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REPORT

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OF THE AUDITOR-GENERAL

ON

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD

FOR THE YEAR ENDED 30 JUNE, 2026

COUNTY GOVERNMENT OF TRANS NZOIA



OFFICE OF THE AUDITOR GENERAL
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COUNTY PUBLIC SERVICE BOARD

Transforming the public service workforce

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2026

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

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1. ACRONYMS AND DEFINITION OF KEY TERMS

Board	Trans Nzoia County Public Service Board
CGA, 2012	County Governments Act, 2012
CoK, 2010	Constitution of Kenya, 2010
County	County Government of Trans Nzoia
County Assembly	County Assembly of Trans Nzoia
CPSB	County Public Service Board
CS	Certified Secretary
DIALs	Declaration of Income, Assets, and Liabilities
Div.	Division
ECDE	Early Childhood Development Education
FY	Financial Year
H.E.	His Excellency
HR	Human Resource
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information Communication Technology
IPSAS	International Public Sector Accounting Standards
Kshs	Kenya Shillings
P & P	Permanent and Pensionable
PFM Act	Public Finance Management Act
PLWDs	Persons Living with Disability
PSASB	Public Sector Accounting Standards Board
PSC	Public Service Commission of Kenya
SCM	Supply Chain Management

2. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Trans-Nzoia County Public Service Board was established pursuant to the provisions of section 57 of the County Government Act (Number.17 of 2012) which operationalized article 235 of the constitution of Kenya 2010.Trans-Nzoia County Public Service Board was approved by the Trans-Nzoia County Assembly in 2013 and thereafter appointed and gazetted by H.E. the Governor.

The overall mandate of the Board is to build and manage the human resource capacity of the Trans Nzoia County Government for effective and efficient delivery of services, as derived from the County Governments Act Number 17 of 2012.

b) Principal Activities

Vision: A leading Board in client-centred public service

Mission: To provide efficient and effective public service delivery through management and development of competent human capital.

Strategic goals/Objectives

i. To ensure optimal staffing levels in all County departments
ii. To ensure career progression of county staff
iii. To enhance skills upgrading and multi-tasking
iv. To provide clear information on pension and social security services
v. To enhance collaboration and cooperation in sharing information and promote adherence to articles 10, and 232 of the Kenya Constitution 2010
vi. To inculcate good work culture in the County Public Service
vii. To have a harmonized grading and remuneration structure for the county public service employees.
viii. Ensure sustainability and continuity in public service delivery
ix. To strengthen the policy and regulatory framework that governs the Board and the County Public Service
x. Establish modern systems for record and information management.
xi. To improve work environment and enhance efficiency and effectiveness in service delivery.

Mandate

The overall mandate of the Board is to build and manage the human resource capacity of the Trans Nzoia County Government for effective and efficient delivery of services, as derived from the County Governments Act Number 17 of 2012.

The mandate of the Board is provided under Section 59 of the County Governments Act (CGA), 2012 as follows: -

i. Establish and abolish offices in the County Public Service.
ii. Appoint persons to hold or act in offices of the County Public Service including in the boards of cities and urban areas within the County and to confirm appointments.
iii. Exercise disciplinary control over, and remove, persons holding or acting in those offices as provided for under this part.

iv. Prepare regular reports for submission to the County Assembly on the execution of the functions of the Board.
v. Promote in the County Public Service the values and principles referred to in Articles 10 and 232.
vi. Evaluate and report to the County Assembly on the extent to which the values and principles referred to in Articles 10 and 232 are complied with in the County Public Service.
vii. Facilitate the development of coherent, integrated human resource planning and budgeting for personnel emoluments in counties.
viii. Advise the County Government on human resource management development.
ix. Advise county government on implementation and monitoring of the national performance management system in counties.
x. Make recommendations to the Salaries and Remuneration Commission, on behalf of the county government, on the remuneration, pensions and gratuities for county public service employees.

c) Assurance and Audit

Trans Nzoia County Public Service Board applies a combined assurance model to enhance the reliability of this report. Assurance is provided through:

- Management reviews
- Internal audit assessments overseen by the County Audit Committee
- External audit of financial statements by the Office of the Auditor-General (OAG)

Legal, Compliance, and Corporate Governance Audits are conducted biannually to ensure adherence to applicable laws, regulations, and governance standards. The Board has applied its collective judgment to this report and confirms that it provides a balanced and accurate reflection of the Trans Nzoia County Public Board's performance

d) Board Headquarters

P.O. Box 4210-30200
Near Mt. Elgon Hospital
KITALE, KENYA

e) Board Contacts

Telephone: (254) 713 635 352
E-mail: cpsbtransnzoia@gmail.com

f) Board Bankers

Trans Nzoia County Public Service Board Operation/Imprest Account
Kenya Commercial Bank
Account No. 1149298472
Kitale-Kenya

g) Independent Auditors

Auditor General
Office of the Auditor General,
Anniversary Towers, Monrovia

P.O. Box 30084
GPO 00100
Nairobi, Kenya

h) Principal Legal Adviser
The County Attorney
County Government of Trans Nzoia
P.O. Box 4211 30200
Kitale, Kenya

3. BOARD CHAIRPERSON'S REPORT

Trans-Nzoia County Public Service Board was established pursuant to the provisions of Section 57 of the County Government Act (Number.17 of 2012) which operationalized article 235 of the Constitution of Kenya 2010. The Inaugural Trans-Nzoia County Public Service Board was approved by the Trans-Nzoia County Assembly in July, 2013 and thereafter appointed and gazetted by the Governor for a six (6) year term that ended in July, 2019. The second generation Board was approved by the Trans-Nzoia County Assembly in February, 2020 and thereafter appointed and gazetted by the Governor on 4th March, 2020 for a six (6) year term that ended on 28th February, 2026. The members of the Board that exited on 28th February, 2026 were; Mr Peter M. Wamoto, Chairperson, Mrs Rosemary N. Wanaswa, Vice Chairperson, Mrs Elymaryta Agatha Khaoya, Dr Silvester Wanyama Mackton , Mr Samuel N. Warui and Mr. Edward K. Kitur as members.

The third generation Board was approved by the Trans-Nzoia County Assembly in March, 2026 and thereafter appointed and gazetted by the Governor on 12th March, 2026 for a six (6) year term. The new Board members are as follows:-

i)	Board Chairperson	Mrs Joyce Nakhanu Wamalwa
ii)	Board Vice Chairperson	Dr David Wafula Lwangale
iii)	Board Member	Dr Scholastica Namalwa Nalobile
iv)	Board Member	Mr Luka Ngaina Naibei
v)	Board Member	Mr Henry Maina Bunyasi
vi)	Board Member	Mr Isaac Muiruri Muturi

CS Edgar Jumba Imbamba had earlier been appointed as the new Board Secretary/CEO w.e.f 1st September, 2025,

I therefore take this opportunity on behalf of the incoming Board to thank our predecessors for their dedicated service to the county public service.

During the financial year under review; 2025-2026, the Trans Nzoia County Public Service Board was able to accomplish, inter alia, the following planned activities:-

i) Appointed the Chairperson and three (3) members of the County Audit Committee, two (2) Human Resource officers as well as fourteen (14) County Chief Officers to join the county public service. The Board further appointed one (1) officer in acting capacity.
ii) Renewed contracts for thirty five (35) employee for a period of one (1) year.
iii) Promoted six hundred and sixty nine (669) officers and upgraded eight (8) employees to higher job groups.
iv) Approved nineteen (19) re-designations.
v) Confirmed one hundred and ninety five (195) employees in appointment on permanent and pensionable terms.
vi) The Board approved a total of three (3) transfer of service requests to the National Government and two (2) secondments.
vii) The Board approved sixty four (64) requests for staff training and attachment of two hundred and forty one (241) students to the various county departments.
viii) Facilitated payment of gratuity to the 6 members of the 2nd generation Board whose contracts ended on 28th February, 2026.

As the incoming Board, we undertake to build on the gains achieved by our predecessors, address emerging and persistent challenges, strengthen institutional systems, and continue to uphold professionalism, integrity, and constitutional principles in serving the County of Trans

Nzoia more effectively. We look forward to a brighter and prosperous financial year, 2026/2027.

CHAIRPERSON PUBLIC SERVICE BOARD
TRANS-NZOIA COUNTY
P.O. Box 4210-30200, KITALE

Mrs Joyce Nakhanu Wamalwa
Chairperson
Trans Nzoia County Public Service Board

4. REPORT OF THE BOARD SECRETARY

During the FY 2025/2026, a new Board was appointed w.e.f. 12th March, 2026 following completion of contracts of members of the 2nd generation Board on 28th February, 2026.

The Board initially had an approved budget of Kshs 97,443,487 during the FY 2025-2026, which was later reduced to Kshs 93,416,487 during the supplementary budget. The approved budget was basically recurrent and did not have a component for development. Of the approved budget Kshs 23,345,981 was disbursed directly by the County Treasury to the Board's Imprest/Operations account while Kshs 55,378,391 was paid by the County Treasury on behalf of the Board, hence a total of Kshs 78,724,372 (84%) of the approved budget was accessed by the Board.

During the year under review, the Board diligently executed its mandate in accordance with the values and principles spelt out under Articles 10 and 232 of the Constitution of Kenya, 2010. The Board appointed twenty (20) new employees, one (1) officer was appointed in acting capacity to perform duties of a higher office for a period of six (6) months. The Board further renewed thirty five (35) employment contracts for staff, confirmed the appointment of one hundred and ninety five (195) officers into the county public service establishment on permanent and pensionable terms, and a total of six hundred and ninety nine (699) staff across county departments were promoted. In addition, the Board upgraded eight (8) officers and re-designated nineteen (19), approved transfer of service for 3 officers and 2 secondments. The Board approved training for 64 officers as well as approving the attachment of 241 student attachees to the various county departments. The Board also facilitated payment of gratuity to the 6 Board members whose contracts ended on 28th February, 2026.

The Board faced a number of challenges during the year under review, such as budget cuts and delayed disbursements as well as civil suits and petitions that disrupted planned recruitment processes, delayed promotions and confirmations, stalled key human resource plans, and created operational gaps across departments.

The Board has approved budget estimates of Kshs 127,266,046 for the FY 2026/2027 which we hope will be disbursed in full and on a timely basis to enable the Board undertake its mandate in full and implement its flagship projects that include; construction of a modern boardroom as well as purchase of a utility motor vehicle.

OFFICE OF SECRETARY/CEO
TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
28 AUG 2026
P. O. Box 4210 - 30200, KITALE
Tel No. 0 [illegible] 695 352

CS Edgar Imbamba
Board Secretary/CEO
Trans Nzoia County Public Service Board

STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S PREDETERMINED OBJECTIVES

Introduction

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 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 development objectives of the Board's 2023-2028 plan are:

a) To ensure optimal staffing levels in all County departments
b) To ensure career progression of county staff
c) To enhance skills upgrading and multi-tasking
d) To enhance collaboration and cooperation in sharing information and promote adherence to articles 10, and 232 of the Kenya Constitution 2010
e) To inculcate good work culture in the County Public Service
f) Ensure sustainability and continuity in public service delivery
g) To strengthen the policy and regulatory framework that governs the Board and the County Public Service
h) Establish modern systems for record and information management.
i) To improve work environment and enhance efficiency and effectiveness in service delivery.

