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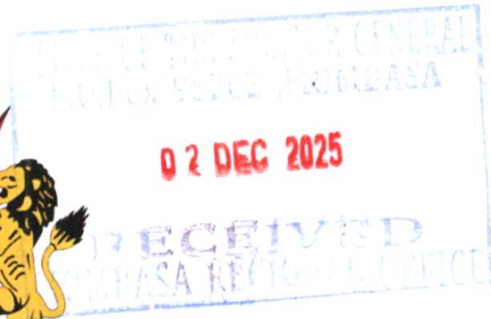
THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF MOMBASA

**FOR THE YEAR ENDED
30 JUNE, 2025**

18



**COUNTY GOVERNMENT OF MOMBASA
EXECUTIVE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

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

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

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**Mombasa County Executive
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1. Acronyms, Abbreviations and Definition of Key Terms

A. Acronyms and Abbreviations

ADP	Annual Development Plan
AIE	Authority to Incur Expenditure
CARA	County Allocation of Revenue Act
CBK	Central Bank of Kenya
CECM	County Executive Committee Member
CE	County Executive
CIDP	County Integrated Development Plan
COG	Council of Governors
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
IPSAS	International Public Sector Accounting Standards
MCA	Member of County Assembly
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSR	Own Source Revenue
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
NT	National Treasury
WB	World Bank
KRB	Kenya Roads Board
Kshs	Kenya Shillings
FY	Financial Year
Kshs	Kenya Shillings
SEC	Settlement Executive Committees
GRC	Grievance Redress Committee
UNESCO	United Nations Educational, Scientific and Cultural Organization
SGR	Standard-Gauge Railway

B. Definition of Key Terms

Fiduciary Management	The key management personnel who had financial responsibility
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2. Key Entity Information and Management

a) Background information

Mombasa is a coastal city located in the South Eastern part of the Coastal region of Kenya, which is 200 nautical miles inside the Indian Ocean. The County is the home of second largest city in Kenya and borders Kilifi County to the North, Kwale County to the South West and the Indian Ocean to the East. The city serves as the headquarters of Mombasa County. The main industries that provide employment opportunities to the people of Mombasa include manufacture and processing, the Port of Mombasa, Kenya Ferry Services, Container Freight Terminals and expansive hotels. Mombasa city being an ancient town, hosts several tourist attractions and world heritage sites. Of significant mention is the historic Fort Jesus Museum which is a UNESCO World Heritage site.

Mombasa County is an island connected to the mainland by bridges and ferries. Consequently, the county provides ferry services to serve its population which links the Mombasa Island to Likoni and subsequently to Kwale, and Tanzania through the Lunga-Lunga Border. The county has an important Standard-Gauge Railway (SGR), country's largest infrastructure project since independence that connects city of Mombasa with Nairobi City. In June 2017, the SGR's first fare-paying passengers boarded the "Madaraka Express" which was celebrated across the country. The SGR services serve an average of 1 million passengers and 10 million tons for cargo per year. The County has one international airport, the Moi International which is the second largest in Kenya and is used by both domestic and international flights. The airport is essential in the promotion of tourism and provides investment opportunities in the coastal region. The County covers an area of 229.9 Km² excluding 65 Km² of water mass which is 200 nautical miles inside the Indian Ocean.

Administratively, the County is divided into six sub-counties namely: Mvita, Nyali, Chagamwe, Jomvu, Kisauni, and Likoni and thirty county assembly wards. The sub-counties are further subdivided into thirteen (13) divisions, thirty-three (33) locations and sixty-two (62) sub-locations.

Mombasa County is constituted as per the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County.

Our Vision: A vibrant modern regional commercial hub with a high standard of living for its residents
Our Mission: To provide high quality services through transformational leadership by ensuring prudent utilization of resources to foster socio-economic development to the residents of Mombasa.

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Our Core Values:

- Patriotism
- Professionalism
- Integrity
- Human Dignity
- Good Governance
- Diversity.

The County Executive is comprised of the following departments:

No.	Department	Major Responsibility
1.	Finance and Economic Planning	Management of County Treasury and Planning.
2.	Blue Economy, Agriculture & Livestock	Overseeing County Agriculture, animal husbandry and Fish farming.
3.	Health	To provide the highest attainable standards of quality, responsive and comprehensive health care services.
4.	Water, Natural Resources & Climate Change Resilience	To provide access to quality water and Sanitation services and promote sustainable utilization of Natural of Natural Resources.
5.	Tourism, Culture & Trade	Overseeing County Trade, Investment, Energy, and Industry as an interface between investors.
6.	Public Service Administration, Youth, Gender, Social Services & Sports	To ensure that the objectives of devolution are achieved in the county. Promotion and development of sports, Mobilization & Empowerment of Youth
7.	Lands, Urban Renewal & Housing	Overseeing land administration through policies that guide land usage, housing plan and urban development
8.	Transport & infrastructure	Maintenance of roads, infrastructure including drainage, foot Paths Street lighting, and traffic lights.
9.	Environment & Solid Waste Management	To promote an effective and efficient system for a sustainable clean and green environment to the residents of Mombasa County.

**Mombasa County Executive
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No.	Department	Major Responsibility
10.	Education & Digital Transformation	Formulation and Implementation of policy on digital transformation, early childhood education and Technical & Vocational training
11.	County Public Service Board	County Human resource management

b) Key Management team

The County Executive's day-to-day management is under the following key organs:

No.	Name	Designation	Date of holding office
1.	H.E. Abdullswamad Sherrif Nassir	Governor	15 th September 2022
2.	H.E. Francis Foleni Thoya	Deputy Governor and CECM: Environment and Solid Waste Management	15th September 2022
3.	Hon. Evans Oanda	CECM: Finance and Economic Planning	14 th March 2023
4.	Hon. Mohamed Osman Ali	CECM: Tourism, Culture and Trade	14th March 2023
5.	Hon. Daniel Otieno Manyalla	CECM: Transport and Infrastructure	14th March 2023
6.	Hon. Emmily Achieng Okello	CECM: Water, Natural Resources & Climate Change Resilience	14th March 2023
7.	Hon. Kibibi Abdalla Khamis	CECM: Blue Economy, Agriculture & Livestock	14th March 2023
8.	Hon. Dr. Mbwari Kame Mborali	CECM: Education & Digital Transformation	14th March 2023
9.	Hon. Dr. Swabah Ahmed Omar	CECM: Health	14th March 2023

**Mombasa County Executive
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10.	Hon. Mohamed Hussein Mohamed	CECM: Lands, Urban Renewal & Housing	14th March 2023
11.	Hon. Kenneth Muigai	CECM: Public Service Administration, Youth, Gender, Social Services & Sports	14th March 2023
12.	Mr. Jimmy Waliula	County Attorney	

c) Fiduciary Management

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

No.	Designation	Name
1.	CECM: Finance & Economic Planning	Mr. Evans Oanda
2.	Chief Officer, Finance & Investment	Mr. Swaleh R. Mwalizuma
3.	Chief Officer Trade, Tourism, & Culture	Ms. Pauline Adhiambo Oginga
4.	Chief Officer Public Service Administration	Ms. Justina Kavuu Mwikya
5.	Chief Officer Policy, Planning & Digital Transformation	Mr. Jibril Maalim Mohammed
6.	CEO County Public Service Board	Mr. Fadhil Mamuni Ali
7.	Chief Officer Youth, Gender & Social Services	Mr. Khamis J. Kurichwa
8.	Chief Officer Education	CPA Gloria Mwasi
9.	Chief Officer Public Health	Ms Rukiya Abdulrahman
10.	Chief Officer Water, Climate Change and Natural Resources	Eng. Albert Torori Keno
11.	Chief Officer Lands, Housing & Urban Planning	Eng. Marian Mapenzi
12.	Chief Officer Blue Economy, Agriculture & Livestock	Ms. Roselyn Sidi Randu

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No.	Designation	Name
13.	Chief Officer Governance and Serikali Mtaani	Mr. Abdalla Daleno
14.	Chief Officer Clinical Services	Dr Shem Patta
15.	Chief Officer Transport & Infrastructure	Eng. Ali Abdulrahman
16.	Chief Officer Environment and Solid Waste Management	Mr. Hamid Shehan Nanda
No.	Designation-County Treasury Members	Name
1.	CECM: Finance & Economic Planning	Mr. Evans Oanda
2.	Chief Officer, Finance & Investment	Mr. Swaleh R. Mwalizuma
3.	Head of Treasury	Mr. Ayub Buhiri
4.	Head of Internal Audit	Mr. Nicholas Mwachiro
5.	Director Economic Planning	Ms. Jane Wandia Githui
6.	Director of Procurement	Mr. Omar Abdalla
7.	Director of Revenue	Mr. Affan Sattar
8.	Chief Accountant	Mr. Robert Murunga

d) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the period ended 30th June 2024 were:

- **Audit and finance committee activities**
Support the Executive Management, Accounting Officers, Boards, and Board Chairs by monitoring and reviewing the risk, control and governance processes that have been established in the entity pursuant to Board policies.
- **Parliamentary committee activities**
The purpose of parliamentary committees is to perform functions which the houses themselves are not well fitted to perform, such as carrying out inquiries, hearing witnesses, sifting evidence, discussing matters in detail and formulating reasoned conclusions.
- **County Assembly**

**Mombasa County Executive
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Forum through which the people, who own the sovereign power to govern, participate in making of laws, formulation of policies for taxation, budgeting and establishment of county public service.

