

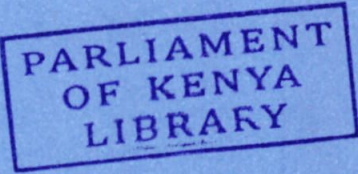
REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**



**THE AUDITOR-GENERAL**

**ON**

**COUNTY ASSEMBLY OF ISIOLO**

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

PAPERS LAID	
DATE	27/2/2025
TABLED BY	Majority Whip
COMMITTEE	
CLERK AT THE TABLE	Angelo



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## ISIOLO COUNTY ASSEMBLY

### ANNUAL REPORT AND FINANCIAL STATEMENTS

#### FOR THE FINANCIAL YEAR ENDED

**30<sup>TH</sup> JUNE 2024**

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

**Count Government of Isiolo**  
**Isiolo County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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**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.

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Speaker of the County Assembly	<b>Mohamed Roba Qoto</b>
2.	Clerk of the County Assembly	<b>Salad Boru Guracha</b>
3.	Deputy Clerk of the County Assembly	<b>Abdullahi Mohamud Halake</b>
4.	Director Finance and Accounting services	<b>Rahima Atikiya Sora</b>
5.	Director Human Resource and Admin	<b>Abubakar Ali Boru</b>
6.	Director ICT and Hansard	<b>Yussuf Mohamed Rashid</b>

### **(c) Fiduciary Management**

The key management personnel who held office during the year ended 2023/2024 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer- Clerk	<b>Salad Boru Guracha</b>
2.	Director Finance and Accounting services	<b>Rahima Atikiya Sora</b>
3.	Principal Accountant	<b>Issadin Muktar Daud</b>
4.	Director Human Resource and Admin	<b>Abubakar Ali Boru</b>
5.	Asst Deputy Director Account	<b>Kaltuma Nuna Abdullahi</b>

**Key Entity Information and Management (Continued)**

**(d) Fiduciary Oversight Arrangements**

*Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):*

- **Audit committee activities**  
Its mandate is to advise the County Government on institutional risk management and compliance.
- **Finance committee activities**  
Its mandate is to investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget
- **Public Accounts and Investment committee**  
Its mandate is to examine the accounts showing the appropriations of the sum voted by the House to meet the public expenditure
- **Budget and Appropriation committee**  
Its mandate is to examine Bills related to the County budget, including Appropriations Bills

**(e) Entity Headquarters**

P.O. Box 195 – 60300  
County Assembly Building  
Hospital Road  
Isiolo, KENYA

**(f) Entity Contacts**

Telephone: (254) 0719574394  
E-mail: [clerkisiolo@gmail.com](mailto:clerkisiolo@gmail.com).  
Website: [www.isiolo.go.ke](http://www.isiolo.go.ke)

**(g) Entity Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**
2. Equity Bank Limited  
P.O. Box 197  
Isiolo

*County Government of Isiolo*  
*Isiolo County Assembly*  
*Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024*

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**(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

### **3. Governance Statement**

#### **The County Assembly**

The County Assembly is constituted by the MCAs of Isiolo county government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the county assembly service board while the county assembly clerk is the secretary.

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

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

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

- 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 of Powers and Privileges
- b) Audit Committee
- c) Public Accounts/Investment Committee
- d) Budget and Appropriations Committee
- e) Early childhood, Education and vocational training committee
- f) Ethics, Justice, Legal Affairs Committee
- g) Health Services Committee
- h) Liaison Committee

**a) Committee of Powers and Privileges**

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held 48 meetings in FY 2023/24. The committee members during FY 2023/24 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Mohamed Roba	Chairperson	Speaker
Hon. David Lemantile	Vice Chairperson	Oldonyiro
Hon. Abdinur Jillo	Member	Kinna
Hon. Halima Goole	Member	Cherab
Hon. Abdirashid Ali	Member	Garbatulla

**b) Audit Committee**

The audit committee was constituted in 1<sup>st</sup> October 2021. Its mandate is to advise the County Government on institutional risk management and compliance. The committee held Three meetings in FY 2023/24. The committee members during FY 2023/24 were:

<b>Member</b>	<b>Designation</b>
Abdia Mohamed	Chairperson
Adan Hatari	Vice-chairperson
Richard Ciira	Member
Hadija Yussuf	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 18 extra sittings to deal with arising matters. The members who served in the committee during the year were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Rahima Abdikadir	Chairperson	Nominated
Hon. Fozia Jibril Bore	Vice chairperson	Nominated
Hon. David Waithaka	Member	Bulapesa
Hon. Nicholas Lorot Ewoton	Member	Burat
Hon. Salesio Kiambi	Member	Wabera

**d) Budget and Appropriations Committee**

The budget and appropriations committee provide 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:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Abdirashid Ali Diba	Chairperson	Garbatulla
Hon. Rahima Abdikadir	Vice Chairperson	Nominated
Hon. Peter Losu Loyan	Member	Ngaremara
Hon. David Lemantile Lrtisian	Member	Oldonyiro
Hon. Dekha Bonja Halake	Member	Nominated

**e) Early childhood, Education and vocational training Committee**

The committee provides guidance to all matters relating to pre-primary education, village polytechnics, home craft centres; special focus on children’s rights especially their access to good quality education, security and childcare facilities.

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. David Waithaka	Chairperson	Bulapesa
Hon. Salesio Kiambi	Vice Chairperson	Wabera
Hon. Rahima Abdikadir	Member	Nominated
Hon. Kamila Warsame	Member	Nominated
Hon. Kelvin Mbutia	Member	

**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 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.

**Risk management**

- Are there effective arrangements for risk management and internal control?
- Are there formal processes to identify and assess risks?
- Are there formal processes to analyse risks as a basis for how they should be managed?
- Are there formal processes to assess changes in the internal and external environments which could give rise to risks?
- Risks identified and analysed in the period and how they were managed.

**Compliance**

The entity should identify the relevant laws and regulations that governs it and disclose its compliance to these laws. There should also be a disclosure whether reports emanating from such compliance are prepared and discussed at the relevant levels or other government offices.

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

Below kindly find; Budget performance, Operational performance, Performance of key development projects, comments on value for money, challenges and recommended way forward.

<b>Budget performance</b>			
<p>The total budget for County Assembly of Isiolo for FY 2023/2024 was Kshs. 579,252,680. The county exchequer disbursed to the assembly was a total sum of Kshs 514,765,436. comprising of Kshs 494,994,495 for recurrent and Kshs 19,770,941 for development. The actual expenditure of the assembly was Kshs 514,746,621 out of the total budget allocation which comprised of recurrent expenditure of Ksh 494,975,680 and development expenditure of Kshs 19,770,941.</p>			
<b>Operational Performance</b>			
<p>During the period under review the County Assembly approved the following policies and laws for the effective and efficient operations of the County Government and benefit to the locals</p> <p>The County Assembly also approved the following budget policy documents in conformity with the requirement of the Public Finance Management Act, 2012</p>			
S/NO	DOCUMENTS	DATE APPROVED	
1.	The Annual Development Plan, 2024	4 <sup>th</sup> December, 2023	Ensure linkage of planning and budgeting as emphasized by M-TEF and take aspirations of local in the development planning of the County Government.
2.	The County Budget Review and Outlook Paper	12 <sup>th</sup> November, 2023	Review budget performance of the previous year to inform planning for the coming year
3.	The County Fiscal Strategy Paper, 2024	11 <sup>th</sup> April, 2023	Trade off priority between for sectors for funding
4.	The Budget Estimates, 2024/2025	30 <sup>th</sup> June, 2023	Guide allocation of resources and county Government expenditure for the year while the locals enjoy services delivery.

Sn	COMMITTEES	FUNCTION
1	<b>Agriculture, Livestock, Fisheries &amp; Cooperatives</b>	All matters relating to agriculture, including crop and animal husbandry, livestock sale yards, County abattoirs, plant and animal disease control; veterinary services (excluding regulation of the profession); animal control and welfare, including licensing of dogs and facilities for the accommodation, care and burial of animals; fisheries; and cooperative movement.
2	<b>County Assembly Business Committee</b>	<p>(a) Prepare and, if necessary, from time to time, adjust the County Assembly calendar with the approval of the County Assembly;</p> <p>(b) monitor and oversee the implementation of the County Assembly business and programmes;</p> <p>(c) implement the Standing Orders respecting the scheduling or programming of the business of the County Assembly and the functioning of the Committees of the County Assembly;</p> <p>(d) determine the order in which the reports of Committees shall be debated in the County Assembly;</p> <p>(e) take decisions and issue directives and guidelines to prioritize or postpone any business of the County Assembly acting with the concurrence of the Leader of the Majority Party or the Leader of the Minority Party, as the case may be; and</p> <p>(f) consider such matters as may, from time to time, arise in connection with the business of the County Assembly and shall have and perform such powers and functions as are conferred on and ascribed to it by these Standing Orders or from time to time by the County Assembly.</p>
3	<b>Health Services,</b>	All matters relating to County health services, including, in particular County health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, cemeteries, funeral parlours and crematoria and refuse removal, refuse dumps and solid waste disposal.
4	<b>Gender, Culture &amp; Community Services</b>	All matters relating to cultural activities and local heritage with keen interest on gender issues; public entertainment and public amenities, including cinemas, video shows and hiring; libraries, museums; County parks, beaches and recreation facilities; control of drugs and pornography; ensuring and coordinating the participation of

		communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in governance at the local level regardless of gender.
5	<b>Transport and Public Works</b>	All matters relating to County transport, including County roads, street lighting, traffic and parking, public road transport and ferries and harbours, excluding the regulation of international and national shipping and matters related thereto; County public works and services including storm water management systems in built-up areas; electricity and gas reticulation and energy regulation; firefighting services and disaster management.
6	<b>Trade &amp; Tourism</b>	All matters relating to trade development and regulation including markets, trade licences (excluding regulation of professions), fair trading practices, betting, casinos and other forms of gambling, racing, liquor licensing; and local tourism.
7	<b>Early Childhood Education and Vocational Training</b>	All matters relating to pre-primary education, village polytechnics, home craft centres; special focus on children's rights especially their access to good quality education, security and childcare facilities.
8	<b>Labour and Social Welfare</b>	All matters relating to labour, trade union relations and human resource planning and development; social welfare, youth and sports activities and facilities; and National Youth Service.
9	<b>Lands, Housing and Urban Development</b>	All matters relating to lands, land survey, mapping, boundaries and fencing, housing and human settlement, physical planning and urban development
10	<b>Environment, Natural Resources and Water</b>	All matters relating to the implementation of specific National Government policies on natural resources and environmental conservation including mining, soil and water conservation and forestry, control of air, water and noise pollution, other public nuisances and outdoor advertising; Water for domestic use including sanitation services; and Irrigation.

11	<b>Committee on Appointments</b>	The Committee on Appointments shall consider, for approval by the County Assembly, appointments under Article 179(2) of the Constitution
12	<b>Public Accounts and Investments Committee</b>	examination of the accounts showing the appropriations of the sum voted by the House to meet the public expenditure and of such other accounts laid before the House as the Committee may think fit; and examination of the working of the public investments
13	<b>County Finance, Budget and Appropriations Committee</b>	investigate, inquire into and report on all matters related to coordination, control and monitoring 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 County budget, including Appropriations Bills; and (e) evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.
14	<b>County Assembly Procedure and Rules Committee</b>	The County Assembly Procedure and Rules Committee shall consider and report on all matters relating to these Standing Orders.
15	<b>Committee on Implementation</b>	The Committee shall scrutinize the resolutions of the County Assembly (including adopted Committee reports), Petitions and the undertakings given by the County Executive Committee and examine – (a) whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented; and whether such implementation has taken place within the minimum time necessary; and (b) whether or not legislation passed by the County Assembly has been operationalized and where operationalized, the extent to which such operationalization has taken place within the minimum time necessary.
16	<b>Committee on Delegated County Legislation</b>	The Committee shall consider in respect of any statutory instrument whether it-

		<p>is in accord with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written law;</p> <p>infringes on rights and fundamental freedoms of the public;</p> <p>contains a matter which in the opinion of the Committee should more properly be dealt with in an Act of the County Assembly;</p> <p>contains imposition of taxation;</p> <p>directly or indirectly bars the jurisdiction of the Courts;</p> <p>gives retrospective effect to any of the provisions in respect of which the Constitution or the Act does not expressly give any such power;</p> <p>involves expenditure from the County Revenue Fund or other public revenues;</p> <p>is defective in its drafting or for any reason the form or purport of the statutory instrument calls for any elucidation;</p> <p>appears to make some unusual or unexpected use of the powers conferred by the Constitution or the Act pursuant to which it is made;</p> <p>appears to have had unjustifiable delay in its publication or laying before County Assembly;</p> <p>makes rights, liberties or obligations unduly dependent upon non-reviewable decisions;</p> <p>makes rights, liberties or obligations unduly dependent upon insufficiently defined administrative powers;</p> <p>inappropriately delegates legislative powers;</p> <p>imposes a fine, imprisonment or other penalty without express authority having been provided for in the enabling legislation;</p> <p>appears for any reason to infringe on the rule of law;</p> <p>inadequately subjects the exercise of legislative power to County Assembly scrutiny; and,</p> <p>accords to any other reason that the Committee considers fit to examine.</p>
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<b>Performance of key development projects</b>
<p>During FY 2023/2024 the assembly was able to undertake the capital projects which were budgeted. It was expected that the projects will have a positive outcome on service delivery by the county assembly. These development projects include;</p> <ul style="list-style-type: none"><li>• Construction of county assembly modern chamber</li></ul>
<b>Comment on value-for-money achievements</b>
<ul style="list-style-type: none"><li>• The chamber is still under construction but once completed it will undoubtedly improve the discharge of the mandate of the county assembly of Isiolo and enhance public participation in the affairs of county assembly.</li></ul>
<b>Challenges and Recommended Way Forward</b>
<ul style="list-style-type: none"><li>• Delay in disbursement of funds from the national treasury</li><li>• Limited budget resources vis a vis demand for the resources.</li></ul>



**Name:** Salad Boru Guracha

**Clerk of the County Assembly**

**5. Statement of Performance Against County Assembly Predetermined Objectives**

**Guidance**

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives.

The key mandate of the County Assembly of Isiolo is legislation, oversight, and representation. To achieve this, the assembly’s program was documented in terms of objective, key performance indicators, and output.

Below were the expected outputs of the assembly in FY 23/24

<b>Program 1</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>	<b>Remarks (Explain the reasons underperformance/ Overperformance)</b>
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	No of bills passed in the County Assembly	<b>In FY 23/24 MCA were trained on</b> <ul style="list-style-type: none"> <li>• <b>Efficient and effective review and analysis of budget documents such as ADP, CFSP and estimates</b></li> <li>• <b>The no. bills passed are 2.</b></li> </ul>	Performance within the range
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	% increase in efficient Assembly operation	<b>County Assembly of Isiolo standing orders were reviewed, amendment proposed and adopted by relevant committee awaiting county assembly approval</b>	Performance within the range

## **6. Corporate Social Responsibility Statement/Sustainability Reporting**

Isiolo 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 4 pillars: putting the Citizen first, delivering legislative services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

### **Sustainability Strategy and Profile -**

To improve and sustain the country's domestic and export performance, Isiolo County Assembly is addressing challenges and exploiting opportunities in the County and legislative framework.

### **Environmental Performance**

- The County Assembly in partnership with key stakeholders planted a total of 20,000 indigenous trees in an effort to rehabilitate and conserve the Forest ecosystem in July 2022. Also, as part of improving the tree cover in country, we partnered with the Ministry of Agriculture and distributed over 10,000 avocado seedlings to the farmers surrounding the Forest as part of promoting commercial farming for export business, boosting national food security and also supporting tree cover.

### **Employee Welfare**

- The County Assembly has a staff establishment of 217 Employees. In the financial year under review the staff and family members were reached with the prescribed sensitization package for non-communicable diseases (NCDs) including Cancer (Breast, Cervical and Prostrate), Diabetes, Hypertension, Stress management and Mental health.
- All staff accessed the screening package for H.I.V, Cancer, Blood pressure, Blood sugar and BMI.
- Sensitization on HIV and AIDS for stakeholders/integrate HIV messages routine activities of people sensitized on reducing stigma and discrimination towards HIV in the workplace
- The Assembly also participated in the OSH training where the staff were sensitized on the safety requirements and their associated rights and cases of work place injury compensation under WIBA and their NHIF

### **Market place practices-**

- The Assembly has an established Complaints Management and Access to Information Framework and appointed officers to the Complaints Committee to address public complaints.
- A Corruption Prevention Committee is being established to address incidences of corruption from within and without. The committee developed a Corruption Risk Assessment and mitigation plan was developed. Measures emanating from the Corruption Risk Mitigation Plan were implemented.

### **Community Engagements-**

- The Assembly is actively engaged in the community recognizing it as a key stakeholder in its operating environment in the year under review as part of its social initiative in order to help protect the community mitigate the effects of drought in the County, we managed to pull our resources together and distributed water and water tanks to various communities

## **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 the County Assembly to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

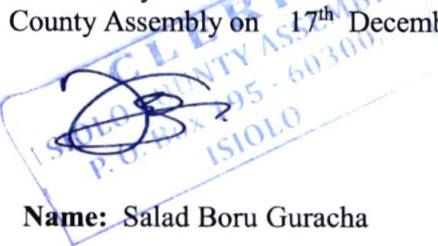
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2024. This responsibility includes: (i) maintaining adequate financial 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 the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the quarter under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

### **Approval of the financial statements**

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 17<sup>th</sup> December, 2024.



**Name:** Salad Boru Guracha

**Clerk of the County Assembly**

# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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Monrovia Street  
P.O Box 30084-00100  
NAIROBI

*Enhancing Accountability*

## REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF ISIOLO FOR THE YEAR ENDED 30 JUNE, 2024

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### 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 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.
- 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.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Isiolo set out on pages 1 to 29, which comprise of 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

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*Report of the Auditor-General on the County Assembly of Isiolo for the year ended 30 June, 2024*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Assembly of Isiolo 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 Government Act, 2012 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unreconciled Variance Between the Payroll and Financial Statement Amounts**

The statement of receipts and payments reflects compensation of employees' balance of Kshs.277,635,497 as disclosed in Note 2 to the financial statements. However, the balance differed with the gross payroll amount of Kshs.188,230,539 thus resulting in unexplained variances of Kshs.89,404,958 as analyzed below:

<b>Description</b>	<b>Financial Statement Amount (Kshs)</b>	<b>IPPD Payroll Amount (Kshs.)</b>	<b>Variance (Kshs.)</b>
Basic Salaries of Permanent Employees	147,994,487	96,125,894	51,868,593
Personal Allowance Paid as Part of Salary	128,649,010	92,104,645	36,544,365
Personal Allowances Paid as Reimbursements	992,000	-	992,000
<b>TOTAL</b>	<b>277,635,497</b>	<b>188,230,539</b>	<b>89,404,958</b>

In the circumstances, the accuracy and completeness of compensation of employees of Kshs.277,635,497 could not be confirmed.

#### **2. Misclassified Expenditure**

The statement of receipts and payments and Note 3 to the financial statements reflects an amount of Kshs.181,154,058 under use of goods and services which includes Kshs.1,400,000 paid in respect to printing, advertising and information supplies. However, review of documentation in support of the expenditure revealed that the payments were related to fuel payments which were incorrectly classified under the printing, advertisement, and supplies instead of fuel oil and lubricants. Further, the payments were not supported by a fuel register, supplier statements, fuel consumption reconciliation statements, detail orders and motor vehicle daily work tickets.

Similarly, the statement of receipts and payments and Note 3 to the financial statements reflects use of goods and services balance of Kshs.181,154,058. Included in this amount is Kshs.1,100,000 classified as specialized materials. However, review of the supporting ledger revealed that the payment made was for daily subsistence allowances to twenty-

three (23) Members of the County Assembly for a three-day retreat to discuss the Isiolo County Finance Bill and therefore the subsistence allowances were wrongly classified as specialized materials.

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

### 3. Irregular Payment of Special Salary Allowances

Note 2 to the financial statements reflects Kshs.277,635,497 in respect to compensation of employees, which includes Kshs.128,649,010 paid in personal allowances. However, review of the Assembly payroll for the 2023/2024 financial year revealed that included in the allowances are Special Salary allowances amounting to Kshs.663,168 which were paid to members who were not part of the House leadership and are not prescribed by the Salaries and Remuneration Commission.

In the circumstances, the accuracy and completeness of the compensation of employees amount of Kshs.277,635,457 could not be confirmed.

### 4. Unsupported Responsibility Allowances

The statement of receipts and payments reflects compensation of employees of Kshs.277,635,497 as disclosed in Note 2 to the financial statements. Included are responsibility allowances amounting to Kshs.4,492,000 paid to members of the County Assembly as per the table below. However, the audit could not ascertain the regularity of these payments as the management did not provide list of officers in leadership positions, list of all assembly committees in place together with their respective members, and attendance registers and minutes for various committees' sittings.

Month	Number of members paid Responsibility	Amount (Kshs)
August	15	405,000
October	16	509,000
November	16	431,000
December	16	431,000
January	16	431,000
February	16	431,000
March	17	483,000
April	17	457,000
May	17	457,000
June	17	457,000
<b>TOTAL</b>		<b>4,492,000</b>

In the circumstances, the accuracy and completeness of the compensation of employees amount of Kshs.277,635,457 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Isiolo 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 Matter**

#### **Budget Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts on comparable basis of Kshs.579,252,680 and Kshs.514,765,436 respectively, resulting to underfunding of Kshs.64,487,244 or 12% of the budget.

The underfunding may have impacted negatively on the implementation of the County Assembly's planned programs and service delivery to the public.

My opinion is not modified in respect of 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. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Information**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for effect of the matters described in the Basis for Conclusion on 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. Non-compliance with Public Sector Accounting Standards Board (PSASB) Reporting Requirements**

Review of the financial statements revealed anomalies in presentation contrary to the guidelines provided by Public Sector Accounting Standards Board template as follows:

- i. The statement of performance against predetermined objectives appears as page X in the table of contents while the actual page is XVI. The same wrong referencing

in the table of contents also appears under the corporate social responsibility statement as well as on the page for the report of the Auditor-General and the page on follow up of Auditor's recommendations.

- ii. There is no information disclosed under the section on progress on follow up of prior year recommendations as required by the reporting template.
- iii. The budget performance section on page X does not display information using descriptive tools like tables, pie charts or graphs and a detailed explanation of budget utilization as required by the reporting template.

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

## **2. Anomalies in Performance Information**

Review of the financial statements revealed anomalies in presentation of Performance information contrary to the guidelines provided by Public Sector Accounting Standards Board template, as follows:

- i. Presented on page xvii of the financial statements for the year ended 30 June, 2024, is Isiolo County Assembly's market place practices report which states that a Corruption Prevention Committee is being established to address incidences of corruption from within and without. The committee developed a Corruption Risk Assessment and mitigation plan and measures emanating from the Assessment and mitigation plan were implemented. However, there was no documentation availed to confirm the existence of such a committee and the members constituting it.
- ii. Presented on page xvii of the financial statements for the year ended 30 June, 2024 is the statement of performance against county predetermined objectives. It states that in the 2023-2024 financial year, MCAs were trained on Efficient and effective review and analysis of budget documents such as the Annual Development Plan, County Fiscal Strategy Paper and estimates with the performance indicator been the number of bills passed. However, there was no information on number of bills passed during the year under review hence the value for money could not be confirmed.
- iii. Presented on page xvii of the financial statements for the year ended 30 June, 2024, is the Isiolo County Assembly's community engagements statement reporting that in the year under review as part of its social initiative in order to help protect the community mitigate the effects of drought in the County, the Assembly distributed water and water tanks to various communities. However, review of documentation presented for audit did not reveal payments relating to water and water tanks.

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

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

Review of human resource records provided revealed that the County Assembly has a staff workforce of two hundred (200), out of which one hundred and twenty-four (124) or 62% are from one dominant ethnic community. This is contrary to the requirements of Section 7(2) of the National Cohesion and Integration Act, 2008 which stipulates that no

public establishment shall have more than one third of its staff from the same ethnic community.

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

#### **4. Failure to Effect the New NSSF Rates**

The County Assembly failed to adjust its monthly payrolls to comply with Sections 21(a) and (b) of the National Social Security Fund (NSSF) Act No. 45 of 2013 which provides that NSSF pension contributions be raised to twelve per cent (12%) of the pensionable wages, with the employer contributing six per cent (6%) of the employee's monthly pensionable earnings and the employee contributing six per cent (6%) of the employee's pensionable earnings deducted from the employee's earnings. This is contrary to regulation 22(2) of the Public Finance Management (County Government) Regulations, 2015 that requires an accounting officer to comply with any tax, levy, duty, pension and commitments as may be provided for by legislation.

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

#### **5. Un-remitted Statutory Deductions**

Payroll data provided for audit review indicated that management deducted monthly LAFUND pension contributions for permanent staff and other County Assembly officers amounting to Kshs. 15,637,311. Remittances records and schedules in respect to employees' contribution to the pension scheme (LAFUND) were not provided for audit. This is contrary to regulation 22(2) of the Public Finance Management County Government Regulations 2015 that requires an accounting officer to comply with any tax, levy, duty, pension and commitments as may be provided for by legislation.

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

#### **6. Manual Payment of Staff Salaries**

The statement of receipts and payments and Note 2 to the financial statements reflects compensation of employees amounting to Kshs. 277,635,497. Analysis of payroll data provided revealed that the County Assembly of Isiolo paid an amount of Kshs. 16,638,567 for 12 months' salary for various Members of the County Assembly. However, the salaries were processed manually, and it was therefore not clear whether statutory deductions were deducted and remitted, this was contrary to Regulation 22(2) of Public Finance Management County Regulations, 2015 that requires an accounting officer to comply with any tax, levy, duty, pension and commitments as may be provided for by legislation. Further, it was not clear why the officers were not allocated their respective payroll numbers for ease of identification and computation of statutory dues.

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

#### **7. Employment of Partisan Staff above the Approved Ceiling**

During the year under review, the County Assembly's payroll had a total of two hundred (200) staff. Included in the list of staff are eighty-seven (87) ward office support staff

engaged on temporary terms who have exceeded the recommended partisan staff in the County Assembly as recommended by the commission of Revenue Allocation of fifty-one (51) partisan staff which is an excess of thirty-six (36) partisan staff. The excess is as a result of the ward offices of the Isiolo County Assembly hiring four (4) staff members instead of three (3) per ward office as required. This contravened the Commission on Revenue Allocation Circular to County Assemblies on operationalization of ward offices that allows each Ward to employ a maximum of three (3) staff members.

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

#### **8. Payment of Subsistence Allowance within 50km Radius**

Note 3 to the financial statements reflects Kshs.181,154,058 in respect of use of goods and services, which includes Kshs.123,504,457 paid in respect to domestic travel and subsistence. Included in the amount, are payments totalling Kshs.4,425,800 incurred on retreats on two official occasions for the County Assembly's sectoral committee held at a conference venue which is approximately 10km from the County Assembly of Isiolo. The payment is therefore contrary to Salaries Remuneration Commission circular dated 7 August, 2023 on payment of daily subsistence allowance which states that payment of daily subsistence allowance shall not be payable for location within a radius of 50km of the affected duty station of the respective officers. Further, attendance registers to confirm that the members participated in the activities for the days paid were not provided for audit review.

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

#### **9. Failure to Submit Monthly Bank Reconciliation Statements**

The statement of financial assets and liabilities reflects cash and cash equivalents (Bank) balance of Kshs.18,815 which was held in three (3) bank accounts, two (2) maintained at CBK for recurrent and development expenditure and one (1) at a local bank for operations during the year under review. No evidence was provided that bank account reconciliations were completed for each bank account held by that Accounting Officer, every month and submitted not later than the 10th of the subsequent month to the County Treasury with a copy to the Auditor-General contrary to Regulation 90(1) of the Public Finance Management (County Governments) Regulation, 2015. Further, the operations account bank statements and the board of survey report for the period under review were not provided for audit review.

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

#### **10. Delayed Completion of the Construction of Debating Chamber and Restaurant**

During the financial year 2019/2020, a contractor was awarded a contract for the proposed construction of debating chamber and restaurant for County Assembly of Isiolo.

The contract commenced on 10 July, 2019 with the slated initial completion date set to be on 31 March, 2021. The contractor filed for a revision of the contract period from

31/03/2021 to 22/06/2022, an additional sixty-four (64) weeks through a letter dated 28 June, 2021.

The contractor further applied for an extension for another 130 weeks (two years, six months) citing delay in appointing sub-contractors vide a letter dated 27 November, 2023. It was also noted that the approval letter of the extension dated 11 July, 2024 was contradictory as it states the completion date after two years and six months' years to be 18 December, 2024 instead of 27 May, 2026.

At the time of audit, two hundred and sixty-four (264) weeks had lapsed and there were no ongoing works as the contractor was not on site with only approximately 40% progress made.

In the circumstances, the integrity, validity, accuracy, and accountability of the expenditure on construction of chambers could not be ascertained.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of an Information Technology Steering Committee**

During the year under review, the County Assembly did not have in place an Information technology steering committee. The function of the information technology steering committee is to carry out the IT strategy and perform the day-to-day activities. Its responsibilities include managing spending, architecture and engineering of IT solutions, allocation of resources, project management and giving feedback to the management. Audit team noted that County Assembly had gaps in information technology governance that might affect information technology management.

In the circumstances, the effectiveness in implementing the IT strategies of the County Assembly could not be confirmed.

## **2. Lack of a Functional and Effective Audit Committee**

The County Assembly had an Audit Committee in place whose term expired on 19 October, 2023. The Committee was however not re appointed implying that the County Assembly had no Committee in place for eight months of the financial year under review. In the circumstances the functions of the Audit Committee were not undertaken including holding Committee meetings every three months and reviewing the performance of the internal audit unit contrary Section 172 (1) of the Public Finance Management (County Government) Regulations, 2015 which require the Committee to meet once in every three months.

In the circumstances, the effectiveness of the Audit Committee in discharging its mandate could not be ascertained.

## **3. Ineffective Internal Audit Arrangements**

During the year under review, the Internal Audit Unit prepared a work plan for the year that was approved by the Audit Committee and the same was included in the Assembly's budget in line with Section 163(2) of Public Finance Management (County Government) Regulations, 2015. However, there was no internal audit report for the year under review to act as a proof of the implementation of the work plan.

In the circumstances, the effectiveness of the Internal Audit Unit to provide an independent appraisal of the County Assembly's operations, internal controls and risk management could not be ascertained.

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 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, Management is responsible for assessing the Assembly's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the Assembly or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**20 December. 2024**

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*Report of the Auditor-General on the County Assembly of Isiolo for the year ended 30 June, 2024*

**9. Statement of Receipts and Payments for The Year Ended 30<sup>th</sup> June 2024**

		2023/24	2022/23
	Note	KShs	KShs
<b>Receipts</b>			
Transfers from the CRF	1	514,765,436	593,536,657
<b>Total receipts</b>		<b>514,765,436</b>	<b>593,536,657</b>
<b>Payments</b>			
Compensation of employees	2	277,635,497	231,870,396
Use of goods and services	3	181,154,058	179,655,649
Transfers to other government entities	4	0	69,044,000
Social security benefits	5	29,997,125	29,636,105
Acquisition of assets	6	25,959,941	32,554,477
Other payments	7	0	50,745,500
<b>Total payments</b>		<b>514,746,621</b>	<b>593,506,127</b>
<b>Surplus/deficit</b>		<b>18,815</b>	<b>30,530</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 17<sup>th</sup> December, 2024 and signed by:



**Name:** Salad Boru Guracha  
**Clerk of the Assembly**



**Name:** Abdullahi Kalthum Nuna  
**Chief Finance Officer – County Assembly**  
**ICPAK Member Number: 29827**

*\*Comparative FY means the financial year preceding the current financial year.*

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

		2023/24	2022/23
<b>Financial assets</b>	<b>Note</b>	<b>KShs</b>	<b>KShs</b>
<b>Cash and cash equivalents</b>			
Bank balances	8A	18,815	30,530
<b>Total cash and cash equivalents</b>		<b>18,815</b>	<b>30,530</b>
<b>Total financial assets</b>		<b>18,815</b>	<b>30,530</b>
<b>Financial liabilities</b>			
<b>Net financial assets</b>		<b>-</b>	<b>-</b>
<b>Represented by</b>			
Fund balance b/fwd	9	<b>30,530</b>	<b>148,059</b>
Prior year adjustment	10	(30,530)	(148,059)
Surplus/(deficit) for the year		18,815	30,530
<b>Net Financial Position</b>		<b>18,815</b>	<b>30,530</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 17<sup>th</sup> December, 2024 and signed by:

**CLERK**  
**ISIOLO COUNTY ASSEMBLY**  
P. O. Box 195, 60200,  
**ISIOLO**  
Name: Salad Boru Guracha  
Clerk of the Assembly

**ISIOLO COUNTY ASSEMBLY**

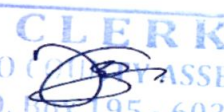
Name: Abdullahi Kalthum Nuna  
Chief Finance Officer – County Assembly  
ICPAK Member Number: 29827

**Count Government of Isiolo**  
**Isiolo County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**11. Statement of Cash Flows for The Period Ended 30<sup>th</sup> June 2024**

		<b>2023/24</b>	<b>2022/23</b>
	<b>Note</b>	<b>KShs</b>	<b>KShs</b>
<b>Cash flows from operating activities</b>			
<b>Receipts from operating income</b>			
Transfers from the CRF	1	514,765,436	593,536,657
Total receipts from operating income		<b>514,765,436</b>	<b>593,536,657</b>
<b>Payments for operating expenses</b>			
Compensation of employees	2	277,635,497	231,870,396
Use of goods and services	3	181,154,058	179,655,649
Transfers to other government entities	4		69,044,000
Social security benefits	5	29,997,125	29,636,105
Other payments	7		50,745,500
Total payments for operating expenses		<b>488,786,680</b>	<b>560,951,650</b>
<b>Adjusted for:</b>			
Prior year adjustment	10	(30,530)	(148,059)
<b>Net cash flows from operating activities</b>		<b>25,948,226</b>	<b>32,436,948</b>
<b>Cashflow from investing activities</b>			
Acquisition of assets	6	25,959,941	32,554,477
<b>Net cash flows from investing activities</b>		<b>(25,959,941)</b>	<b>(32,554,477)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(11,715)</b>	<b>(117,529)</b>
<b>Cash &amp; cash equivalent at Start of the year</b>		<b>30,530</b>	<b>148,059</b>
<b>Cash &amp; cash equivalent at end of the year</b>		<b>18,815</b>	<b>30,530</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 17<sup>th</sup> December, 2024 and signed by:

**CLERK**  
**ISIOLO COUNTY ASSEMBLY**  
**P. O. BOX 195 - 60300,**  
  
**Name: Salad Boru Guracha**  
**Clerk of the Assembly**

**ISIOLO COUNTY ASSEMBLY**  


**Name: Abdullahi Kalthum Nuna**  
**Chief Finance Officer – County Assembly**  
**ICPAK Member Number: 29827**

**12. Statement of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30<sup>th</sup> June 2024**

<b>Receipt/Expense Item</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>% Utilization difference</b>
	<b>KShs</b>	<b>KShs</b>	<b>c=a+b</b>	<b>e=d-c</b>	<b>KShs</b>
<b>RECEIPTS</b>					
Transfers from the County Treasury/Exchequer Releases	579,252,680	-	579,252,680	514,765,436	89%
<b>TOTAL</b>	<b>579,252,680</b>	<b>-</b>	<b>579,252,680</b>	<b>514,765,436</b>	<b>89%</b>
<b>PAYMENTS</b>					
Compensation of Employees	246,870,396	50,748,175	297,618,571	277,635,497	93%
Use of goods and services	252,948,098	-53,271,389	199,676,709	181,154,058	91%
Social Security Benefits	29,934,186	5,832,915	35,767,101	29,997,125	84%
Acquisition of Assets	49,500,000	-3,309,701	46,190,299	25,959,941	56%
<b>TOTAL</b>	<b>579,252,680</b>	<b>0</b>	<b>579,252,680</b>	<b>514,746,621</b>	<b>89%</b>
<b>SURPLUS/ DEFICIT</b>				<b>18,815</b>	

The entity financial statements were approved on 17<sup>th</sup> December, 2024 and signed by:

**CLERK**  
**ISIOLO COUNTY ASSEMBLY**  
P. O. Box 195 - 60300,  
**Name: Salad Boru Guracha**  
**Clerk of the Assembly**

**KNA**  
**ISIOLO COUNTY ASSEMBLY**

**Name: Abdullahi Kalthum Nuna**  
**Chief Finance Officer – County Assembly**  
**ICPAK Member Number: 29827**

**Count Government of Isiolo**  
**Isiolo County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	A	b	c=a+b	e=d-c	
<b>RECEIPTS</b>					
Transfers from the County Treasury/ Exchequer Releases	539,252,680		539,252,680	494,994,495	92%
<b>TOTAL</b>	<b>539,252,680</b>		<b>539,252,680</b>	<b>494,994,495</b>	<b>92%</b>
<b>PAYMENTS</b>					
Compensation of Employees	246,870,396	50,748,175	297,618,571	277,635,497	93%
Use of goods and services	252,948,098	-53,271,389	199,676,709	181,154,058	91%
Social Security Benefits	29,934,186	5,832,915	35,767,101	29,997,125	84%
Acquisition of Assets	9,500,000	-3,309,701	6,190,299	6,189,000	100%
<b>TOTAL</b>	<b>539,252,680</b>	<b>0</b>	<b>539,252,680</b>	<b>494,975,680</b>	<b>92%</b>
<b>Surplus/ Deficit</b>				<b>18,815</b>	

The entity financial statements were approved on 17<sup>th</sup> December, 2024 and signed by:

**CLERK**  
 ISILO COUNTY ASSEMBLY  
 P. O. BOX 195-60300,  
 ISILO

**Name: Salad Boru Guracha**  
**Clerk of the Assembly**


ISILO COUNTY ASSEMBLY

**Name: Abdullahi Kalthum Nuna**  
**Chief Finance Officer – County Assembly**  
**ICPAK Member Number: 29827**

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

<b>Receipt/Expense Item</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>% Utilization difference</b>
	<b>KShs</b>	<b>KShs</b>	<b>c=a+b</b>	<b>e=d-c</b>	<b>KShs</b>
<b>RECEIPTS</b>					
Transfers from the County Treasury/ Exchequer Releases	40,000,000		40,000,000	19,770,941	49%
<b>TOTAL</b>	<b>40,000,000</b>		<b>40,000,000</b>	<b>19,770,941</b>	<b>49%</b>
<b>PAYMENTS</b>					
Acquisition of Assets	40,000,000		40,000,000	19,770,941	49%
<b>TOTAL</b>	<b>40,000,000</b>		<b>40,000,000</b>	<b>19,770,941</b>	<b>49%</b>
<b>SURPLUS/ DEFICIT</b>				<b>0</b>	

The entity financial statements were approved on 17<sup>th</sup> December, 2024 and signed by:

  
**CLERK**  
**ISIOLO COUNTY ASSEMBLY**  
**P. O. BOX 195 - GARSOLO**  
**ISIOLO**  
**Name: Salad Boru Guracha**  
**Clerk of the Assembly**

  
**ISIOLO COUNTY ASSEMBLY**

**Name: Abdullahi Kalthum Nuna**  
**Chief Finance Officer – County Assembly**  
**ICPAK Member Number: 29827**

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**13. Budget Execution by Programmes and Sub-Programmes**

<b>Programme/Sub-programme</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on comparable basis</b>	<b>Budget utilization difference</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>Programme 1</b>					
<b>Administration Support Services</b>	539,252,680	0	539,252,680	494,975,680	44,277,000
<b>Total</b>	<b>539,252,680</b>	<b>0</b>	<b>539,252,680</b>	<b>494,975,680</b>	<b>44,277,000</b>
<b>Programme 2</b>					
<b>Infrastructure support</b>	40,000,000	0	40,000,000	19,770,941	20,229,059
<b>Total</b>	<b>40,000,000</b>	<b>0</b>	<b>40,000,000</b>	<b>19,770,941</b>	<b>20,229,059</b>

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**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 Isiolo 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

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***Isiolo County Assembly***

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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 30<sup>th</sup> June 2024.

**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

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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.

**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.

**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 30<sup>th</sup> June 2023 for the period 1<sup>st</sup> July 2023 to 30<sup>th</sup> June 2024 as required by law. There was one supplementary budget passed in the year. The supplementary budgets were approved on 03/18/2024. A high-level assessment of the County Assembly of Isiolo actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in 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 10* 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

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- 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.

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**15. Notes to the Financial Statements**

**1. Transfer From CRF**

	<b>2023/24</b>	<b>2022/23</b>
	<b>KShs</b>	<b>KShs</b>
Transfers from the county treasury for Q1	74,310,486.00	40,079,534
Transfers from the county treasury for Q2	98,810,486.00	141,748,804
Transfers from the county treasury for Q3	126,424,718.00	145,883,246
Transfers from the county treasury for Q4	215,219,746.00	265,825,073
<b>Cumulative amount</b>	<b>514,765,436.00</b>	<b>593,536,657</b>

**2. Compensation Of Employees**

	<b>2023/24</b>	<b>2022/23</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic salaries of permanent employees	147,994,487	132,894,162
Basic wages of temporary employees	-	-
Personal allowances paid as part of salary	128,649,010	97,248,234
Personal allowances paid as reimbursements	992,000	1,728,000
<b>Total</b>	<b>277,635,497</b>	<b>231,870,396</b>

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

**3. Use Of Goods And Services**

	<b>2023/24</b>	<b>2022/23</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	1,050,000	800,000
Communication, supplies and services		2,168,000
Domestic travel and subsistence	123,504,457	84,857,010
Foreign travel and subsistence		8,527,079
Printing, advertising and information supplies & services	1,400,000	780,000
Rentals of produced assets	13,560,000	37,614,420
Training expenses	6,080,800	7,111,700
Hospitality supplies and services	10,423,200	5,400,381
Insurance costs	10,000,000	26,438,597
Specialized materials and services	1,100,000	600,016
Office and general supplies and services	5,700,000	330,000
Fuel, oil and lubricants	2,000,000	2,080,000
Other operating expenses	5,400,000	2,860,980
Routine maintenance – vehicles and other transport equipment	235,601	87,466
Routine maintenance – other assets	700,000	
<b>Total</b>	<b>181,154,058</b>	<b>179,655,649</b>

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**4. Transfers To Other Government Entities**

Description	2023/24	2022/23
	Kshs	Kshs
<b>Transfers to national government entities</b>	-	-
<b>Transfers to other county assembly entities</b>		
Car loan scheme fund		26,544,000
Mortgage scheme/fund		42,500,000
Others (insert name of budget agency)		-
		-
<b>Total</b>		<b>69,044,000</b>

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

**5. Social Security Benefits**

	<b>2023/24</b>	<b>2022/23</b>
	<b>Kshs</b>	<b>Kshs</b>
Government Pension and Retirement Benefits	29,997,125	29,636,105
Social Security Benefits	-	-
Employer Social Benefits	-	-
<b>Total</b>	<b>29,997,125</b>	<b>29,636,105</b>

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

**6. Acquisition Of Assets**

<b>Non- financial assets</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of buildings	-	-
Construction of buildings	19,770,941	5,440,500
Purchase of vehicles and other transport equipment		23,770,000
Overhaul of vehicles and other transport equipment	-	-
Purchase of household furniture and institutional equipment	-	-
Purchase of office furniture and general equipment	6,189,000	3,343,977
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	-	-
<b>Total acquisition of assets</b>	<b>25,959,941</b>	<b>32,554,477</b>

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

**7. Other Payments**

	<b>2023/24</b>	<b>2022/23</b>
	<b>Kshs</b>	<b>Kshs</b>
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other Payments	-	50,745,500
<b>Total</b>	-	<b>50,745,500</b>

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

**8. Cash and Bank Balances**

**8A. Bank Balances**

<b>Name Of Bank, Account Name &amp; Currency</b>	<b>Account Number</b>	<b>Indicate whether Rec, Dev, Dep e.t.c</b>	<b>2023/24</b>	<b>2022/23</b>
			<b>Kshs</b>	<b>Kshs</b>
Central Bank of Account No. 1000195746		Development	0	2,678.20
Central Bank of Account No. 1000195738		Recurrent	17,376	27,851.85
Equity Bank Limited Account No. 0410261437860		Commercial Bank Accs	1,439	0
<b>Total</b>			<b>18,815</b>	<b>30,530</b>

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

**9. Fund Balance Brought Forward**

<b>Description</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank Accounts	30,530	148,059
Cash In Hand	-	-
Imprests and advances	-	-
<b>Total</b>	<b>30,530</b>	<b>148,059</b>

**10. Prior Year Adjustments**

	<b>Balance b/f from Comparative FY as per audited financial statements</b>	<b>Adjustments during the year relating to prior periods</b>	<b>Adjusted ** Balance b/f For Comparative FY</b>
<b>Description Of The Error</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Bank Account Balances	30,530	(30,530)	-
Cash In Hand	-	-	-
Imprests and advances	-	-	-
Third party deposits and retention	-	-	-
Others ( <i>Specify</i> )	-	-	-
	<b>30,530</b>	<b>(30,530)</b>	<b>-</b>

*Bank Account balances relates to the amount of money returned to the County Revenue Fund (CRF) account for the prior year. Thus, necessitating the adjustment, so as to start the financial year under review on a zero balance.*

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

**Other Disclosures**

**1. Pending Accounts Payable (See Annex 1)**

	<b>Balance b/f 2022/23</b>	<b>Additions for the year</b>	<b>Paid during the year</b>	<b>Balance c/f 2023/24</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Construction of Buildings	6,366,185	6,420,771	0	12,786,956
Construction of Civil Works	5,776,595.6	0	0	5,776,595.60
Supply of Goods	13,917,538.80	0	0	13,917,538.80
Supply of Services	10,923,886.60	16,373,190	0	27,297,076.6
Compensation of Employees		27,884,995	0	27,884,995
<b>Total</b>	<b>36,984,206</b>	<b>50,678,956</b>	<b>0</b>	<b>87,663,162</b>

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

**2. 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.

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**Related party transactions:**

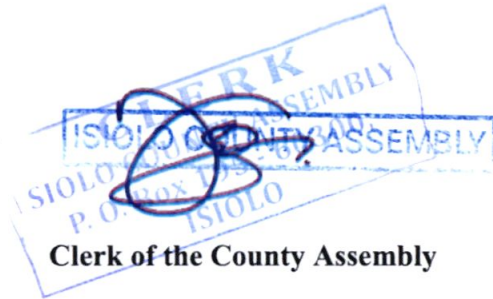
	<b>2023/24</b>	<b>2022/23</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Compensation to Key Management</b>		
Compensation to the Speaker, Deputy Speaker and the MCAs	71,019,360	71,019,360
Key Management Compensation (Clerk and Heads of departments)	35,562,360	35,562,360
<b>Total Compensation to Key Management</b>	<b>106,581,720</b>	<b>106,581,720</b>
<b><u>Transfers to related parties</u></b>		
Transfers to other County Government Entities such as car and mortgage schemes	-	-
Transfers to other entities under the Assembly	-	-
<b>Total Transfers to related parties</b>	<b>-</b>	<b>-</b>
<b><u>Transfers from related parties</u></b>		
Transfers from the CRF	514,765,436	593,536,657
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	-	-
<b>Total Transfers from related parties</b>	<b>514,765,436</b>	<b>593,536,657</b>

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**3. 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)



Clerk of the County Assembly

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**4. Annexes**

**Annex 1 – Analysis of Pending Accounts Payable**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2024/25
		a	b	c	d=a-c
1. Equilibrium Investment	Construction of buildings	600,000	29/6/2015	0	600,000
2. Masala General Agencies	Construction of buildings	1,244,907	29/6/2015	1,200,000	44,907
3. Bakal Agencies	Construction of buildings	1,296,442	29/6/2015	0	1,296,442
4. Lesapur Company Ltd	Construction of buildings	1,784,836	19/6/2018	0	1,784,836
5. Sun Spike Construction Co.	Construction of buildings	2,280,000	29/6/2018	500,000	1,780,000
6. Mumtahina Construction Co.	Construction of civil works	1,540,000	7/5/2018	0	1,540,000
7. Vista Valley	Construction of buildings	860,000	19/6/2018	0	860,000
8. Mirage 2019 Enterprises Limited	Construction of civil works	681,423.20	27/4/2020	0	681,423.20
9. Mfi Document Solutions Limited	Supply of goods	949,541.40	29/3/2020	0	949,541.40
10. Elsa Hotel Ltd	Supply of service	982,758.60	7/5/2017	0	982,758.60
11. Dikco Limited	Supply of goods	1,101,672.40	20/2/2020	0	1,101,672.40
12. S And S Company Limited	Supply of service	1,474,137.95	19/5/2021	0	1,474,137.95
13. Sulidi Company Limited	Supply of service	1,500,000	8/6/2020	1,500,000	0
14. Dikco Limited	Supply of goods	1,518,362.05	7/5/2021	0	1,518,362.05

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Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2024/25
15. Sazar Investment Limited	Supply of service	1,694,423.30	02/8/2021	0	1,694,423.30
16. Dere And Sons Transporters and Supp	Supply of service	1,768,965.50	18/7/2020	0	1,768,965.50
17. Neilsprit Investments Limited	Supply of goods	1,788,620.70	29/3/2018	0	1,788,620.70
18. Snow Ship Limited	Supply of goods	1,792,551.70	7/08/2020	0	1,792,551.70
19. Trans-Bach Limited	Supply of goods	2,260,344.85	27/6/2021	0	2,260,344.85
20. Japrim Transport Solution	Supply of service	2,358,620.70	07/9/2020	1,300,000	1,058,620
21. Trans-Bach Limited	Supply of goods	2,358,620.70	07/07/2019	0	2,358,620.70
22. Japrim Transport Solution	Supply of service	2,993,256.40	13/9/2021	2,800,000	193,256
23. Kotile General Contractors Limited	Construction of civil works	3,555,172.40	07/8/2021	0	3,555,172.40
24. Talas Transporters	Supply of service	3,524,916.25	07/2/2018	0	3,524,916.25
25. Office Ideals Limited	Supply of goods	3,147,825.00	25/11/2018	1,000,000	2,147,825.00
26. Trippleage Investment Limited	Supply of service	3,400,000	29/3/2020	3,400,000	0
27. Diamond Nature Limited	Supply of goods	2,300,000	7/5/2017	2,300,000	0
28. Ranglands Hotels Limited	Supply of service	1,050,500	20/2/2020	1,050,500	0
29. Japrim Transport Solution	Supply of service	2,700,000	19/5/2021	2,700,000	0
30. Abakan Instants	Supply of goods	331,000	8/6/2020	331,000	0
31. Ariston Construction Co Ltd	Construction of civil works	1,200,000	7/5/2021	1,200,000	0
32. Japrim Transport Solution	Supply of service	2,400,000	29/3/2020	2,400,000	0
33. Bahrain Solutions Limited	Supply of service	2,300,000	7/5/2017	2,300,000	0
34. Farhiya Traders	Supply of goods	500,000	20/2/2020	500,000	0
35. Flyvon Enterprises Limited	Supply of goods	2,600,000	7/5/2019	2,600,000	0

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Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2024/25
36. Hial Company Limited	Supply of goods	2,800,000	19/6/2021	2,800,000	0
37. Japrim Transport Solution	Supply of service	3,000,000	29/6/2020	3,000,000	0
38. Jirata Investments Limited	Supply of service	1,200,000	7/5/2019	1,200,000	0
39. Hial Company Limited	Supply of goods	2,000,000	19/6/2017	2,000,000	0
40. Tazab Company Limited	Supply of goods	2,362,000	27/4/2021	2,362,000	0
41. Jirata Investments Limited	Supply of service	1,840,000	29/3/2021	1,840,000	0
42. Tazab Company Limited	Supply of goods	2,362,000	7/5/2019	2,362,000	0
43. Jirata Investments Limited	Supply of service	1,700,000	20/2/2020	1,700,000	0
44. Tazab Company Limited	Supply of goods	3,000,000	19/6/2017	3,000,000	0
45. Yeilink Limited	Supply of service	1,000,000	29/6/2018	1,000,000	0
46. Japrim Transport Solution	Supply of service	2,600,000	7/5/2016	2,600,000	0
47. Madison Insurance Company	Supply of service	23,800,000	28/5/2024	10,000,000	13,800,000
48. Rangeland Hotel	Supply of service	4,000,000	2/2/2024	1,200,000	2,800,000
49. Compensation of Employees	Supply of service	27,884,994	30/6/2024		27,884,994
50. Top Quality Company	Construction of buildings	6,420,771	2/10/2023		6,420,771
<b>Sub-Total</b>		<b>149,808,663.1</b>		<b>62,145,500</b>	<b>87,663,162</b>

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**Annex 4 – Summary of Non-Current Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) Previous Year</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Transfers in/(out) during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 2024</b>
Land	-	-	-	-	-
Buildings and structures	440,424,849	19,770,941	-	-	<b>460,195,790</b>
Transport equipment	44,380,396	-	-	-	<b>44,380,396</b>
Office equipment, furniture and fittings	31,778,158	6,189,000	-	-	<b>37,967,158</b>
ICT equipment	-	-	-	-	-
Machinery and equipment	25,241,920	-	-	-	<b>25,241,920</b>
Biological assets	-	-	-	-	-
Infrastructure assets	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Intangible assets	7,000,000	-	-	-	<b>7,000,000</b>
Work in progress	-	-	-	-	-
<b>Total</b>	<b>548,825,323</b>	<b>25,959,941</b>			<b>574,785,264</b>