Progress on attainment of Strategic development objectives

Here below, we provide the progress on attaining the stated objectives:

Table 1: Sector programmes Performance FY 2025/2026

Programme : Public Service delivery					
Objective: To improve public service delivery					
Outcome: Enhanced public service delivery					
Sub Programme/Project	**Key Outcomes/ Outputs**	**Key performance indicators**	**Planned Targets**	**Achieved Targets**	**Remarks***
Performance contract	Performance contracts signed by the Board Chairperson, Board Secretary and the directors.	No. of employees on performance contact	4	4	
Performance Appraisal System	Performance Appraisal System signed by all staff below the level of directors.	No. of CPSB employees on PAS	20	20	
Service Charter	Service Charter developed	No. of Service charters developed	1	0	Budgetary constraints
Customer satisfaction survey	Customer satisfaction	No. of customer	1	0	Budgetary constraints

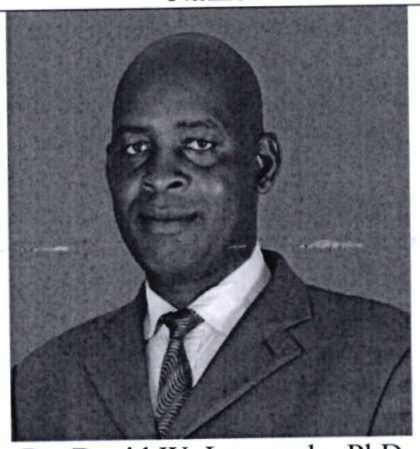
Sub Programme/Project	Key Outcomes/ Outputs	Key performance indicators	Planned Targets	Achieved Targets	Remarks*
	survey undertaken	satisfaction Survey report			
Work environment survey	Work environment survey	No. of Survey report	1	0	Budgetary constraints
Sensitization on values & principles of good governance as per Articles 10 & 232 of CoK 2010	Members of staff Sensitized on values & principles of good governance Articles 10 & 232 of CoK, 2010 during DIALs exercise.	No. of staff sensitized on values and principles of articles 10 and 232 of COK	3,000	3,990	
Annual report to County Assembly & H.E. the Governor prepared in accordance to CGA 2012	Annual report submitted to the County Assembly & H.E. the Governor prepared in accordance to CGA 2012	No. of Annual report prepared	1	1	
Policy, Legal Framework and Institutional Reforms	Human Resource policies and tools and Schemes of Service developed	No. of sector specific legislations, policies and guidelines	7	0	Budgetary constraints
Recruitment of new staff	New staff recruited	Number of staff recruited and appointed	200	20	Litigation challenges
Promotion of staff	County staff promoted	Number of staff promoted	600	669	
Training & Development	Skilled and professional county public employees	No of officers trained.	100	64	Budgetary constraints
Gratuity for Board members on completion of their contracts	Gratuity paid to Board members at the end of their contracts	No of Board members paid	6	6	
Procurement of ICT equipment	Assorted ICT equipment procured	No. of ICT equipment procured	6	6	

5. CORPORATE GOVERNANCE STATEMENT

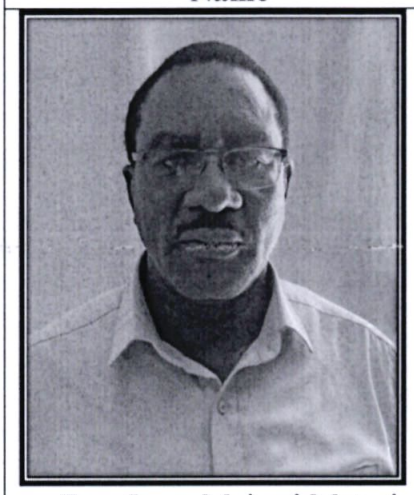
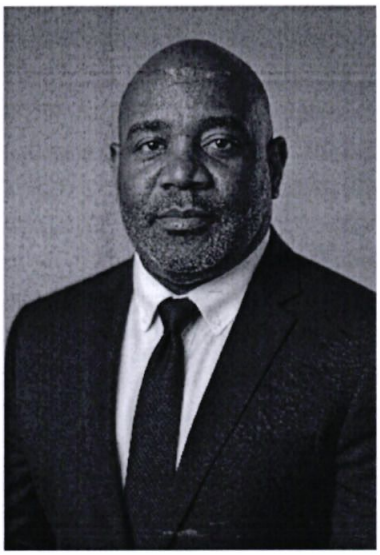
Part A: Board Members

i)	Board Chairperson	Mrs Joyce Nakhanu Wamalwa
ii)	Board Vice Chairperson	Dr David Wafula Lwangale
iii)	Board Member	Dr Scholastica Namalwa Nalobile
iv)	Board Member	Mr Luka Ngaina Naibei
v)	Board Member	Mr Henry Maina Bunyasi
vi)	Board Member	Mr Isaac Muiruri Muturi
vii)	Board Secretary	CS Edgar Imbamba

Name	Details of qualifications and experience
 Mrs. Joyce Nakhanu Wamalwa **Board Chairperson**	Mrs. Joyce Nakhanu Wamalwa holds a Master of Business Administration Degree from Kibabii University, a Bachelor of Education (Arts) Degree from Masinde Muliro University of Science and Technology as well as a P1 Teacher Certificate from Thogoto Teachers Training College. She has also undertaken executive leadership training programmes, including the Strategic Leadership Development Programme and Senior Management Course at the Kenya School of Government. Mrs. Wamalwa is an accomplished public administrator and governance professional with over 35 years of experience in public service, education, electoral management, and strategic leadership. She served as County Elections Manager with the Independent Electoral and Boundaries Commission (IEBC) in West Pokot County (2022–2026) and Machakos County (2017–2022), following several years as a Constituency Elections Coordinator in Kwanza and Webuye East Constituencies. Earlier in her career, she served in the Ministry of Education for over 20 years as a teacher and later as Deputy Programmes Officer responsible for Training and Student Affairs. She is widely recognized for her expertise in strategic leadership, governance, election administration, public sector management, conflict resolution, policy implementation, stakeholder engagement, and community service. Mrs. Wamalwa was appointed on 12th March, 2026 as the Chairperson of Trans Nzoia County Public Service Board.
	Dr. David Wafula Lwangale has a First-Class Honours Degree in teaching English and Literature in English from Egerton University, a Master of Arts degree in English Language and Linguistics as well as a PhD in Linguistics from the same University. As a renowned educationist, he taught in various schools and tertiary institutions including St. Teresa's Bikeke, St. Mary's Nai and Lugari Diploma Teachers College.

Name	Details of qualifications and experience
 Dr. David W. Lwangale, PhD **Board Vice Chairperson**	Dr. Lwangale is an established scholar whose contribution in education, culture, gender, languages and linguistics is evident in the world of academia. He served as a Senior Lecturer at Koitaleel Samoei University College teaching English Language and Linguistics. Administratively, he coordinated Postgraduate Studies overseeing research and supervision of Masters and PhD students at Mount Kenya University, Kitale Campus. He was later promoted to the position of Coordinator/Principal/Director, Kitale Odel Centre overseeing the overall administration. His teaching experience as a university don span over 17 years. Besides, Dr. Lwangale is also a regular article publisher in internationally referred journals. The readership of his publications has received worldwide attention as rated by the Research Gate group of academia. Dr. Lwangale has successfully supervised and graduated twenty-six masters' students over the last 16 years, an indication of his prowess in the world of research. He also served as a member of the HRMAC (Human Resource Management Committee) of Koitaleel Samoei University College. He sits on several school boards of management. He was appointed on 12th March, 2026 as a member of Trans Nzoia County Public Service Board, where he currently serves as the Board Vice chairperson as well as Chairperson of the of the Planning Committee.
 Dr. Scholastica Namalwa Nalobile **Board Member**	Dr. Scholastica Nalobile holds a Doctor of Philosophy (PhD) in Organizational Leadership, a Master's Degree in Management, Administration and Leadership, a Bachelor of Education Degree (Special Education) from Kenyatta University and a Diploma in Special Needs Education from Kenya Institute of Special Education. Dr. Nalobile is a comprehensive public administrator, governance expert and education professional with over three decades of distinguished service in Kenya's public sector. Before joining the County Public Service Board, Dr. Nalobile held senior leadership positions with the County Government of Trans Nzoia including serving as Deputy Director of Administration. She also served under the Teacher's Service Commission (TSC) since 1994 before transitioning to County government through the transfer of service framework in January, 2015. She was appointed on 12th March, 2026 as a member of Trans Nzoia County Public Service Board, where she currently serves as the Chairperson of the Compliance, Audit, Training and Quality Assurance Committee.

Name	Details of qualifications and experience
 Mr. Luka Ngaina Naibei **Board Member**	Mr. Luke Ngaina Naibei is a public service professional. He possesses a strong background in both education and human resource management. He started his higher education journey at Moi University, where he obtained a Degree in Education. To build his expertise in organizational leadership, he joined Jomo Kenyatta University of Agriculture and Technology (JKUAT) and completed Master of Science Degree in Human Resource Management. He further deepened his skills by obtaining a Higher Diploma in Human Resource Management from Moi University. Demonstrating commitment, resilience and focus, he is currently pursuing his Doctor of Philosophy (PhD) in Human Resource Management at JKUAT. In his career, he has served as Constituency Manager Saboti Constituency and a High School Teacher. Mr. Naibei was appointed on 12th March, 2026 as a member of Trans Nzoia County Public Service Board, where he currently serves as the Chairperson of the Finance and General Purpose Committee.
 Mr. Henry Maina Bunyasi **Board Member**	Mr. Henry Maina Bunyasi is an experienced Kenyan educator with over 30 years in the teaching profession. He holds a Bachelor of Education Degree from Kenyatta University and a Diploma in Education Management from the Kenya Education Management Institute (KEMI). Mr. Bunyasi is a renowned educationist, having risen through the ranks, starting as an Assistant Teacher through to Head of Department (HOD), Deputy Principal and finally serving as a School Principal for 18 years. He has served across schools in Trans Nzoia, Baringo, and Nakuru counties. He was appointed on 12th March, 2026 as a member of Trans Nzoia County Public Service Board, where he currently serves as the Chairperson of the Performance Management Committee.
	Eng. Isaac Muiruri Muturi holds a BSc. Degree in Civil Engineering from the Dedan Kimathi University of Technology, Higher Diploma in Civil Engineering from Mombasa Polytechnic, a Diploma in Water Engineering from the Kenya Polytechnic and a Diploma in Technical Education from the Kenya Technical Trainers College. He also holds a Senior Management Certificate from the Kenya School Of Government.

Name	Details of qualifications and experience
 Eng. Isaac Muiruri Muturi **Board Member**	His work experience includes working as Senior Inspector, Water Engineering (Ministry of Water Development, Principal Technical Trainer and Head of Department (Kitale National Polytechnic) as well as serving as a member of the Board of Webuye West TVC. Eng. Muturi was appointed on 12th March, 2026 as a member of Trans Nzoia County Public Service Board, where he currently serves as the Chairperson of the Human Resource Committee.
 CS Edgar Imbamba **Board Secretary/CEO**	Mr Edgar Jumba Imbamba is an Advocate of the High Court and a Certified Public Secretary. He holds a Bachelor of Laws degree from the University of London, a Masters degree in International Business Law from the University of Hull in the United Kingdom and a diploma in Law from the Kenya School of Law. Mr. Imbamba is a certified governance auditor and has attended various trainings and courses in leadership, administration and management. Mr. Imbamba has worked in various institutions in the private and public sectors for a period spanning over twenty five years in the areas of law and governance. Amongst the institutions he has worked for include the Attorney General's Office as a Litigation Counsel, Postal Corporation of Kenya as a Manager in charge of Legal Services, Kenya Tourist Development Corporation as Corporation Secretary and head of Legal Services, Sameer Africa PLC as the Company Secretary and head of Legal Services and the United States International University Africa, as the University Secretary. He joined the Trans Nzoia County Public Service Board on 1st September, 2025 as Board Secretary/CEO, where he has worked for the last ten months.

Part B: Key Management

i) Board Secretary/CEO	CS Edgar Imbamba
ii) Director, Finance	CPA Albert Soita
iii) Director, HRM	Dr. Johnstone K. Wanjala
iv) Chief Accountant	Judith Chebet Maratani

Part C: Governance arrangements
Establishment of the Board
The Trans Nzoia County Public Service Board is established pursuant to Section 57 of the County Governments Act, 2012 which states that a the County Public Service Board shall

comprise a chairperson, not less than three but not more than five members and a secretary appointed by the Governor with the approval of the County Assembly.

Board Meetings

i) The Board meets as often as may be necessary for carrying out of its business, but it meets at least once every two weeks.
ii) At least two days written notice of every meeting of the Board is given to every member of the Board.
iii) The chairperson shall, on written application of one third of the members, convene a special meeting of the Board.
iv) The Chairperson in consultation with the secretary shall decide the items of agenda.
v) Where a member is unable to attend a meeting, the member may communicate through the chairperson, their contributions and concerns on the matters before the meeting.
vi) The quorum for the conduct of business at a meeting of the Board shall be at least four members of the Board.
vii) The chairperson shall preside at every meeting of the Board, in the absence of the chairperson the vice-chairperson shall preside and in the absence of both, members present shall elect one member to preside.
viii) The Board Secretary shall be the secretary at all meetings of the Board.
ix) The Board Secretary shall cause minutes of all proceedings of the meeting of the Board to be recorded.

Twenty (20) Board meetings were held between 1st July, 2025 and 30th June, 2026; eleven (11) by the Board that completed its term on 28th February, 2026 and nine (9) by the new Board.

Roles and functions of Board members

The role and functions of Board members is outlined under Section 59(i) of the County Governments Act 2012, which entail building and managing the human resource capacity of the Trans Nzoia County Government for effective and efficient delivery of services.

Board Charter

The Board Charter sets out the roles and responsibilities of and the standards, which all members are expected to observe in the performance of their duties.

Register of Conflict of Interest and Gifts Register

The Board maintains a Register of Conflict of Interest and a Gifts Register.

Board remuneration

The Board remuneration is stipulated by the Salaries & Remuneration Commission.

Removal of the Board

As per Section 58 (5) of the County Governments Act, the members of the Board may only be removed from office:-

(a) on grounds set out for the removal of members of a constitutional commission under Article 251(1) of the Constitution; and

(b) by a vote of not less than seventy five percent of all the members of the County Assembly.

Fiduciary oversight arrangements

No.	Committee	Entity
1.	Public Accounts & Investments Committee	County Assembly Committee
2.	Budget & Appropriations Committee	County Assembly Committee

No.	Committee	Entity
3.	County Audit Committee	County Executive

6. MANAGEMENT DISCUSSION AND ANALYSIS

The Trans Nzoia County Public Service Board had an approved budget of Kshs 97,443,487 during the FY 2025-2026, which was later reduced to Kshs 93,416,487 during the supplementary budget. The approved budget was basically recurrent and did not have a component for development. Of the approved budget Kshs 23,345,981 was disbursed directly by the County Treasury to the Board's Imprest/Operations account while Kshs 55,378,391 was paid by the County Treasury on behalf of the Board, hence a total of Kshs 78,724,372 (84%) of the approved budget was accessed by the Board.

The Board was able to accomplish the following planned activities in the financial year 2025-2026:-

i) Appointed the Chairperson and three (3) members of the County Audit Committee, two (2) Human Resource officers as well as fourteen (14) County Chief Officers to join the county public service. The Board further appointed one (1) officer in acting capacity.
ii) Renewed contracts for thirty five (35) employee for a period of one (1) year.
iii) Promoted six hundred and sixty nine (669) officers and upgraded eight (8) employees to higher job groups.
iv) Approved nineteen (19) re-designations.
v) Confirmed one hundred and ninety five (195) employees in appointment on permanent and pensionable terms.
vi) The Board approved a total of three (3) transfer of service requests to the National Government and two (2) secondments.
vii) The Board approved sixty four (64) requests for staff training and attachment of two hundred and forty one (241) students to the various county departments.
viii) Facilitated payment of gratuity to the 6 members of the 2nd generation Board whose contracts ended on 28th February, 2026.

The Board complied with all statutory requirements in the performance of its mandate that include; fair competition and merit as the basis of appointments and promotions; timely submission of annual report to the County Assembly on the execution of the functions of the Board as well as timely remittance of withheld tax to the Kenya Revenue Authority.

The major risks facing the Board are the frequent litigations that are commenced in courts of law which at times stall the Board's activities as well as budget cuts the have greatly inhibited implementation of some of the planned programmes.

7. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the board Secretary/CEO of Trans Nzoia County Public Service Board established pursuant to Section 57 of the County Governments Act, 2012 shall prepare financial statements for the Board in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Board Secretary, Trans Nzoia County Public Service Board is responsible for the preparation and presentation of the Board's financial statements, which give a true and fair view of the state of affairs of the Trans Nzoia County Public Service Board, for and as at the end of the financial year ended on June 30th, 2026. 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 Public Service Board; (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 Public Service Board; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board Secretary accepts responsibility for County Public Service Board's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Board Secretary is of the opinion that the County Public Service Board's financial statements give a true and fair view of the state of the County Public Service Board's transactions during the financial year ended June 30th, 2026, and of its financial position as at that date. The Board Secretary further confirms the completeness of the accounting records maintained for the County Public Service Board which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Board Secretary of the County Public Service Board has assessed the Board's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

Nothing has come to the attention of the Board Secretary to indicate that the Board will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statement

The County Public Service Board's financial statements were approved and signed by the Board Secretary on 28 August, 2026.

OFFICE OF SECRETARY/CEO
TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
28 AUG 2026
P. O. Box 4210 - 30200, KITALE
TEL: 0713 635 352

CS Edgar Imbamba
Board Secretary/CEO

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON TRANS NZOIA COUNTY PUBLIC SERVICE BOARD FOR THE YEAR ENDED 30 JUNE, 2026

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, Circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, Cap. 412A and the Public Audit Act, Cap.412B. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Trans Nzoia County Public Service Board set out on pages 1 to 16, which comprise of the statement of financial

position as at 30 June, 2026 and the statement of financial performance, statement changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, Cap.412B. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Trans Nzoia County Public Service Board as at 30 June, 2026 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with the County Governments Act, Cap. 265 and the Public Finance Management Act, Cap.412A.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.93,416,487 and Kshs.78,724,372 respectively, resulting in under-funding of Kshs.14,692,115 or 16% of the budget.

The under-funding affected the planned activities and may have impacted negatively on 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Information

Management is responsible for the Other Information set out on pages iii to xviii which comprises of Key Entity Information and Management, Statement of performance against Trans Nzoia County Public Service Board predetermined objects, Statement of Board

Chairperson, Statement of Board Secretary, Corporate governance statement, Management discussion and analysis and Statement of Management responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter 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

Lack of Internal Audit Function

Review of documents and organizational structure revealed that the Board did not have

an internal audit function but relied on audit services from internal audit department of the County Executive of Trans Nzoia. However, there was no evidence of internal audit activities including internal audit reports, audit work plans and engagement documentation undertaken by the internal audit department of the County Executive.

In the circumstances, the effectiveness of internal controls of the Board could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, Cap. 412B.

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.

The Board of Management is responsible for overseeing the Board'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, Cap. 412B and the

International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, Cap. 412B. 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, Cap. 412B.

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

29 September, 2026

9. FINANCIAL STATEMENTS

9.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2026

	Note	2025/2026	2024/2025
		KShs	KShs
Revenue from non-exchange transactions			
Transfers from the County Government	1	78,646,372	56,433,747
Other income	2		1,000,000
Total revenue		**78,646,372**	**57,433,747**
Expenses			
Staff Costs	3	42,246,150	37,957,500
General expenses	4	35,255,480	24,092,483
Transfer to County Government	6		1,000,000
Total expenses		**77,501,630**	**63,049,983**
Other Gains/Losses			
Gain/(Loss on) Disposal of Assets	11	(282,505)	
Surplus/(deficit) for the period		**862,237**	**(5,616,236)**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Public Service Board financial statements were approved on 28 August, 2026 and signed by:

OFFICE OF SECRETARY/CEO
TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
28 AUG 2026
P. O. Box 4210 - 30200, KITALE
TEL: 0713 635 352

DIRECTOR, FINANCE
TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
28 AUG 2026
P. O. Box 4210 - 30200, KITALE

CS Edgar Imbamba
Board Secretary/CEO

CPA Albert Soita
ICPAK Member Number: 9655
Finance Director

9.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2026

	Note	2025/2026	2024/2025
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	5	4,706	3,173
Non-current assets			
Property, plant and equipment	7	29,394,788	32,821,432
Total Assets		**29,399,494**	**32,824,605**
Liabilities			
Current liabilities			
Trade payables	8	6,771,603	2,852,899
Non-current liabilities			
Total liabilities		**6,771,603**	**2,852,899**
Net assets		**22,627,891**	**29,971,706**
Capital funds	9.3	37,847,170	37,769,170
Accumulated surplus/(deficit)	9.3	(15,219,279)	(7,797,464)
Total net assets and liabilities		**22,627,891**	**29,971,706**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Public Service Board financial statements were approved on 28 August, 2026 and signed by:

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9.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE, 2026

	Capital Funds	Revaluation Reserve	Accumulated Surplus	Total
		KShs	KShs	KShs
Balance as at 1st July 2024	**26,857,426**	-	**(2,181,228)**	**24,676,198**
Surplus/(deficit) for the period	-	-	(5,616,236)	(5,616,236)
Funds received during the year	10,911,744	-	-	10,911,744
Balance as at 30th June 2025	**37,769,170**	-	**(7,797,464)**	**29,971,706**
Balance as at 1st July 2025	**37,769,170**	-	**(7,797,464)**	**29,971,706**
Surplus/(deficit) for the period	-	-	862,237	862,237
Funds received during the year	78,000	-	-	78,000
Revaluation gain		-		-
Adjustments – Gratuity for prior years			(8,284,052)	(8,284,052)
Balance as at 30th June 2026	**37,847,170**	-	**(15,219,279)**	**22,627,891**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Public Service Board financial statements were approved on 28 August, 2026 and signed by:

CS Edgar Imbamba
Board Secretary/CEO

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DIRECTOR, FINANCE
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9.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2026

	Note	2025/2026	2024/2025
		KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	1	78,646,372	56,433,747
Receipts from other operating activities	2		1,000,000
Total Receipts		**78,646,372**	**57,433,747**
Payments			
Staff costs	3	50,530,202	37,957,500
General expenses	4	35,255,480	24,092,483
Transfer to the County Government	6		1,000,000
Adjusted for Non-Cash / Working Capital Items:			
Depreciation	4	4,326,469	5,070,535
Increase/(Decrease) in Accounts Payable: (deposits and retention)	8	3,918,704	(10,367,305)
Net cash flows from operating activities		**1,105,863**	**(10,913,006)**
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets	7	(1,390,405)	
Funds received during the year	10	78,000	10,911,744
Proceeds from sale of property, plant & equipment	11	208,075	
Net cash flows used in investing activities		**(1,104,330)**	**10,911,744**
Cash flows from financing activities		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		**1,533**	**(1,262)**
Cash and cash equivalent at BEGINNING of the year	5	**3,173**	**4,435**
Cash and cash equivalent at END of the year	5	**4,706**	**3,173**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Public Service Board financial statements were approved on 28 August, 2026 and signed by:

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9.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE, 2026

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2025/2026	2025/2026	2025/2026	2025/2026	2025/2026	2025/2026
Revenue	**KShs**	**KShs**	**KShs**	**KShs**	**KShs**	**%**
Transfers from County Govt.	97,443,487	(4,027,000)	93,416,487	78,724,372	14,692,115	84%
Other Income						
Total income	**97,443,487**	**(4,027,000)**	**93,416,487**	**78,724,372**	**14,692,115**	**84%**
Expenses						
Staff Costs	62,935,455	-12,405,000	50,530,455	50,530,202	253	100%
General expenses	34,430,032	8,378,000	42,808,032	35,255,480	7,552,552	82%
Transfer						
Sub Total	**97,365,487**	**-4,027,000**	**93,338,487**	**85,785,682**	**7,552,805**	**92%**
Capital Expenditure	78,000		78,000	78,000	0	100%
Total Expenses	**97,443,487**	**-4,027,000**	**93,416,487**	**85,863,682**	**7,552,805**	**92%**
Surplus (Deficit) for the period				**(7,139,310)**		

Budget notes

(a) The difference between the original and final budget was due to budget cuts by the County Treasury

(b) The actual transfer from County Government of Kshs 78,724,372 includes Kshs 78,000 in respect of property plant & equipment (PPE) that was credited under the Statement of Net Assets as Capital Funds and the balance of 78,646,372 under the Statement of Financial Performance.

(c) *Over expenditure of general expenses is attributed to an amount of Kshs 4,326,469 relating to depreciation of PPE and trade payables amounting to Kshs 6,771,603.*

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the Statement of Budget	**(7,139,310)**
1	Reason for differences: Non-Cash Item - Depreciation	4,326,469
2	Reason for differences: Working Capital Changes - Increase in Accounts Payable (Deposits and Retention)	3,918,704
	Net Cash Flows from Operating Activities	**1,105,863**
3	Reason for differences: Net Cash Flows used in Investing Activities	(1,104,330)
	Net Increase / (Decrease) in Cash and Cash Equivalents	**1,533**

	Description of Particulars	Amount in Kshs
	Cash and Cash Equivalents at beginning of the year	**3,173**
	Closing Cash and Cash Equivalent as per the statement of Cash flows	**4,706**

The County Public Service Board financial statements were approved on 28 August, 2026 and signed by:

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28 AUG 2026
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CS Edgar Imbamba
Board Secretary/CEO

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28 AUG 2026
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ICPAK Member Number: 9655
Finance Director

9.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. General Information

Trans Nzoia County Public Service Board is established by and derives its authority and accountability from the County Governments Act, 2012. The Board is wholly owned by the County Government of Trans Nzoia and is domiciled in Kenya. The entity's principal activity is to build and manage the human resource capacity of the Trans Nzoia County Government for effective and efficient delivery of services, as derived from the County Governments Act Number 17 of 2012.

2. Statement of compliance and basis of preparation

The Board's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Board. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

a) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2026

There were no new and amended standards issued in the financial year.

b) Early adoption of standards

The Board did not early-adopt any new or amended standards in year ended 30 June 2026

4. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

5. Budget information

The original budget for FY 2025/2026 was approved by the County Assembly in June, 2025. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The revisions/additional appropriations are deducted/added to the original budget by the Board upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Board recorded a downward revision of Kshs. 4,027,000 on the FY 2025/2026 budget following the governing body's approval.

The Board's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 9.5 of these financial statements.

6. Property, plant and equipment

The Board's Property, Plant, and Equipment (PPE) are tangible items held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and are expected to be used for more than one reporting period.

An item of PPE is recognized as an asset if, and only if:

- It's probable that the future economic benefits or service potential associated with the item will flow to the ministry.
- The cost or fair value of the item can be measured reliably.

Items acquired through non-exchange transactions (e.g., donations) are measured at their deemed cost, which is the fair value at the date of acquisition. For all other acquisitions, initial measurement is at cost, which includes all expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Board has adopted the Historical cost model for the subsequent measurement of its PPE. Under this model, after initial recognition, an asset is carried at its cost less any accumulated depreciation and accumulated impairment losses.

7. Depreciation & Impairment

The Board applies the straight-line method of depreciation, as it best reflects the pattern of the asset's consumption of its future economic benefits or service potential. Depreciation begins when the asset is available for use and ceases at the earlier of the date the asset is classified as held for sale or the date of derecognition.The depreciable amount is the cost of the asset less its residual value. The residual value and the useful life of an asset are reviewed at least at each annual reporting date. The table below indicates the various classes of assets and the depreciation rates.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PPE Item	Depreciation Rate
Land	
Buildings	5%
Motor vehicles	15%
Furniture and fittings	10%
Computers & ICT Equipment	25%

Impairment The entity assesses at each reporting date whether there is any indication that an asset may be impaired. If an indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized immediately in the statement of financial performance.

An item of property, plant and equipment is derecognised upon disposal or when future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of financial performance.

8. Nature and purpose of reserves

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

Capital funds - This is revenue received in respect of capital development.

Accumulated Surplus – This is the excess of revenues over expenses from prior years that has not been set aside for specific purposes.

9. Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

10. 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash Imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

11. Comparative figures

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Ultimate and Holding Entity
The Board is a County Public Fund established by Section 57 of the County Governments Act 2012. Its ultimate parent is the County Government of Trans Nzoia.

14. Currency

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

15. Significant judgments and sources of estimation uncertainty

The preparation of the Board's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions – The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

Useful lives and residual values

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

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

9.7. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from County Government

Description	2025/2026	2024/2025
	KShs	KShs
Transfers from County Govt. – operations	23,267,981	15,862,127
Payments by County on behalf of the entity	55,378,391	40,571,620
Total	**78,646,372**	**56,433,747**

Note

The total amount of transfers from County Government was kshs 78,724,372 of which Kshs 78,000 in respect of property plant & equipment (PPE) was credited under the Statement of Net Assets as Capital Funds and the balance of 78,646,372 under the Statement of Financial Performance..

2. Other income

Description	2025/2026	2024/2025
	KShs	KShs
Insurance recoveries		
Miscellaneous income		1,000,000
Total other income		**1,000,000**

3. Staff Costs

Description	2025/2026	2024/2025
	KShs	KShs
Salaries and Wages	39,435,455	37,957,500
Staff Gratuity	2,810,695	
Total	**42,246,150**	**37,957,500**

Note

The total amount of staff gratuity paid was kshs 11,094,747 of which Kshs 8,284,052 related to prior years and was debited under the Statement of Net Assets as Accumulated Loss and the balance of Kshs 2,810,695 relating to the FY 2025/2026 was debited under the Statement of Financial Performance.

4. General expenses

Description	2025/2026	2024/2025
	KShs	KShs
Utilities, Supplies and Services	566,000	250,000
Communication, Supplies and Services	312,305	402,053
Domestic Travel and Subsistence	8,477,550	6,674,131
Printing, Advertising and Information Supplies & Services	1,393,160	809,645
Training Expenses	4,377,243	1,546,405
Hospitality Supplies and Services	7,103,735	5,539,069
Fuel Oil and Lubricants	1,791,654	1,778,577
Specialized Materials & Supplies	329,920	-
Insurance Costs	31,000	22,500

Description	2025/2026	2024/2025
	KShs	KShs
Office and General Supplies and Services	2,197,714	1,284,455
Other Operating Expenses	3,570,887	367,591
Routine Maintenance – Vehicles and Other Transport Equipment	333,663	229,905
Routine Maintenance – Other Assets	444,180	117,617
Depreciation and amortization costs	4,326,469	5,070,535
Total	**35,255,480**	**24,092,483**

5. Cash and cash equivalents

Description	2025/2026	2024/2025
	KShs	KShs
Current account	4,706	3,173
Total cash and cash equivalents	**4,706**	**3,173**

Detailed analysis of the cash and cash equivalents are as follows:

		2025/2026	2024/2025
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial Bank	1149298472	4,706	3,173
Sub- total		**4,706**	**3,173**
Grand total		**4,706**	**3,173**

6. Transfer

Description	2025/2026	2024/2025
	KShs	KShs
Transfer		1,000,000
Total		**1,000,000**

7. Property, Plant and Equipment

	Buildings	Motor Vehicles	Furniture, Fittings & office equipment	Computers and ICT equipment	Total
Cost	**KShs**	**KShs**		**KShs**	**KShs**
At 1st July 2024	**13,121,984**	**19,605,165**	**8,022,130**	**15,470,221**	**56,219,500**
Additions					
Disposals					
Transfer/Adjustments					
At 30th June 2025	**13,121,984**	**19,605,165**	**8,022,130**	**15,470,221**	**56,219,500**
At 1st July 2025					
Additions			491,005	899,400	1,390,405
Disposals				(1,360,993)	(1,360,993)
Transfer/Adjustments			29,319	-29,319	
At 30th June 2026	**13,121,984**	**19,605,165**	**8,542,454**	**14,979,309**	**56,248,912**
Depreciation and impairment					
At 1st July 2024					
Depreciation	1,057,737	8,193,869	2,365,608	6,710,319	18,327,533
Impairment					
Depreciation and impairment					
At 30th June 2025	603,212	1,711,694	565,652	2,189,976	5,070,535
At 1st July 2025					
Depreciation	573,052	1,454,940	561,119	1,737,357	4,326,469
Disposals				(870,412)	(870,412)
Impairment					
Transfer/adjustment					
At 30th June 2026	**2,234,001**	**11,360,503**	**3,492,379**	**9,767,240**	**26,854,123**
Net book values					
At 30th June 2025	**11,461,034**	**9,699,602**	**5,090,870**	**6,569,926**	**32,821,432**
At 30th June 2026	**10,887,983**	**8,244,662**	**5,050,075**	**5,212,069**	**29,394,788**

Note

Land has been excluded from PPE since the process of valuation and titling is still ongoing. Once the process is completed and the land title obtained, then the value of land shall be included under PPE in the subsequent financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Trade and other payables from exchange transactions

Description	2025/2026	2024/2025
	KShs	KShs
Trade payables	6,771,603	2,852,899
Refundable deposits		
Accrued expenses		
Other payables		
Total trade and other payables	**6,771,603**	**2,852,899**

9. Cash generated from operations

	2025/2026	2024/2025
	KShs	KShs
Surplus/ (deficit) for the year before tax	862,237	(5,616,236)
Adjusted for:		
Depreciation	4,326,469	5,070,535
Amortisation	-	-
Loss on disposal of assets	282,505	(-)
Interest income	(-)	(-)
Gratuity for prior years	(8,284,052)	-
Working Capital adjustments		
Increase in inventory	(-)	(-)
Increase in receivables	(-)	(-)
Increase/Decrease (-) in payables	3,918,704	(10,367,305)
Net cash flow from operating activities	**1,105,863**	**(10,913,006)**

10. Capital funds received during the year

Description	2025/2026	2024/2025
	KShs	KShs
Transfer from County government	78,000	10,911,744
Total capital funds	**78,000**	**10,911,744**

11. Gain/(loss) on disposal of assets

Description	2025/2026	2024/2025
	KShs	KShs
Gross carrying amount of the disposed assets	(1,360,993)	
Accumulated. Depreciation	870,412	
Net book value disposed	**(490,581)**	
Proceeds from Sale of fixed assets	208,075	
Gain/(Loss) on disposal of fixed assets	**(282,506)**	

10. PROGRESS ON FOLLOW UP OF 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	**Focal Point person to resolve the issue *(Name and designation)***	**Status: *(Resolved / Not Resolved)***	**Timeframe: *(Put a date when you expect the issue to be resolved)***
TRANS NZOIA PSB/2024/2025(22)	1. Non-Remittance of Public Procurement Capacity Building Levy	The Public Procurement Capacity Building Levy became effective on 1st September, 2024, but inadvertently, the Board became aware of it after the end of the 2024/2025 financial year. The Board undertakes to remit the Levy although belatedly, and will ensure that going forward, the Levy is paid on a timely basis.	Board Secretary	Resolved	June, 2026
	2. Lack of Internal Audit Function	As per Section 155(1) (a) of the Public Finance Management Act, 2012, the Board had put in place appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board. In this regard, the internal audit services were to be provided by the county executive internal audit unit which routinely undertook internal audit activities for	Board Secretary	Partially resolved	June, 2027

Reference No. on the external audit Report	**Issue / Observations from Auditor**	Management comments	**Focal Point person to resolve the issue** ***(Name and designation)***	**Status:** ***(Resolved / Not Resolved)***	**Timeframe:** ***(Put a date when you expect the issue to be resolved)***
		the Board, as had been the case in the past. However, in the year under review, although the unit had plans to conduct audit activities at the Board, it was not done, owing to time constraints arising from other pressing work at the county executive that hindered the internal audit unit from doing so. Going forward and funds allowing, the Board will endeavour to establish its own internal audit unit and or recruit additional officers for the county executive internal audit unit to boost its capacity.			

11. BANK RECONCILIATION/FO 30 REPORT

Trans Nzoia County Public Service Board

Bank Reconciliation Statement as at 30th June, 2026

Balance as per the Bank Statement					561,955
Less Unpresented Cheques	**Date**	**Cheque No.**	**Kshs**		
1. KRA - The Noble Conference Centre	29-Jun-26	1511	7,173		
2. KRA - Iroko Associates	29-Jun-26	1513	587		
3. KRA - Westside Hotels	29-Jun-26	1512	4,699		
4. John Waithaka Thuo - National Oil	29-Jun-26	1509	250,000		
5. TRANSWASCO	29-Jun-26	1510	100,000		
6. Kenya Power	29-Jun-26	1514	35,000		
7. Safaricom Plc	29-Jun-26	1506	90,240		
8. Transmatress	29-Jun-26	1507	65,000		
9. PPRA	30-Jun-26	1515	4,550		
					557,249
Balance as per June, 2026 CB					**4,706**