- Development partner oversight activities

Development partners play an important role in the socio-economic development of many developing countries through budgetary support, projects/programmes and technical assistance.

e) County Executive Headquarters

Betting Control Building

Mombasa

Kenya

f) County Executive Contacts

P.O. Box 90440-80100

Mombasa, Kenya.

Telephone: (254) 41-2311531

E-mail: countysec@mombasa.go.ke

Website: www.mombasacounty.go.ke

g) County Executive Bankers

1. Central Bank of Kenya,

Haile Selassie Avenue,

P.O. Box 60000,

City Square 00200.

Nairobi, Kenya.

2. Kenya Commercial Bank Limited.

Treasury Square Branch,

P.O. Box 90254

GPO 80100.

Mombasa, Kenya

Mombasa County Executive
Annual Report and Financial Statements for the year ended June 30, 2025.

3. Cooperative Bank of Kenya Limited.

Nkrumah road, Mombasa,

P.O. Box 87771.

GPO 80100.

Mombasa, Kenya.

4. National Bank of Kenya Limited.

Bondeni Branch and Nkrumah Road,

P.O. Box 90363.

GPO 80100.

Mombasa, Kenya.

5. Equity bank.

Moi Avenue Branch.

P.O. Box 90016.

GPO 80100.

Mombasa.

h) Independent Auditor

Auditor-General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

i) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

NAIROBI, KENYA

Mombasa County Executive
Annual Report and Financial Statements for the year ended June 30, 2025.

j) County Attorney

Bima Towers,

6th Floor, Digo Road

P.O Box 84569-80100

MOMBASA, KENYA.

**Mombasa County Executive
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3. Governance Statement


Mombasa County is one of the forty-seven counties established by the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County.

The County is made up of a County Assembly, County Executive and 3 number of County Government Entities. The County Executive is structured in terms of departments, headed by a County Executive Committee Member (CECMs). The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution. The County Secretary heads county public service and is responsible for arranging the business of county executive committee.


The County Executive

a) Executive Governance Structures

Name	Details of qualifications and experience
 <p>HE. Abdulswamad Shariff Nassir</p>	<p>GOVERNOR</p> <p>HE. Abdulswamad Shariff Nassir is the second Governor of the County Government of Mombasa and is serving his first five-year term after successfully winning his seat on August 29th, 2022.</p> <p>Governor Nassir's early education at Coast Academy was followed by secondary education at the prestigious Lenana School in Nairobi. He further pursued higher education at Inoorero University, earning a Bachelor's degree in Commerce. Currently, he is dedicated to continuing his academic journey with a Master's degree in the same field at Mt. Kenya University.</p> <p>Always keen and passionate about media and communications, he founded and successfully operated Radio Rahma and served as Chief Executive Officer (CEO) until the year 2013 when he was elected to serve as the Member of Parliament for Mvita Constituency on an</p>

	<p>Orange Democratic Movement (ODM) Party ticket and rising to the seat previously held by his late father.</p> <p>During his decade-long tour of duty as MP, he worked faithfully and dutifully to represent the people of Mvita, legislate in their interests, defend Devolution and support the full implementation of the Constitution.</p> <p>The pinnacle of his Parliamentary service was his election as the Chairman of the Public Investments Committee which is the statutory committee mandated with the accounting oversight of state corporations. It was widely reported that he excelled in this role and saved the Kenyan taxpayer billions of shillings through his diligence and attention to detail.</p> <p>The solemn partnership that he has with the people of Mombasa has been recognized both locally and nationally. The Governor has a clear understanding of the challenges; he has confronted them as a Member of Parliament for the past ten years and has a plan to address them as the County Chief Executive. It is his mission to build on the gains made, learn from the shortcomings of the past, and partner with the residents, in making a deliberate leap into a new beginning for Mombasa.</p>
 <p>H.E. Francis Foleni Thoya</p>	<p>Deputy Governor and CECM: Environment and Solid Waste Management</p> <p>H.E. Francis Thoya serves as the Deputy Governor of Mombasa County and the principal assistant to H.E. the Governor. Additionally, he holds the position of the County Executive Committee Member (CECM) of Environment & Solid Waste Management (SWM). He is responsible for reviewing county-specific waste management policies, strategies, standards, guidelines and regulations. He also keeps track of data on County Waste Management Information and educates the public on ethical waste management methods. A Moi University graduate in communication and public relations, he packs over 20 years of</p>

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	<p>experience in urban development, governance, public service administration and delivery. He is a seasoned, committed and revolutionary public servant with a passion for solid waste management.</p> <p>Prior to his current appointment, he worked for the British High Commissioner (2020 – 2022) as a project manager for development projects in six (6) counties in the Kenyan Coastal Region.</p> <p>He held the position of County Secretary (2016 – 2019) where he was the Head of County Public Service and the Secretary to the County Executive Committee. He also served as a CECM for Lands and Urban Planning in Mombasa County (2013 – 2015).</p> <p>As the Deputy Governor and CECM for Environment & SWM, he is committed to delivering a cleaner, greener and healthier environment to the people of Mombasa by establishing an effective and efficient system for enhanced public health and sustainable clean and green environment.</p>
 <p>Hon. Evans Oanda</p>	<p>CECM: Finance and Economic Planning</p> <p>Hon. Evans Oanda is qualified professional with extensive experience in financial management and administration. Possessing a Master's degree in Finance from the University of Nairobi, a Bachelor's degree in Law from the University of Nairobi, and a Bachelor's degree in Science from Egerton University, his academic foundation is both diverse and robust.</p> <p>With over 13 years of dedicated service in the Parliament, specifically within the National Assembly, Hon. Evans Oanda has demonstrated his commitment and expertise in various capacities.</p>




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	<p>CECM: Tourism, Culture and Trade</p> <p>Hon. Mohamed Osman Ali is a qualified professional with extensive experience in financial management and administration. He holds a Masters in Management and Leadership from Management University of Africa, a Bachelor’s Degree of Arts in Project Management from the University of Nairobi.</p>
	<p>CECM: Transport and Infrastructure</p> <p>Hon. Daniel Otieno Manyalla is a dynamic professional with a focus on strategic management, currently pursuing a Master's degree in Strategic Management from the University of Nairobi. He holds a Bachelor's degree in Dairy Science and Technology from Egerton University.</p> <p>With over 13 years of dedicated service in the Transport, Hon. Manyalla has accumulated valuable experience across various roles and industries.</p>
	<p>CECM: Water, Natural Resources & Climate Change Resilience</p> <p>Hon. Emmily Achieng Okello is a distinguished professional with a rich academic background and diverse experience. Currently undertaking a Doctor of Philosophy (Ph.D.) degree in Philosophy from the University of Nairobi, she holds a Master’s Degree in Project Management, a Bachelor’s degree in Project Management, and a Diploma in Business Management, all from the University of Nairobi.</p> <p>Her previous role as a Climate Adaptation Consultant for Care International reflects her commitment to addressing crucial environmental challenges. She also served as a Community Climate Education Trainer at Ujamaa Centre, Executive Director at the Centre for Resilience & Sustainable Africa, and Consultant at Oslo Centre.</p>

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 <p>Hon. Kibibi Abdalla Khamis</p>	<p>CECM: Blue Economy, Agriculture & Livestock</p> <p>Hon. Kibibi Abdalla Khamis possesses a strong academic foundation and extensive professional experience. Currently pursuing a Masters in Education Administration at Kenyatta University, she holds a Bachelor’s Degree in Education and Counselling from Kenya Methodist University, as well as a Diploma in Education from Kigumo Teachers College.</p> <p>She previously served as the Director of Administration and Human Resource Management at the Mombasa County Government, she has also held key positions such as Alternate Chairperson of the Department Human Resource Advisory Committee and Chairperson of the Likoni sub–County Financial Aid Committee.</p>
 <p>Hon. Dr. Mbwari Kame Mborali</p>	<p>CECM: Education & Digital Transformation</p> <p>Hon. Dr. Mbwari Kame Mborali is a distinguished academic and education professional. Holding a Ph.D. in Curriculum and Teaching Methodology from Omdurman Islamic University (Sudan), a Master's degree in Teaching Arabic to Non-Arabic Speakers from Khartoum International Institute for Arabic Language (Sudan), and a Bachelor's Degree in Education (Islamic Studies) from the International University of Africa (Sudan).</p> <p>He served as a Lecturer in the Department of Kiswahili and Other African Languages at Moi University.</p> <p>He is an active member of various professional associations, including the International Federation of Arabic Language, Chama cha Kiswahili cha Afrika Mashariki (CHAKAMA), Union of African Muslim Scholars (UAMS).</p>

**Mombasa County Executive
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 <p>Hon. Dr. Swabah Ahmed Omar</p>	<p>CECM: Health</p> <p>Hon. Dr. Swabah Ahmed Omar is a highly accomplished and qualified professional with a distinguished academic background. Holding a Doctor of Philosophy (Ph.D.) degree in Medicine from the University of London, a Master's degree in Biochemistry from the University of Nairobi, and a Bachelor's degree in Science from the University of Nairobi.</p> <p>She served as a Hospital Administrator at MEWA Hospital, County Executive Committee Member for Health in the County Government of Kilifi, Director at Kenya Medical Research Institute (KEMRI), Principal Research Officer at KEMRI, Senior Research Officer and Head of Malaria Lab at KEMRI.</p>
 <p>Hon. Mohamed Hussein Mohamed</p>	<p>CECM: Lands, Urban Renewal & Housing</p> <p>Hon. Mohamed Hussein Mohamed is a dynamic professional with a commitment to continuous learning. Currently pursuing a Master's degree of Arts in Public Administration and Management from Mount Kenya University, he holds a Bachelor's Degree in Science and Informatics from Moi University, coupled with a Diploma in Business Information Technology from Mount Kenya University.</p> <p>He served as an Urban Renewal Advisor at the County Government of Mombasa.</p>
	<p>CECM: Public Service Administration, Youth, Gender, Social Services & Sports</p> <p>Hon. Kenneth Muigai brings a considerable depth of knowledge and skill to the forefront, exemplifying extensive experience and expertise. He holds a Bachelor's Degree in Science Communication and Public Relations from Moi University, a Certified Public Accountant II qualification from the Government Training Institute, a Practitioners Diploma in Marketing from the Marketing Society of Kenya, and a Certified Public Accountant I credential from KCCT-Mbagathi.</p>

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Hon. Kenneth Muigai	He is an active member of the Marketing Society of Kenya and Mombasa Sports Club, showcasing his commitment to professional associations and community involvement.
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b) Dealing with Stakeholders:

The engagement between a county government and its stakeholders is a fundamental cornerstone of transparent, accountable, and effective governance. In this context, the county government has implemented several strategies to engage with stakeholders, including:

- **Public Participation:** The county conducts regular public participation forums on matters such as budgeting, development projects, and policy formulation. These forums allow the public to provide input and feedback.
- **Communication Policies:** The county has established communication policies to ensure transparency and timely dissemination of information to the public. These policies cover public notices, press releases, and social media engagement.
- **Stakeholder Engagement:** The county actively engages with various stakeholders, including civil society organizations, community-based groups, and private sector partners, to foster collaboration and address shared challenges.

c) Safeguards against Unethical Conduct and Corruption:

The county has implemented the following safeguards:

- **Code of Conduct:** There is a comprehensive code of conduct that all county employees and officials must adhere to, which includes provisions for ethical behavior. The County CECs ensure that there's highest level of professionalism in line with the Public Officer Ethics Act (2003).
- **Internal Audit:** The county has an internal audit department responsible for monitoring financial transactions and detecting irregularities.

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- Ethics and Anti-Corruption Commission (EACC): The county time to time collaborates with national bodies like the EACC to investigate and prosecute cases of corruption and unethical conduct.

d) Engagement with the County Assembly and Senate:

The County Executive regularly engages with the County Assembly through its committees to deliberate on various matters. This includes:

- To sponsor Bills: The Executive has sponsored several bills for deliberation and enactment by the County Assembly.
- Matters Presented for Deliberation: Various matters, including budget proposals, development plans, and policy initiatives, are presented to the County Assembly for deliberation and approval.

Compliance

The county government complies with all relevant laws and regulations governing its operations. Reports are prepared and discussed at the relevant levels, including submission to relevant government offices as required by law.

The County government of Mombasa has formulated the following statutory committees and boards:

1. Mombasa County Public Service Board

Mombasa County Public Service Board was established by the County Governments Act (No. 17 of 2012).

The following list comprises of the board Members:

No.	Names	Designation
1.	Farida Abdalla	Chairperson
2.	George Mokua	Vice Chairperson
3.	Ruthyana Mumbua	Member
4.	Zaharia Riziki	Member

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5.	Abdulkadir Ali	Member
6.	Liban Hirsi Hassan	Member

2. Other boards and Committees formulated by Mombasa County government are;
- i. Mombasa Water and Sewerage Company (MOWASCO)
 - ii. Coast General Teaching and Referral Hospital (CGTRH)
 - iii. Mombasa County Pending Bills Verification Committee
 - iv. The County Budget and Economic Forum

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4. Foreword by CECM Finance and Economic Planning

It is my pleasure to present the County Government of Mombasa Executive Annual Reports & Financial Statements for the fiscal year ended 30th June 2025.

These financial statements have been prepared in strict adherence to the provisions stipulated in the Public Financial Management Act of 2012 and are in line with the format prescribed by the Public Sector Accounting Standards Board. This legal requirement mandates the County Treasury to compile annual financial reports at the conclusion of each fiscal year. These financial statements serve as a comprehensive representation of Mombasa County Government's financial performance throughout the past year.

Annual Reports and Financial Statements play a critical role in communicating to its stakeholders the operational, financial performance, position and cash flow situation of the County Executive for decision making and accountability of public resources. The county is committed to preparing and submitting financial statements that reflect a true and fair view of the state of affairs of the County Executive.

The adoption of the 2010 Constitution of Kenya, which is outlined in Chapter 11, marked a significant turning point in Kenya's governance structure. This transition replaced the previous centralized system with a decentralized governance model. Under this decentralized system, authority is distributed between the National Government and the 47 County Governments, including Mombasa County. The County Government Act of 2012, sections 5 and 6, clearly articulate the functions and powers exercised by the County Executive of Mombasa County.

Operational Performance

As of June 30, 2025, the County Executive has demonstrated impressive progress in both internal governances restructuring and service delivery to Mombasa residents. The reorganization began with the inauguration of H.E. Governor Abdulswamad Shariff Nassir and Deputy Governor H.E. Francis Foleni Thoya on September 15, 2022. Following this, the Governor established a County Executive Committee, which includes a County Secretary and 10 County Executive Committee Members (CECMs). Additionally, 14 Chief Officers were appointed to lead the various County Departments, ensuring the effective implementation of the Governor's agenda at the departmental level.

Public Participation

Public engagement is a vital component of the county planning process, as outlined in Sections 104(4) and 115(1) of the County Government Act of 2012. The Mombasa County Executive prioritizes involving the public in its major policy decisions, recognizing that this collaboration enhances the planning process and fosters a sense of ownership among citizens regarding the county's goals and responsibilities.

Below are some significant accomplishments that have been realized to benefit the residents of Mombasa County and the wider community.

Department of Lands, Planning, Housing and Urban Renewal

Planning and strengthening security of tenure in unplanned and informal settlements

KISIP I in collaboration with the County Government were able to implement infrastructure improvement projects in four informal settlements in Mombasa. The settlements are Mkomani, Ziwa La Ng'ombe, Jomvu Kuu, and Jomvu Mikanjuni. The type of infrastructure that was implemented in the settlements include: roads and foot paths, security lightning, storm water drainage, ablution blocks, and slope stabilization (gabions).

KISIP II is implementing infrastructure improvement projects in six informal settlements in Mombasa. The settlements are Majaoni 3.8 km, Kisumu Ndogo 1.2 km, Kindunguni 1 – 562m, Misufini 1.44 km, Likoni 203- 3.5 km and Chaani 617m. The type of infrastructure that will be implemented in the settlements include: roads and foot paths, security lightning, storm water drainage, and slope stabilization (gabions). These projects will be responding to the current challenges within the settlements as identified and prioritized through community consultation. When implemented, the projects will benefit an estimated 31,907 households in the settlements in improved accessibility, drainage, security and clean environment.



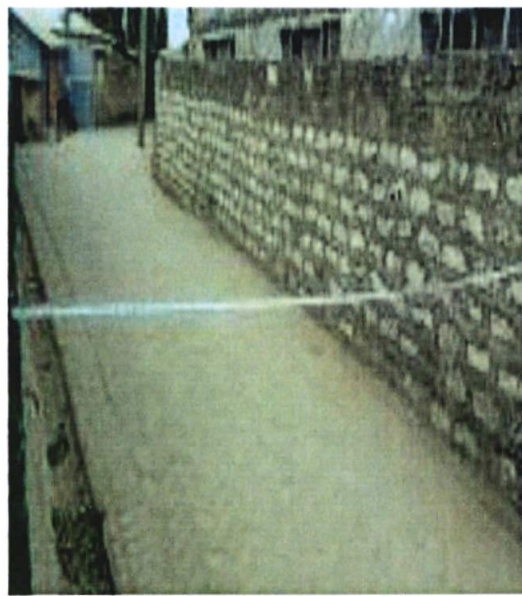
Sub-Surface Drain In Likoni



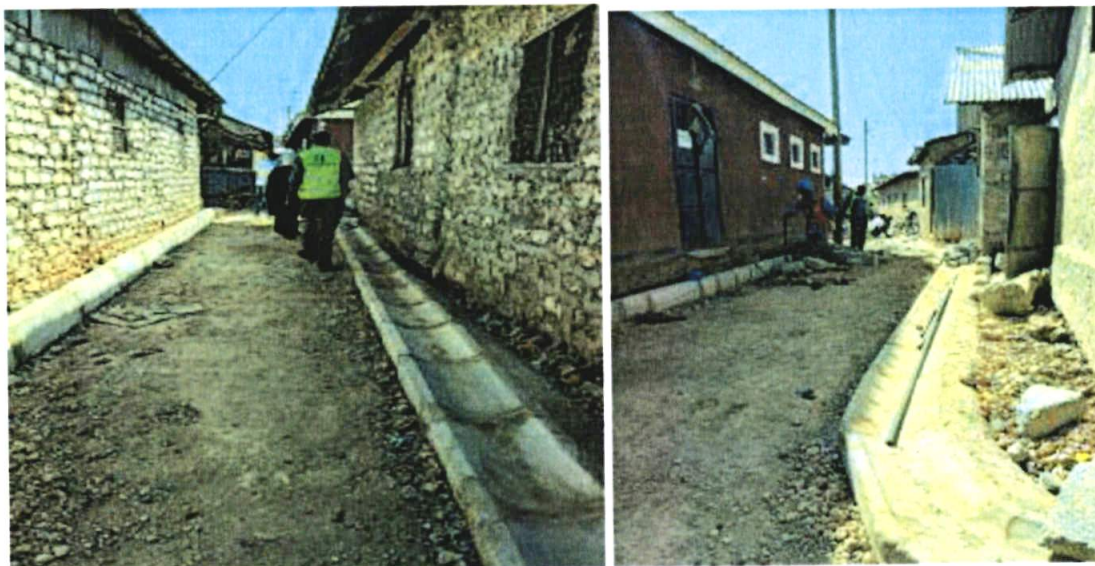
Majaoni Street Lights



Kilima Road 2,5 Km Sub-Surface Drain



Kindunguni Foot Path



Kisumu Ndogo Footpaths

There is also Planning and Survey of Kindunguni 2 with 443 beneficiaries, Kwa Ndegwa 52 beneficiaries, Kibundani 804 beneficiaries, Basra 389 beneficiaries and Kakambala 469 beneficiaries who shall benefit with security of tenure and will be issued with titles deeds by the end of the project. This will see an increase of 2,157 into the rating system hence increase of revenue.





A detailed road design for Likoni 203 – 3.5 KM



Likoni Roads Preparation

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Preparation of roads within Majaoni settlement scheme, In the six mentioned informal settlement a total of 11.12 km of mixed roads and foot paths will be constructed. In Majaoni it shall be Asphalt while the rest will be Cabro.



Majaoni Road Preparations



Kisumu Ndogo

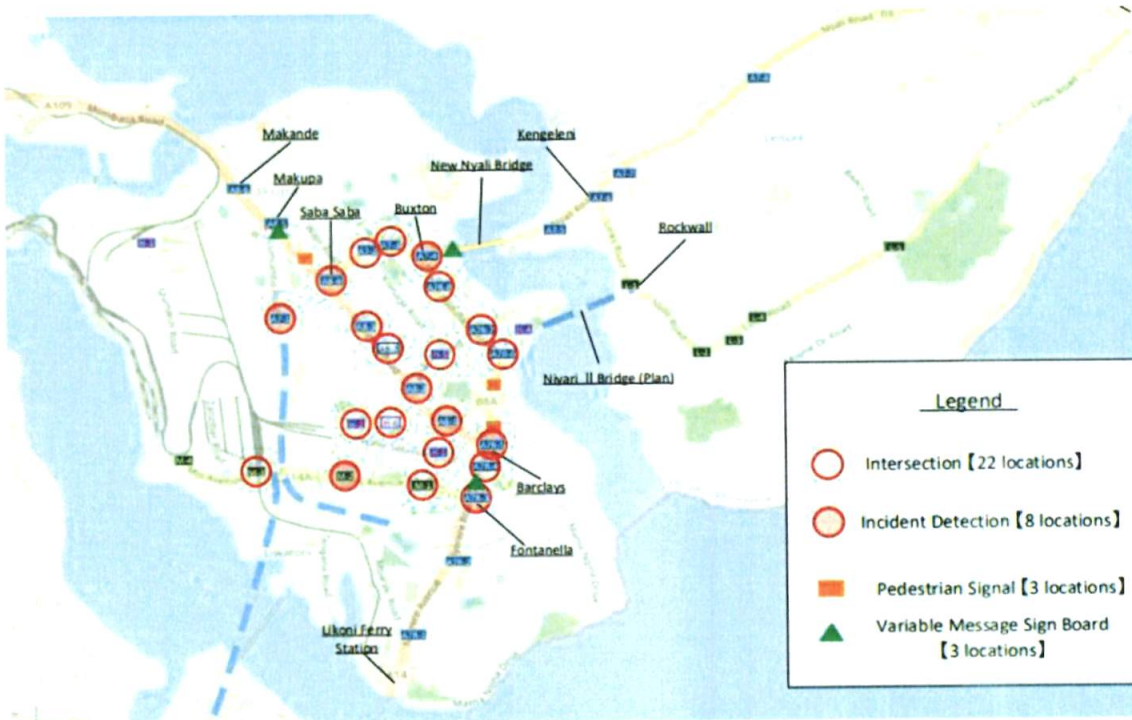
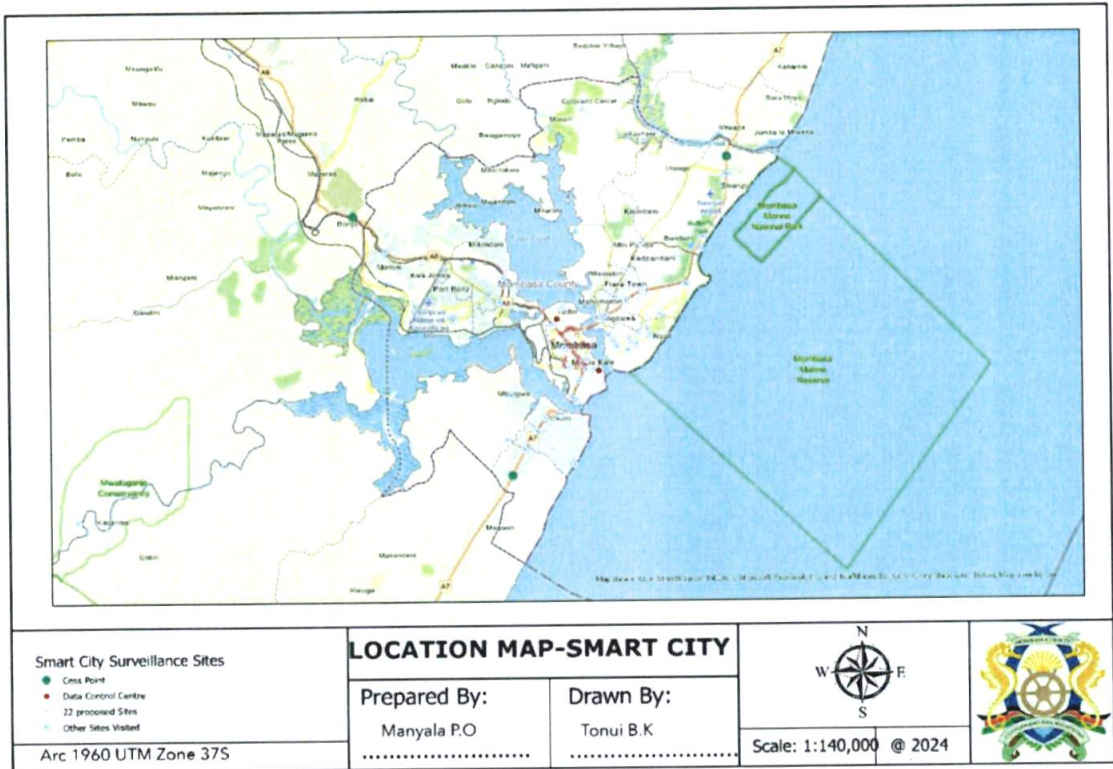
Department of Lands, Planning, Housing and Urban Renewal

Mombasa Smart City Vision

Smart city surveillance project

The County Government of Mombasa under H.E. the Governor's manifesto and a core component of the Integrated Strategic Urban Development Plan (ISUDP), also known as Mombasa Vision 2035, which seeks to accelerate the digitalization of county operations. H.E. Governor's Digital Transformation Agenda is embarking on an ambitious project called Smart City Vision that seeks to modernize Mombasa's City infrastructure by leveraging advanced Information and Communication Technology (ICT) solutions. The implementation of this optical fiber network will enhance public service delivery, optimize urban management, and support sustainable urban development. Through this initiative, Mombasa aims to become a model smart city, using data-driven insights and technological integration to address the city's growing urban challenges such as traffic congestion, inadequate public safety measures, and inefficient service delivery systems.

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Blinding of the Column Bases



Placement of Reinforcement for Column



Department of Education

Mombasa County's Progress in Early Childhood Development Education (ECDE)

Mombasa County has witnessed significant progress in the area of Early Childhood Development Education (ECDE), aligning with Pillar Seven of the Governor's manifesto on Education. This sector has undergone remarkable transformation, marked by several key achievements:

Recognizing the financial challenges faced by many parents, the County Government introduced free ECDE education. This initiative, funded through a capitation grant, aims to alleviate the economic burden on families and increase access to quality early childhood education. All 97 ECDE centres across the county are beneficiaries of this grant.

In the 2024/2025 financial year, a total of KES 32 million was disbursed under this program. As a result, the county has recorded an increase in enrolment by over 2,000 children in a short period. Currently, 10,200 children are benefiting from the capitation grant.

Feeding the Future: Msosi Skuli Powers Learning in Mombasa



Mombasa County's Msosi Skuli initiative, launched in partnership with Food4Education, is reshaping early learning by tackling hunger, improving school attendance, and creating opportunities for communities. The tech-driven feeding program has seen enrolment soar, with the transition from home to PP1 rising from

8,000 to over 12,000 learners in public and special unit schools.

Children are more focused, retention rates are improving, and communities are reaping the benefits through local employment and enhanced learning environments. A newly completed state-of-the-art kitchen in Jomvu Sub- County marks the County’s commitment to expanding the program to Grades 1 to 3.

Igniting Futures: How Mombasa’s Vocational Centres are Empowering Youth

Under the visionary leadership of H.E. Abdulswamad Sheriff Nassir, Mombasa County’s Vocational Training Centre (VTC) within the Department of Education is achieving remarkable success across key initiatives—Digital Learning, Tujiajiri, Skills Mtaani, and the Go Blue programme, designed to equip youth with vocational skills that boost employment and livelihoods.

Youth in our VTCs receive a capitation grant of KES 15,000 per trainee, enabling access and



participation. In 2024/2025 financial year a total of Kshs. 15,000,000 was allocated for the capitation program.

Launching nationwide as part of Kenya’s “Kazi Mtaani” and Climate Work efforts, Skills Mtaani combines meaningful work with on-the-job training in entrepreneurship, life skills, environmental stewardship, and civic values While nationally it

targets youth aged 18–35 in urban settlements, Mombasa’s VTCs adapt the model to provide young people with real-world, marketable skills and civic-minded training in a safe, structured environment. This holistic, youth-centric approach is a vibrant example of how devolved county resources can extend far beyond classroom walls—nurturing skills, talents, and economic opportunity in marginalized communities.

Empowering Education in Mombasa: The Elimu Scheme & No Child Left Behind Bursary

Since 2015, the Mombasa County Government, has championed education through the Elimu Scheme, a Unit designed to provide quality education, bursaries, scholarships and revolving loans to students so as to uplift children from low-income families by making quality education accessible.



Expanding Horizons with 'No Child Left Behind'

Building on this success, Governor Nassir launched the No Child Left Behind bursary in January 2024. This innovative and inclusive programme targets over 40,000-day secondary school students across 137 public and private schools in Mombasa County. Each student benefits from a KSh 5,000 annual bursary, paid directly to schools — a move that not only reduces financial strain on

families but also bolsters school resources.

For the 2024/2025 financial year, a total of KSh 200 million was allocated to support this initiative, reaffirming the county's commitment to ensuring no child is left behind in the quest for education.

Skills Mtaani Driving Bursary: Empowering Youth Through Driving Skills



The Skills Mtaani Driving Bursary is a transformative initiative designed to empower young people by providing them with the opportunity to acquire professional driving skills. This bursary targets talented and ambitious youths who may not have the financial means to access formal driving training. By supporting them through funding and mentorship, the program aims to unlock new career pathways, increase

employability, and promote economic independence.

Department of Climate Change, Energy and Natural Resources

The Department of Climate Change, Energy and Natural Resources, in partnership with Brains Youth CBO, mobilized community members, youth groups, and other stakeholders to participate in a mangrove planting exercise at Junda Misheni.

The main objective of this activity was to contribute to mangrove restoration efforts, enhance climate resilience, and create community awareness on the importance of conserving mangrove ecosystems. During the event, 10,000 mangrove seedlings were planted in Junda area along the tudor creek through restoration effort. The planting of mangrove was an important activity, since the county of Mombasa depend much on mangrove forest to build its resilience through protecting its shoreline.

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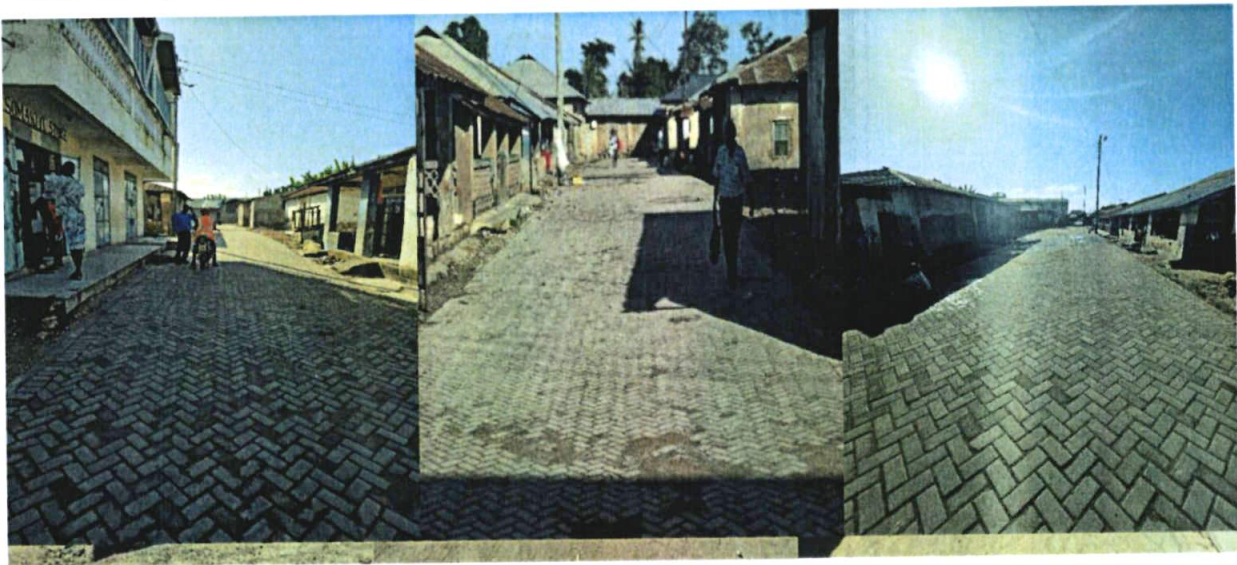


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Department of Transport & Infrastructure

In 2024-2025 financial year the department through the directorate of roads carried out roads and storm water drainage development and maintenance work with aim of improving accessibility, security, safety, and social integration between communities. A number of projects were implemented as shown below:

Nurda Mwangosi Access Road Airport Ward -Changamwe Sub-County



Kwa Wanje Access Road Jomvu Kuu Ward -Jomvu Sub-County



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Mlango wa Papa Road phase 2 Oldtown ward Mvita Sub-county



Jitengeni Kwa Thoya Access Road Mikindani ward, Jomvu Sub-county.



Routine maintenance of Mikanjuni Road Ganjoni/Shimanzi ward, Mvita Sub- County.

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Proposed Level 3 Mjambere Hospital-Work done: 50%



Maganda Early Childhood Development Centre

Financing of The County Governments

The County Government gets its financing from the Equitable share from National Government, Conditional grants from Donors & Development Partners and its own Source Revenue collected from various revenue streams. Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The financial resources of the Mombasa County Government are derived from multiple avenues, including:

- **Equitable Share from National Government:** Mombasa County receives a portion of its funding through the equitable share allocation from the National Government. This allocation is determined annually under the County Allocation of Revenue Act (CARA) in accordance with Article 202 of the Constitution of Kenya. The specific allocation formula is developed by the Commission on Revenue Allocation and subsequently endorsed by Parliament as per Article 217 of the Constitution.
- **Conditional Grants from Donors and Development Partners:** The County Government also benefits from conditional grants provided by various donors and development partners. These funds are designated for specific projects and initiatives, further contributing to the County's financial resources.
- **Own Source Revenue:** Mombasa County actively pursues strategies to boost its own source revenue collection by embracing new technological advancements and actively training revenue officers on revenue enhancement.

Local revenue generation in Mombasa County encompasses various streams, with key sources including:

- **Single Business Permits:** Revenue generated from issuing permits to businesses operating within the County.
- **Parking Fees:** Income generated from parking fees collected within the County.

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- Market Fees: Revenue derived from fees levied on vendors and traders in local markets.
- Cess: Funds collected through cess payments, often related to specific activities or services.
- Sand & Gravel: Income generated from sand-related activities within the County.
- Land Rates: Revenue collected from property owners based on the value of their land.
- Development Plan Approvals: Fees associated with the approval of development plans and permits.
- Advertising Fees: Funds acquired through charges for advertising within the County.
- Various Other Administrative Charges: Additional revenue streams that result from administrative fees and charges.

Mombasa County continues to explore innovative strategies to enhance its local revenue collections, demonstrating a commitment to financial sustainability and efficient resource utilization. These efforts are aligned with the County's dedication to meet the changing needs of its residents and embrace advancements in technology and service delivery.

These measures have paid dividend, since inception of Devolution, own source revenue has continued to increase each year as highlighted below:

Own Source Revenue Collection

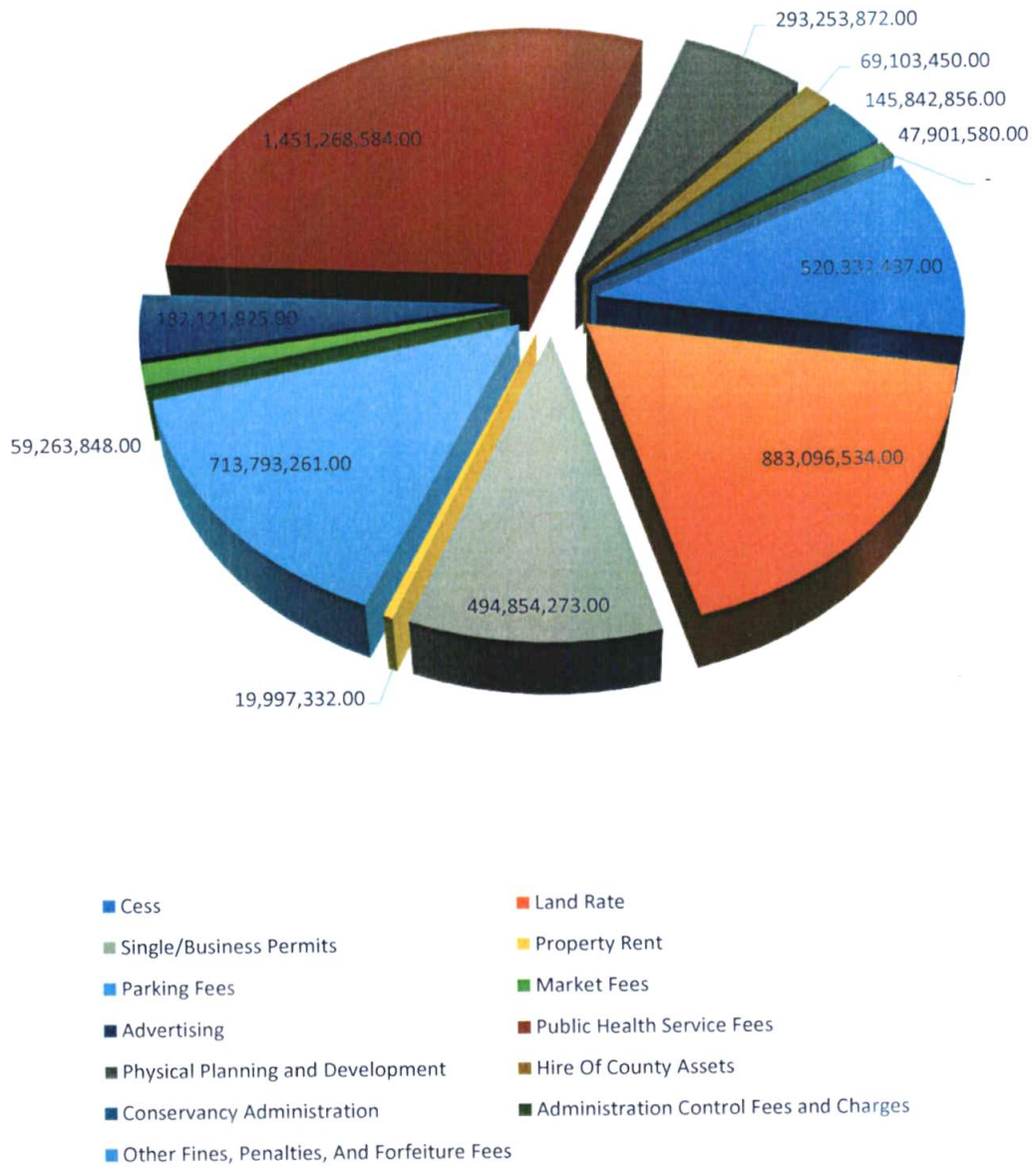


Figure 1: Mombasa County revenue sources in FY 2024/2025

Financial Performance

Budget Performance Against Actual Amounts

a) Revenue

For the fiscal year ending on 30th June 2025, Mombasa County anticipated total revenues amounting to KShs 17,360,000,000. This sum can be further broken down into two primary categories: KShs 6,930,655,697 generated from Own Source Revenue and KShs 10,429,344,303 sourced externally, encompassing County Allocation received through the Exchequer and donor funds.

A graphical representation of the revenue budget is as shown below:

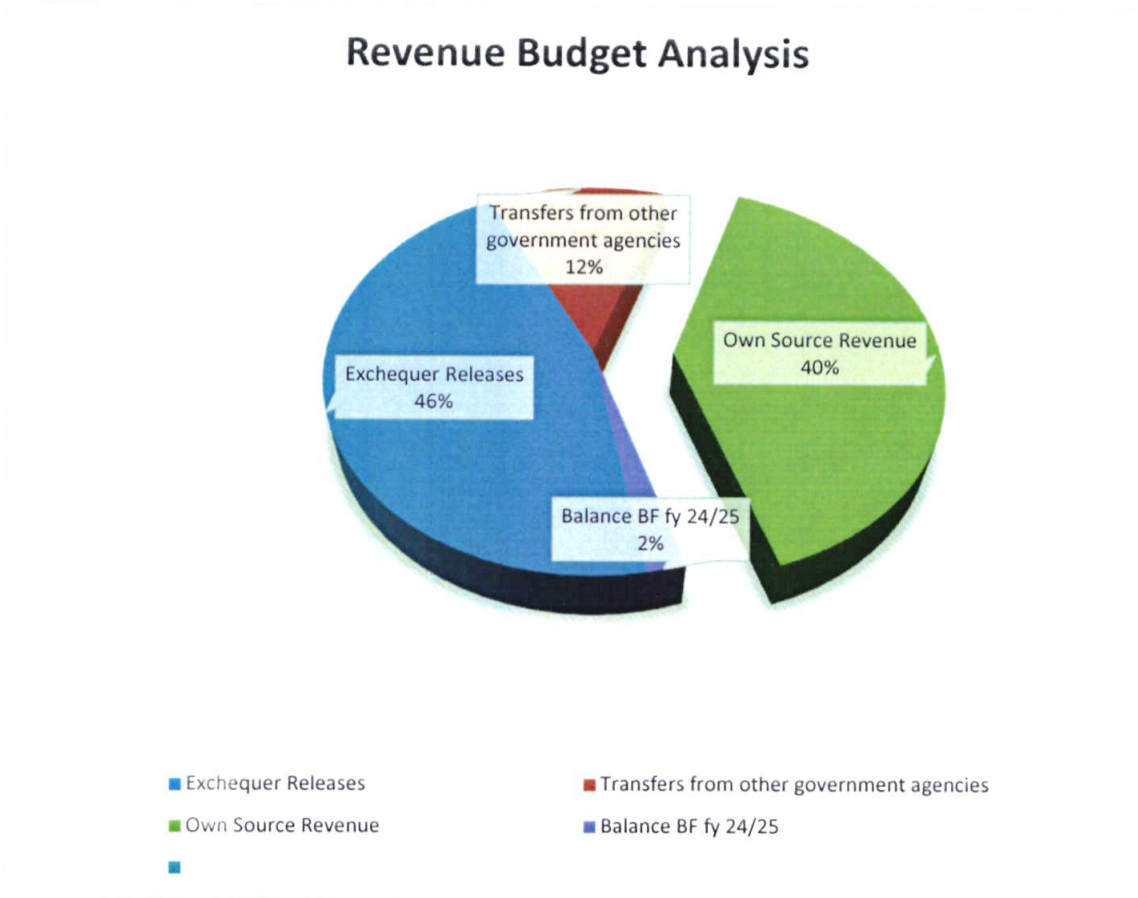


Figure 2: Mombasa County revenue sources FY 2024/2025

County Allocation of Revenue Act (CARA) funds continue to constitute the most substantial portion of our revenue budget, contributing 60% to our overall budget. Meanwhile, revenues generated internally account for the remaining 40% of our budget. Out of the projected revenue, Mombasa County successfully achieved Kshs 15,164,487,913 in actual revenues, representing 87%

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performance level. This success was driven by 100% realization of the County Allocation through the Exchequer, receipt of June 2024 Equitable share and 70% achievement in terms of our self-generated revenues.

The table below shows an analysis of revenue performance during the year ended 30th June 2025.

Revenue Classification	Revenue Budget (KShs)	Actual (KShs)	Realisation (%)
Exchequer releases	7,899,674,038	7,899,674,509	100%
Exchequer releases Arrears-June 2025	0	628,921,902	100%
Transfers from other government agencies	2,165,932,095	1,390,610,205	64%
Own Source Revenue	6,930,655,697	4,880,829,952	70%
CRF Balance- FY 2023/2024	363,738,170	364,451,346	100%
Total	17,360,000,000	15,164,487,913	87%

Table 1: Revenue performance in FY 2023/2024

Out of the Kshs. 4,880,829,952 generated from internal revenue streams, Kshs. 3,566,355,334 was transferred to the County Revenue Fund (CRF) Account. The remaining balance of Kshs. 1,314,474,618 is accounted for by Kshs. 959,987,211 retained and utilized at source by Coast General Teaching & Referral Hospital under the Facility Improvement Fund (FIF) Act, Kshs. 79,708,658 representing opening balances in commercial bank accounts from the previous period, and Kshs. 434,196,067 held as closing balances at the end of the reporting period. the total of Kshs 4,880,829,952 realized from our internally generated revenue sources, an amount of Kshs 3,566,355,334 was disbursed to the County Revenue Fund (CRF) Account.

b) Transfers

In the year under review, the County Government of Mombasa made transfer payments of KShs 12,882,019,063 and KShs 805,669,474 to County Executive and County Assembly respectively.


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Account Type	Period ended June 2025	Comparative period
	Kshs.	Kshs.
Recurrent Account	9,442,388,676	8,871,471,775
Development Account	2,668,978,182	1,503,007,866
Special purpose Accounts	770,652,205	619,737,466
Others (<i>Specify</i>)	0	0
Total	12,882,019,063	10,994,217,107

Table 2: Transfers to County Executive

I would like to express my gratitude at this moment to H.E. the Governor and the Deputy Governor for their invaluable support. I also extend my appreciation to my fellow colleagues, the County Executive Committee Members responsible for various departments. We have collaboratively worked towards fulfilling Mombasa County's mission.

I extend my thanks to all the staff in the Department of Finance and Planning, with special recognition for the Revenue Directorate. Despite numerous challenges, they have consistently demonstrated unwavering commitment and dedication, diligently fulfilling their responsibilities for the betterment of the people of Mombasa County.



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CECM Finance and Economic Planning
County Government of Mombasa

5. Statement of Performance against 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 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 County Government is inclined to revamp social programmes so as to spur the economy and improve the quality of life of its citizens. The County priorities and goals outlined herein are based on the County Integrated Development Plan 2023-2027, Governor's Manifesto and the inputs from stakeholders. The key County proposed priority areas are; Transport and Infrastructure development, Provision of quality and affordable health services, Youth and Women Empowerment, Enhancement of Education and Training, Upgrading of Water and Sanitation Systems and Streamlined Waste Management Services.

Strategic development objectives

The County's 2023-2027 CIDP has identified various key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, Mombasa Vision 2035, the National Government's Vision 2030, the National Government's Bottom-Up Economic Transformation Agenda (BETA) development agenda, the Fourth Medium Term Plan, the Mombasa Vision 2035, SDGs and all other development blueprints. The critical programmes to be implemented are expected to stimulate the County's socio-economic development and revamp the economy.

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the 2023-2027 County's CIDP are to:

1. Transport and Infrastructure Development

As the county diversifies its economic activities and positions itself to becoming a preferred destination for both local and foreign investors so as to improve the quality of life for its citizens, it will endeavor to invest on infrastructure development. For the ease of life of its citizenry it also focuses on transport and its entities, which is a core mandate of the department of Transport and Infrastructure.

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This sector in its multifaceted nature will not only stimulate the ailing economy by providing an enabling environment for investment and delivery of services by acting as a catalyst that ensures amongst others a vibrant 24 hours economy and also a preferred worldwide tourist destination but also create ease of movement for both motorized and non-motorized transport, creating a sense of security for the citizens of Mombasa County and their overall improved livelihood.

The ADP 2025/26 public participation fora indicated that 19.3% of the ward-based participants prioritized the following to be implemented in the County under this sector;

- Installation and maintenance of streetlights;
- Construction of inter-access roads, cabro roads and main roads;
- Construction of boda-boda and pedestrian shades;
- Installation of anti-flooding infrastructure;
- Erection of bumps;
- Construction of Bridges and Fire emergency stations;
- Training on disaster management and emergency response;
- Improvement of drainage and non-motorized transport infrastructure;
- Call for empowerment of the SMES in order for the county to set up and improve trading infrastructure within the county;
- Beautification and aesthesis of the County.

2. Provision of quality and affordable health services

Mombasa is a vibrant coastal city, hub of culture, commerce, and diversity. It is home to people from all walks of life, with varying health needs and economic backgrounds. Quality healthcare is not a luxury, but a basic human right that everyone should have access to regardless of their financial standing. Affordable healthcare is a cornerstone of economic stability and poses as the key to reducing health disparities. By making healthcare services affordable, we encourage preventive care, that is, early diagnosis and treatment, which can prevent more severe conditions down the road as it reduces the burden on our healthcare system and ensures that people are getting the care they need before problems become life-threatening. In conclusion, the provision of quality and affordable health services in Mombasa is not just an investment in individual health, but in the future of our entire community. It is a path toward economic growth, social equity, and a healthier, more vibrant city. When we invest in the health of our people, we are ultimately investing in the health of Mombasa

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itself- ensuring that it remains a place where everyone, regardless of their circumstances, can live, thrive, and contribute to the collective well-being.

The public participation fora for the ADP 2025 shows that this is a priority sector whereby 15.6% of the priorities were identified. The County through the Department of Health continues to strategize and improve the support it offers to the community units which are manned by community health workers so as to address sanitation, hygiene and health issues as well as stepping up the water and sanitation programmes compliance in the county. The following are the identified priority interventions;

- Improve access to drugs;
- Construction/refurbishment of health facilities;
- Consistent supply and availability of vaccines;
- Undertaking frequent, regular and diversified county wide medical camps;
- Establishment of mental health facilities to offload Portreitz Hospital;
- Procurement of ambulances;
- Undertake regular and proper staff training to enhance customer service and humanize health services;
- Increase the Community Health Promoters (CHPs) Stipend;
- Ensure increased uptake of Social Health Insurance Fund (SHIF)/ Taifa Care to reduce out of pocket spending on health;
- Continuous resourcing of the devolved healthcare infrastructure at sub-county level so that there is adequate healthcare staff, medication and equipment to serve the needs of the people;
- Continuous recruitment, promotions and progressive capacity building and training for healthcare workers.

3. Youth and Women Empowerment

According to the Kenya National Bureau of Statistics 2019 statistics, the rate of youth unemployment remains high at 49% indicating that 5 out of 10 of our young people are jobless. The unemployment rate for women aged 15–25 is almost 50%, which is 20% higher than the rate for men in the same age group. The benefits of youth and women empowerment extend far beyond individual well-being since when both groups are given equal opportunities to succeed, societies become more balanced, resilient, and prosperous. Empowerment fosters self-confidence, reduces inequality and leads to healthier, more

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harmonious communities as it also promotes peace and stability by ensuring that all voices are heard and valued leading to more inclusive and democratic governance. It also ensures that no one is left behind and that everyone regardless of age or gender has the chance to contribute meaningfully to their community. Empowering youth and women is, therefore, not just a social goal, but an economic and political imperative that benefits everyone.

The County Government guided by the fact that 13.6% of the stakeholders ADP 2025/26 concerns prioritized the sector, we shall seek to put up systems for vibrant economic growth and development in the County by placing special focus on creating opportunities for the formal and informal self-employed residents through: -

- Creating partnerships with the National Government as well as international partners in providing apprenticeships and job opportunities locally and abroad;
- Exploiting and tapping into the Youth talents by ensuring we have adequate sporting facilities within the County for them nurture their talents;
- Create a County Revolving Youth and Women Fund within the budget to empower Women, Youth and Persons living with disabilities;
- Completion of the County stadium and establishment of stadia at the devolved levels;
- Establishing, revamping and equipping of the Social Halls;
- Improved social services;
- Establishment of rescue centres to address Gender Based Violence instances, child protection/ safe houses and also act as Youth friendly wellness centres;
- Creating a job placement database to provide companies with local talent working with the Ease of Business Directorate;
- Training of the youth and rehabilitation of youth resource centers; equipping them with skills to match the industry/ practice;
- Cushioning the vulnerable and the elderly people in Mombasa;
- Implementation of the 30% government procurement rule, to give youth opportunity to do business with government.

4. Enhancement of Education and Training

In Mombasa, education serves as a powerful tool for breaking the cycle of poverty and opening doors to new opportunities. By providing young people with quality education, we equip them with the

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knowledge, skills, and confidence they need to pursue their dreams and contribute meaningfully to the economy. As a coastal city with a rich history and a growing population, Mombasa is uniquely positioned to benefit from an educated workforce, which can drive local businesses, attract investment, and stimulate economic growth.

Guided by the 12.1% public input from the ADP 2025/26 priorities, the county deems it fit to follow up on: -

- ECDEs construction, completion and refurbishment;
- Equipping Technical and Vocational Education and Training centres;
- Enhancing capitation for TVETs;
- Initiate partnerships to enhance extra-curricular activities;
- Sustain the School Feeding Program at ECDE Centers;
- Support the Special needs education;
- Revamp the Scholarships/bursaries;
- Provision of teaching/learning materials;
- Enhance the schools' mentorship programmes;
- Provide free learning at ECDE centres;
- Provide school transport facilities for children living with disabilities;
- Promote decent jobs through training on entrepreneurship;
- Recruit and train adequate early childhood education and vocational polytechnic personnel;
- Widen the Reach of the Second Chance Program- designed to support vulnerable girls and women who have dropped out of formal education as a result of early pregnancy and other factors to resume their studies;
- Promote public participation to build awareness on the importance of early childhood education as foundational in the trajectory of young people's lives.

5. Upgrading of Water and Sanitation Systems

As one of Kenya's major coastal cities, Mombasa faces unique challenges due to its rapid population growth, urbanization, and its location near the sea. Proper water supply and sanitation infrastructure are essential to addressing these challenges and improving the quality of life for everyone in the city. Upgrading water and sanitation systems in Mombasa is not just a matter of infrastructure; it is a matter of public health, environmental sustainability, economic stability and social equity. By investing in

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better water management and sanitation facilities, Mombasa can secure a healthier, more prosperous future for its residents and ensure that the city is well-equipped to meet the demands of growth and urbanization. Clean, accessible water and efficient sanitation systems are fundamental to creating a sustainable and vibrant Mombasa for generations to come. Water and sanitation systems are paramount as was depicted by 10.7% of the citizen's opinions as synthesized in the ADP 25/26 public participation report covering the 30 wards in the County whereby the following ranked priorities were identified;

- Boreholes excavation;
- Increased and regular access to fresh water;
- Construction, renovation and maintenance of public Toilets;
- Implementation of the EcoLoo program of bio digester public toilets to ensure adequate community based sanitary facilities in informal settlement;
- Establishment and proper upkeep of sewer lines;
- Purchase and installation of water purifiers;
- Formalize landholding in urban and city informal settlements to manage approved development and avoid drainage damage;
- Maintain existing neighborhood sewerage and drainage infrastructure while developing new one infrastructure in support of high growth sectors in urban centers.

6. Streamlined Solid Waste Management services

Mombasa faces significant challenges in managing the increasing volumes of waste generated by its residents, businesses and industries. However, effective waste management is not just a matter of tidying up the streets; it plays a critical role in public health, environmental protection, economic development and social well-being. By implementing more efficient, sustainable, and inclusive waste management practices, Mombasa can become a cleaner, greener, and more prosperous city for all who live, work, and visit here. The benefits of good waste management will ripple across every aspect of life in the city, contributing to its future success and sustainability.

Under Environment and Solid Waste management, **6.2%** of the opinions from the ward representatives prioritized the need to: -

- Purchase and maintenance of waste collection trucks;
- Establishment of waste collection points;

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- Maintenance of the public gravesites;
 - Promoting civic education on sustainable consumption and waste management;
 - Establish innovative practices in waste reduction, reuse, recycling, treatment and disposal to reduce disposable materials;
 - Identify and set aside appropriate land for disposal of solid waste;
 - Establish and operationalize material recovery facilities (MRF);
 - Promote urban regeneration programs to increase gentrification of informal settlements to improve sewer services.
7. The captioned ADP 2025/2026 public participation report also highlighted the following in order of priorities for action: -
- a) **Devolved Services (Serikali Mitaani) (6.1%)** whereby there was a call for: -
- Establishment of Ward Administrators' Offices;
 - