236,848	291,363,891
Cash flow From Financing Activities			
Repayment of principal on domestic and foreign borrowing		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		31,849,341	13,876,399
Cash & cash equivalent at Start of the year		90,126,052	76,249,653
Cash & cash equivalent at end of the year		58,276,711	90,126,052

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/10/2024 and signed by:


Fatuma Hassan Mwalupa

Clerk of the Assembly


CFA Philip Wanje Ziro

Director Finance & Accounts– County Assembly

ICPAK Member Number: 20407

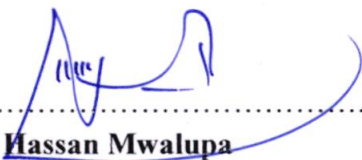
12. Statement Of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30th June 2024

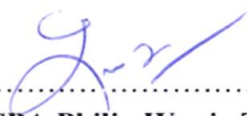
Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	870,522,976	220,189,590	1,090,712,566	791,216,911	299,495,655	73%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total	870,522,976	220,189,590	1,090,712,566	791,216,911	299,495,655	73%
Payments						
Compensation of employees	308,612,771	(15,336,539)	293,276,232	277,502,229	15,774,003	95%
Use of goods and services	321,801,922	20,899,605	342,701,527	312,412,109	30,289,418	91%
Subsidies						
Transfers to other government entities		30,968,000	30,968,000	30,968,000		100%
Other grants and transfers						
Social security benefits						
Acquisition of assets	240,108,283	183,658,524	423,766,807	170,236,848	253,529,959	40%
Finance costs						
Other payments						
Total	870,522,976	220,189,590	1,090,712,566	791,119,186	299,593,380	73%
Surplus/ deficit	-	-	-	97,725	97,725	

(a) 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.

(b) 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 1.7.23.

The entity financial statements were approved on 30.06 2024 and signed by:


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


.....
CPA Philip Wanje Ziro
Director Finance & Accounts – County Assembly
ICPAK Member Number: 20407

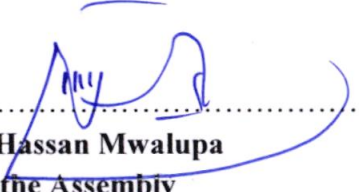
12A Statement of Comparison Of Budget & Actual Amounts: Recurrent for the year ended 30th June 2024

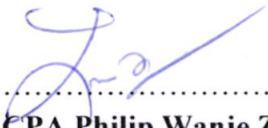
Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	667,212,409	126,416,396	793,628,805	691,548,804	102,080,001	87%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total	667,212,409	126,416,396	793,628,805	691,548,804	102,080,001	87%
Payments						
Compensation of employees	308,612,771	(15,336,539)	293,276,232	277,502,229	15,774,003	95%
Use of goods and services	321,801,922	20,899,605	342,701,527	312,412,109	30,289,418	91%
Subsidies	-	-	-	-	-	
Transfers to other government entities		30,968,000	30,968,000	30,968,000		100%
Other grants and transfers	-	-	-	-	-	
Social security benefits	-	-	-	-	-	
Acquisition of assets	36,797,716	89,885,330	126,683,046	70,568,741	56,114,305	56%
Finance costs	-	-	-	-	-	
Other payments	-	-	-	-	-	
Total	667,212,409	126,416,396	793,628,805	691,451,079	102,177,726	87%
Surplus/ deficit	-	-	-	97,725	97,725	-

(a) The low absorption in Acquisition of assets was due to late disbursement of exchequer releases by the National Treasury which affected utilization.

(b) The changes in the expenditure budget are as a result of internal reallocations. (IPSAS 1.7.23)

The entity financial statements were approved on 30/06 2024 and signed by:


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


.....
CPA Philip Wanje Ziro
Director Finance & Accounts – County Assembly
ICPAK Member Number: 20407

12B Statement Of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 2024

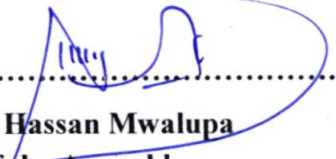
Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	203,310,567	93,773,194	297,083,761	99,668,107	197,415,654	34%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total	203,310,567	93,773,194	297,083,761	99,668,107	197,415,654	34%
Payments						
Compensation of employees	-	-	-	-	-	-
Use of goods and services	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets	203,310,567	93,773,194	297,083,761	99,668,107	197,415,654	34%
Finance costs	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
Total	203,310,567	93,773,194	297,083,761	99,668,107	197,415,654	34%
Surplus/ deficit	-	-	-	-	-	

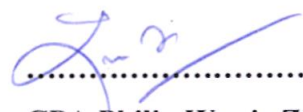
(a) Under acquisition for Assets, 66% of the total budgetary allocation was not absorbed and by end of the year the contractor had not submitted certificates of equal worth to warrant payment

(b) Funds from pending bills from previous budgets were rolled over as first charge item during supplementary budget as per IPSAS

Count Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

The entity financial statements were approved on 30th of 2024 and signed by:


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


.....
CPA Philip Wanje Ziro
Director Finance & Accounts – County Assembly
ICPAK Member Number: 20407

13. Budget Execution By Programmes And Sub-Programmes

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	% Budget utilization
	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme 1	704,019,145	189,452,384	893,471,529	597,290,785	67%
0704013060 (Audit Services)	308,612,771	(15,336,539)	293,276,232	277,502,229	95%
0704043060 (General Administration)	395,406,374	204,788,923	600,195,297	319,788,555	53%
Sub-Programme 3	-	-	-	-	
Programme 2	166,503,831	30,737,206	197,241,037	193,828,402	98%
0705013060 (Oversight and legislation of County affairs)	166,503,831	30,737,206	197,241,037	193,828,402	98%
Sub-Programme 2	-	-	-	-	
Sub-Programme 3	-	-	-	-	
Total	870,522,976	220,189,590	1,090,712,566	791,119,187	73%

14. Significant Accounting Policies

The Significant accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include third party deposits and retentions. The statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on some classes of receivables and payables as outlined above.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

The financial statements are for the Kwale County Assembly. The financial statements encompass the reporting entity as specified in section 164 of PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

The County Assembly recognises all receipts from the various sources when the event occurs, and the related cash has been received by the Assembly.

Significant Accounting Policies (Continued)

i) Transfers from the Exchequer/ County Treasury

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

ii) Other Receipts

Other receipts relate to receipts such as tender fees among others. These are recognised in the financial statements when the associated cash is received.

b) Recognition of payments

The entity recognises all expenses when the event occurs, and the related cash has actually been paid out by the entity.

i) Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

ii) Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

iii) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

Significant Accounting Policies (Continued)

4. In-kind contributions

In-kind contributions are donations that are made to the *entity* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *entity* includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

5. Third Party Payments

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program, a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the county government is detailed in the notes to this financial statement.

6. 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.

7. Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2024, this amounted to KShs. 58,266,458 compared to KShs. 82,377,861 in prior period as indicated on note 13. *There were no other restrictions on cash during the year.*

Significant Accounting Policies (Continued)

8. Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

9. Third party deposits and retention

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

10. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

11. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *entity* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

Significant Accounting Policies (Continued)

12. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. 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. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

13. 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.

Significant Accounting Policies (Continued)

14. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 30th June 2023 for the period 1st July 2023 to 30 June 2024 as required by law. There was two number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

15. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

16. Subsequent events

Events after submission of the financial year end financial statements to County Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of the County Treasury.

17. Prior Period Adjustment

During the year, errors that have been corrected are disclosed *under note 17* explaining the nature and amounts.

18. Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

15. Notes to the Financial Statements**1. Transfer From CRF**

	2023-2024	2022-2023
	Kshs	Kshs
Transfers from the county treasury for Q1	69,487,439	145,006,844
Transfers from the county treasury for Q2	280,843,046	159,466,353
Transfers from the county treasury for Q3	77,259,769	53,219,258
Transfers from the county treasury for Q4	363,626,657	597,315,735
Cumulative amount	791,216,911	955,008,190

2. Proceeds From Sale of Assets

	2023-2024	2022-2023
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

Notes to the Financial Statements**3. Miscellaneous receipts**

	2023-2024	2022-2023
	Kshs	Kshs
Insurance Recoveries	-	-
Other receipts (specify)*	-	-
Total	-	-

4. Compensation Of Employees

	2023-2024	2022-2023
	Kshs	Kshs
Basic salaries of permanent employees	104,267,514	98,485,951
Basic wages of temporary employees	33,471,905	28,700,445
Personal allowances paid as part of salary	102,961,077	84,511,047
Personal allowances paid as reimbursements	2,022,000	1,722,580
Personal allowances provided in kind	3,645,184	1,566,000
Employer contribution to compulsory national social schemes	31,134,549	26,775,757
Employer contribution to compulsory national health insurance schemes	-	-
Pension and other social security contributions	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
Total	277,502,229	241,761,780

Notes To The Financial Statements (Continued)

5. Use Of Goods And Services

	2023-2024	2022-2023
	Kshs	Kshs
Utilities, supplies and services	759,087	184,500
Communication, supplies and services	2,716,000	2,047,413
Domestic travel and subsistence	145,660,738	138,069,445
Foreign travel and subsistence	43,745,448	30,415,260
Printing, advertising and information supplies & services	20,347,525	9,527,374
Rentals of produced assets	-	-
Training expenses	6,263,159	6,951,850
Hospitality supplies and services	35,844,760	42,484,811
Insurance costs	10,389,382	24,192,413
Specialized materials and services	3,478,500	-
Office and general supplies and services	2,887,702	4,626,206
Fuel, oil and lubricants	4,683,000	2,445,325
Other operating expenses (<i>Include Bank charges</i>)	24,554,212	26,603,043
Routine maintenance – vehicles and other transport equipment	9,095,992	8,443,814
Routine maintenance – other assets	1,986,604	4,937,201
Total	312,412,109	300,928,656

Notes To The Financial Statements (Continued)

6. Subsidies

Description	2023-2024	2022-2023
	Kshs	Kshs
Subsidies To County Corporations		
See List Attached		-
(Insert Name)		-
Subsidies To Private Enterprises		
See List Attached		-
(Insert Name)		-
Total		-

7. Transfers To Other Government Entities

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers to national government entities	-	-
Transfers to other county assembly entities		
Car loan scheme fund		
Mortgage scheme/fund		78,000,000
Car Reimbursement	30,968,000	35,392,000
Total	30,968,000	113,392,000

The transfers relates to funds for Car Loan & Mortgage Fund and Car reimbursement for the MCAs.

Notes To The Financial Statements (Continued)

8. Other Grants And Transfers

	2023-2024	2022-2023
	Kshs	Kshs
Scholarships and other educational benefits	-	-
Membership fees and dues and subscriptions to organizations	-	-
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Total	-	-

9. Social Security Benefits

	2023-2024	2022-2023
	Kshs	Kshs
Government Pension and Retirement Benefits	-	-
Social Security Benefits	-	-
Employer Social Benefits	-	-
Total	-	-

Count Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

Notes To The Financial Statements (Continued)

10. Acquisition Of Assets

Non- financial assets	2023-2024	2022-2023
	Kshs	Kshs
Purchase of buildings	-	-
Construction of buildings		86,464,412
Refurbishment of buildings	-	-
Construction of roads	-	-
Construction and civil works	-	-
Overhaul and refurbishment of construction and civil works	-	-
Purchase of vehicles and other transport equipment		16,270,000
Overhaul of vehicles and other transport equipment	-	-
Purchase of household furniture and institutional equipment	-	-
Purchase of office furniture and general equipment	47,501,721	10,878,999
Purchase of specialized plant, equipment and machinery	-	
Rehabilitation and renovation of plant, machinery and equip.	-	
Purchase of certified seeds, breeding stock and live animals	-	
Research, studies, project preparation, design & supervision	-	
Rehabilitation of civil works	-	
Acquisition of strategic stocks and commodities	-	
Acquisition of land	-	
Acquisition of intangible assets	-	
Total acquisition of non- financial assets	47,501,721	113,613,411
Financial assets		
Domestic public non-financial enterprises	122,735,127	177,750,480
Domestic public financial institutions	-	-
Total acquisition of financial assets	122,735,127	177,750,480
Total acquisition of assets	170,236,848	291,363,891

Notes To The Financial Statements (Continued)

11. Finance Costs

	2023-2024	2022-2023
	Kshs	Kshs
Bank charges	-	
Interest payments on foreign borrowings	-	-
Interest payments on guaranteed debt taken over by govt	-	-
Interest on domestic borrowings (non-govt)	-	-
Interest on borrowings from other government units	-	-
Total	-	

12. Other Payments

	2023-2024	2022-2023
	Kshs	Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other Payments	-	-
Total	-	-

Count Government of Kwale
 Kwale County Assembly
 Annual Report and Financial Statements For the year ended 30th June 2024

Notes To The Financial Statements (Continued)

13. Cash And Bank Balances

13A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	2023-2024	2022-2023
			Kshs	Kshs
Central Bank of Kenya, Kwale County Assembly Dev. Acc (Kshs)	A/C No. 1000282568	Development Acc	-	-
Central Bank of Kenya, Kwale County Assembly Recurrent Acc. (Kshs)	A/C No. 1000241567	Recurrent Acc	7,219	7,686,680
Central Bank of Kenya, Kwale County Assembly Deposit Acc (Kshs)	A/C No. 1000282557	Deposits Acc	58,266,458	82,377,861
Kenya Commercial Bank, Kwale County Assembly Imprest Acc. (Kshs)	A/C No. 1142128148	Commercial Bank Accs.	3,033	61,511
Total			58,276,711	90,126,052

These balances do not include bank balances for self-reporting entities and revenue collection accounts as at reporting date.

13B. Cash In Hand

	2023-2024	2022-2023
	Kshs	Kshs
Cash In Hand – Held In Domestic Currency	-	-
Cash In Hand – Held In Foreign Currency	-	-
Total	-	-

Count Government of Kwale
 Kwale County Assembly
 Annual Report and Financial Statements For the year ended 30th June 2024

Notes To The Financial Statements (Continued)

Cash in hand should be analysed as follows:

Description	2023-2024	2022-2023
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

(Provide locations where cash in hand is held e.g. head office, cashier's office, cash office etc)

14. Imprests and Advances

Description	2023-2024	2022-2023
	Kshs	Kshs
Government Imprests	-	10,696,664
Prepayments	10,496,664	
Salary Advance	-	-
Clearance accounts	-	-
Total	10,496,664	10,696,664

Breakdown Of Imprest And Salary Advance Per Department	2023-2024	2022-2023
Imprests	Kshs	Kshs
Clearance Accounts (Rent Deposit)		200,000
Prepayment -FBT & KRA	1,899,057	1,899,057
Prepayment -PAYE & KRA (Demand Notice)	4,119,392	4,119,392
Prepayment-KRA AGENCY NOTICE DD 16032022	4,478,215	4,478,215
Sub-Total	10,496,664	10,696,664
Salary Advance		
Department	-	-
Department	-	-
Sub-Total	-	-
Grand Total	10,496,664	10,696,664

*See Annex 5 for a detailed analysis of the outstanding imprests.

Notes To The Financial Statements (Continued)

15. Third Party Deposits and Advances

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Deposits	-		-	
Unpaid Withholding taxes	98,856		186,328	
Retentions	58,266,458		82,377,861	
Total	58,365,314		82,564,189	
Ageing analysis (third party deposits and advances)	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	16,844,383	29%	25,632,196	31%
1-2 years	2,589,809	4%	20,656,016	25%
2-3 years	9,556,435	16%	6,231,797	8%
Over 3 years	29,374,687	50%	30,044,180	36%
Total (tie to above total)	58,365,314	100%	82,564,189	100%

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

16. Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Accounts	90,126,052	76,249,653
Cash In Hand	-	-
Imprests and advances	10,696,664	10,696,664
Third party deposits and retentions	(82,564,189)	(71,634,337)
Total	18,258,527	15,311,980

Provide short appropriate explanations, as necessary. The fund balances brought forward refers to the previous financial year's closing balances]

Count Government of Kwale
 Kwale County Assembly
 Annual Report and Financial Statements For the year ended 30th June 2024

17. Prior Year Adjustments

	Balance b/f from FY 2022/2023 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted Balance b/f For FY 2023/2024
Description Of The Error	Kshs	Kshs	Kshs
Bank Account Balances	90,126,052	-	90,126,052
Cash In Hand	-	-	-
Imprests and advances	10,696,664	(200,000)	10,496,664
Third party deposits and retention	82,564,189	-	82,564,189
Return to CRF-Development			
Return to CRF-Recurrent		(7,686,680)	(7,686,680)
Return to CRF-Imprest		(61,511)	(61,511)
Others (<i>Specify</i>)	-	-	-
	183,386,905	(7,948,191)	175,438,714

(Prior period adjustment applies to the correction of an error in the financial statements of a prior period. This related to Bank balances for FY 2022/2023 swifted back to CRF.)

18. Changes In Imprests and Advances

Description	2023-2024	2022-2023
	Kshs	Kshs
Opening Imprests and Advances As At 1st July 2023	10,696,664	10,696,664
Closing Imprests and Advances As At 30th June 2024	10,496,664	10,696,664
Change In Imprests and Advances	200,000	-

19. Changes In Third Party Deposits and Retentions

Description	2023-2024	2022-2023
	Kshs	Kshs
Opening Third Party Deposits and Retention As At 1st July 2023	82,564,189	71,634,337
Closing Third Party Deposits and Retention As At 30th June 2024	58,365,314	82,564,189
Change In Third Party Deposits and Retention	(24,198,875)	10,929,852

Count Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

Notes To The Financial Statements (Continued)

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

	Balance b/f 2022/2023	Additions for the year	Paid during the year	Balance c/f 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Buildings	-	-	-	-
Construction Of Civil Works	38,821,986	258,261,775	99,668,107	197,415,654
Supply Of Goods	2,609,131	4,746,000	2,609,131	4,746,000
Supply Of Services	123,807,265	53,955,652	67,959,611	109,803,306
Total	165,238,382	316,963,427	170,236,849	311,964,960

2. Pending Staff Payables (See Annex 2)

	Balance b/f 2022/2023	Additions for the year	Paid during the year	Balance c/f 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Senior Management	-	-	-	-
Middle Management	-	-	-	-
Unionisable Employees	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

Count Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

Notes To The Financial Statements (Continued)

3. Other Pending Payables (See Annex 3)

	Balance b/f 2022/2023	Additions for the year	Paid during the year	Balance c/f 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
Total	-	-	-	-

(Provide explanations for the prior year adjustments made, their nature and effect on the fund balance of the County)

4. External Assistance

	2023-2024	2022-2023
Description	Kshs	Kshs
External assistance received in cash	-	-
External assistance received as loans and grants	-	-
External assistance received in kind- as payment by third parties	-	-
Total	-	-

(Total here to tie to line 2 of note 4)

a) External assistance relating loans and grants

	2023-2024	2022-2023
Description	Kshs	Kshs
External assistance received as loans	-	-
External assistance received as grants	-	-
Total	-	-

Count Government of Kwale

Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

Notes To The Financial Statements (Continued)

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2023-2024	2022-2023
Description		Kshs	Kshs
Undrawn External Assistance - Loans		-	-
Undrawn External Assistance - Grants		-	-
Total		-	-

(This is a disclosure of the assistance not yet received as per donor agreements)

c) Classes of providers of external assistance

	2023-2024	2022-2023
Description	Kshs	Kshs
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

(Provide details for external assistance e, g. Economic development or welfare objective, Emergency relief, Trading activities etc. The total here should tie to totals of note 4))

Count Government of Kwale

Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

Notes To The Financial Statements (Continued)

d. Non-Monetary External Assistance

	2023-2024	2022-2023
Description	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

This may occur when goods such as vehicles, computers, medical equipment, food aid etc are contributed to a county by donors, NGO etc.

N/B: Disclose the basis on which the value of goods and services were determined (This may be by: depreciated historical cost of physical assets, price attached on the goods, an assessment of value by the management of transferor, recipient on Third Party, Fair value measurement. The totals here tie with line 3 of note 4.)

e. Purpose and use of external assistance.

Payments Made By Third Parties	2023-2024	2022-2023
Description	Kshs	Kshs
Compensation Of Employees	-	-
Use Of Goods and Services	-	-
Subsidies	-	-
Transfers To Other Government Units	-	-
Other Grants and Transfers	-	-
Social Security Benefits	-	-
Acquisition Of Assets	-	-
Finance Costs, Including Loan Interest	-	-
Repayment Of Principal On Domestic & Foreign Borrowing	-	-
Other Payments	-	-
Total	-	-

N/B The above sub-classification will be adopted based on the purpose of the external assistance and how the external assistance was used. (The total here should tie to the note 4 on external assistance)

Count Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024
Notes To The Financial Statements (Continued)

f. External Assistance paid by Third Parties on behalf of the Entity by Source

This relates to external assistance paid directly by third parties to settle obligations on behalf of the entity

	2023-2024	2022-2023
Description	Kshs	Kshs
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

(This note should tie to line 3 of note 4 on external assistance)

5. PAYMENTS BY THIRD PARTY ON BEHALF OF THE COUNTY ASSEMBLY

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program; a donor may pay directly for construction of a given market etc.

5.1 Classification by Source

	2023-2024	2022-2023
Description	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

(Third party payments may be done by other entities that are not providers of external assistance)

Count Government of Kwale

Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

Notes To The Financial Statements (Continued)

5.2 Classification of payments made by Third Parties by Nature of expenses.

Payments made by third parties	2023-2024	2022-2023
Description	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other government units	-	-
Other grants and transfers	-	-
Social security benefits	-	-
Acquisition of assets	-	-
Finance costs, including loan interest	-	-
Other payments	-	-
Total	-	-

N/B The above sub classification will be adopted based on the appropriate county's operations.

6. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Assembly:

- i) Members of County Assembly.
- ii) Key management personnel that include the Clerk of the Assembly and heads of departments.
- iii) The County Executive.
- iv) County Ministries and Departments.
- v) Other County Government entities including corporations, funds and boards.
- vi) The National Government.
- vii) Other County Governments; and
- viii) State Corporations and Semi-Autonomous Government Agencies.

Count Government of Kwale

Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

Related party transactions:

	2023-2024	2022-2023
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	120,458,206	119,265,550
Key Management Compensation (Clerk and Heads of departments)	21,579,246	21,365,590
Total Compensation to Key Management	142,037,451	140,631,140
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car and mortgage schemes	30,968,000	78,000,000
Transfers to other entities under the Assembly		
Total Transfers to related parties	30,968,000	78,000,000
<u>Transfers from related parties</u>		
Transfers from the CRF	791,216,911	955,008,190
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	791,216,911	955,008,190

7. Contingent Liabilities

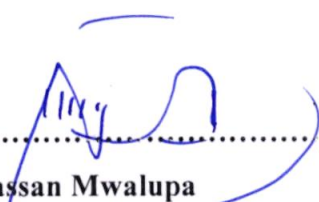
Contingent liabilities	2023-2024	2022-2023
	Kshs	Kshs
Court case xxx against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
contingent liabilities arising from PPPs	-	-
Total	-	-

(Give details- Update ANNEX 8 Contingent liabilities register)

16. Progress On Follow On Prior Year Auditor's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Irregular Payment of Ward Officer's salaries	The Management noted the concern and provide the extra support documentation as recommended.	Not Resolved	30 th Oct 2024
2.	Salaries Paid Outside Integrated Personnel & Payroll Database (IPPD)	The Management noted the concern and shall provide the extra support documentation as recommended.	Not Resolved	30 th Oct 2024
3.	Over Commitment of Salaries	The Management noted the concern and shall provide the extra support documentation as recommended.	Not Resolved	30 th Oct 2024

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Fatuma Hassan Mwalupa

Clerk of the County Assembly

Date 20/10/2024

Count Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

17. Annexes

Annex 1 – Analysis Of Pending Accounts Payable

Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Construction Of Buildings							
Sub-Total							
Construction Of Civil Works							
Hansard Installation-Phase I		Installation of Hansard equipment at the Complex		15,000,000	95,000,000	47,501,721	62,498,279
Assembly complex-Proposed External Works		Provision of external works		1,474,461	38,728,953	37,323,060	2,880,354
MCA's Office Ramisi Ward		Construction of Ramisi Ward Office		464,496			464,496
MCA's Office Vanga Ward		Construction of Ramisi Vanga Office		236,469			236,469
MCA's Office Ndavaya Ward		Construction of Ndavaya Ward Office		482,297			482,297
MCA's Office Kasemeni Ward		Construction of Kasemeni Ward Office		637,323			637,323
Assembly complex		Construction of the Assembly Complex		316,742			316,742

Count Government of Kwale

Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Assembly complex-Fittings & Fixtures		Installation of fixture and fitting at the Chambers		474,104			474,104
Assembly complex-Mechanical Works		Provision for mechanical works		14,469,656		12,600,145	1,869,511
Construction of MCA Office Kubo South		Construction of Kubo South Ward Office		3,831,087		2,243,181	1,587,906
Construction of MCA Office Mwereni		Construction of Mwereni Ward Office		1,435,351			1,435,351
Security walkthrough and Luggage scanners		Security walkthrough and Luggage scanners			14000000		14,000,000
Renovation of Speakers residence		Renovation of Speakers residence			36532822		36,532,822
Renovation of Ward offices		Renovation of Ward offices			74000000		74,000,000
Sub-Total			0	38,821,986	258,261,775	99,668,107	197,415,654
Supply Of Goods							
Ibrahim Hajio	01/02/2023	Supply of bottled water	1,123,200	1,123,200		1,123,200	-
Hamad Construction		Provision for delivery of bottled water			1,944,000		1,944,000
Prime Numbers		Provision for delivery of bottled water			1,000,000		1,000,000
Welness World Sports and safety		Provision for sports uniforms during EALASCA Games			870,000		870,000

Count Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Farhash General supplies		provision for Supply and delivery of Keringet bottled water for public participation			932,000		932,000
Hamad Construction		Supply of bottled water		1,485,931		1,485,931	-
Sub-Total			1,123,200	2,609,131	4,746,000	2,609,131	4,746,000
Supply Of Services							
Sasu Enterprises	01/05/2023	Supply of outside Catering services	393,321	386,500			386,500
Jacaranda Indian Beach Hotel	08/06/2023	Conference & Accomodation services	4,393,190	4,393,190		4,393,190	-
Royal Court Hotel	02/11/2022	Conference services	156,611	156,611			156,611
Current Transfers (Car Loan & Mortgage)		Car Loan & Mortgage		106,000,000		53,000,000	53,000,000
The Standard		Advertisements services		1,250,331		1,250,331	-
The Star Publications		Advertisements services		1,183,312		1,183,312	-
Englishpoint Marina		Conference & Accomodation Services		4,917,670		4,917,670	-
Nemoco		Accomodation Services		2,304,543			2,304,543
Telton Logistics		Taxi Services		1,217,638		1,217,638	-
Jonstac Travel		Air Travel services		90,000		90,000	-
Grey Impala		Air Travel services		1,907,470		1,907,470	-

Count Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Villagio travel ltd		Provision for travel return ticket for staff and MCAs duiring official foreign engagement			1,290,000		1,290,000
Villagio travel ltd		Provision for travel return ticket for staff and MCAs			2,820,000		2,820,000
Bahari Agencies		Provision for travel return tickets to MCAs and staff			5,738,314		5,738,314
Forever Car Hire		Being payment for transport services to Assembly staffs			1,960,000		1,960,000
Forever Car Hire and TS Ltd		Being payment for taxi services			500,000		500,000
Satguru Travels		Provision for return airtickets			1,833,647		1,833,647
Kenya Literature Bureau		Being payment for printing services			208,200		208,200
Chads Enterprises		Provion for bulky photocopying of Assembly documents			1,300,000		1,300,000
Kochan Enterprises Ltd		Provion for bulky photocopying of Assembly documents			1,064,000		1,064,000

Count Government of Kwale

Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Wakaka Enterprises		Provision for bulky photocopying of Assembly documents			3,088,337		3,088,337
Big Point General Supplies		Provision for bulky photocopying of Assembly documents			2,100,000		2,100,000
ITHAM ENTERPRISES LIMITED		Being hire of tents, Public Addresses, generators during different activities			1,928,500		1,928,500
Standard Media Group		Provision of Adertising services			2,141,320		2,141,320
The Star		Provision of Adertising services			921,678		921,678
Nation		Provision of Adertising services			716,824		716,824
MDN Consulting Limited		Being payment for training fees services to the county assembly staff as per attached			2,864,400		2,864,400
Center for Parliamentary studies		Being payment for training services			160,800		160,800
Kenya School of Government		Being payment for training services			155,282		155,282
Pwani University		Provision for training services			350,000		350,000

Count Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Ukhty Mumy outside catering		Being payment for the provision of outside catering			1,486,000		1,486,000
KWAWASCO		Being payment for water bills for the Assembly as per attached			99,200		99,200
Jacaranda Hotel		Provision for accomodation, conference and catering services			3,341,428		3,341,428
North Coast Hotel		Provision for accomodation, conference and catering services			670,000		670,000
Diani Beach Resort		Provision for accomodation, conference and catering services			1,127,000		1,127,000
Mnarani Club		Provision for accomodation, conference and catering services			161,850		161,850
PrideInn Flamingo		Being accomodation and conference services to Assembly			941,048		941,048
Trident Insurance Company		Being payment for provision of GPA			490,804		490,804

Count Government of Kwale

Kwale County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
		insurance cover for staff as per attached					
Madison General Insurance Kenya ltd		Being payment for GPA WIBA for MCAS			204,022		204,022
PACIS Insurance Company ltd		Being payment for the provision of motor vehicle insurance			451,111		451,111
Trident Insurance Company		Being payment for medical cover for assembly staff as per attached			11,944,778		11,944,778
Madison General Insurance Kenya ltd		Being payment for GLA cover for MCAS			661,046		661,046
Madison General Insurance Kenya ltd		Being payment for GLA cover for Staffs			1,036,063		1,036,063
New Ukunda		Being payment for fuel for the assembly vehicle as per attached			200,000		200,000
Sub-Total			4,943,122	123,807,265	53,955,652	67,959,611	109,803,306
Grand Total			6,066,322	165,238,382	316,963,427	170,236,849	311,964,960
Note: Pending bills comprise goods and services rendered and invoiced but not yet settled as at the end of the year.							

Count Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

Annex 2 – Analysis Of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
			a	b	c=a-b		
Senior Management							
1.							
Sub-Total							
Middle Management							
2.							
Sub-Total							
Unionisable Employees							
3.							
Sub-Total							
Others (<i>specify</i>)							
4.							
Sub-Total							
Grand Total							

County Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

Annex 3 – Analysis Of Other Pending Payables

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
			a	b	c=a-b		
Amounts Due To National Govt Entities							
Sub-Total							
Amounts Due To County Govt Entities							
Sub-Total							
Amounts Due To Third Parties							
Big Point General Supplies	Being payment for Printing services (WHVAT)		42,512	-	42,512		
Sir Ali Engineering	Purchase and supplies of Computer accessories		16,509	-	16,509		
Mwanakali Investments	Being payment for maintenance of Motor vehicle (WHVAT)		39,836	-	39,836		
Sub-Total							
Others (Specify)							
Grand Total			98,856		98,856		

Count Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

Annex 4 – Summary Of Non-Current Asset Register

Asset class	Historical Cost b/f (Kshs) 2022/2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs) 2023/2024
Land	22,900,000	-	-	-	22,900,000
Buildings and structures	1,284,881,747	52,166,386	-	-	1,337,048,133
Transport equipment	43,650,048	-	-	-	43,650,048
Office equipment, furniture and fittings	28,088,798	-	-	-	28,088,798
ICT equipment	32,011,620	-	-	-	32,011,620
Machinery and equipment	13,389,125	-	-	-	13,389,125
Biological assets	-	-	-	-	-
Infrastructure assets	12,686,213	47,501,721	-	-	60,187,934
Heritage and cultural assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Work in progress	-	-	-	-	-
Total	1,437,607,551	99,668,107	-	-	1,537,275,658

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Assembly. Additions during the year acquisition of assets during the year. Ensure a complete fixed asset register is separately prepared in line with guidelines from The National Treasury.

County Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

Annex 5 – Analysis Of Accounts Receivables

(a) Prepayments

Name Of Officer Or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		KShs	KShs	KShs
County Assembly	30/6/2022	200,000	200,000	-
Kenya Revenue Authority	30/6/2022	1,899,057		1,899,057
Kenya Revenue Authority	30/6/2022	4,119,392		4,119,392
Kenya Revenue Authority	30/6/2022	4,478,215		4,478,215
Total		10,696,664	200,000	10,496,664

(b) Salary Advance

Name of Officer	Date Advanced	Amount Advanced	Amount Recovered	Balance
		Kshs	Kshs	Kshs
Name Of Officer	dd/mm/yy	-	-	-
Name Of Officer	dd/mm/yy	-	-	-
Name Of Officer	dd/mm/yy	-	-	-
Name Of Officer	dd/mm/yy	-	-	-
Total		-	-	-

Count Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

Annex: 6 Reporting of Climate Relevant Expenditures

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

County Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

Annex 7 Reporting on Disaster Expenditure

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

Count Government of Kwale
Kwale County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

Annex 8: Contingent Liabilities Register

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						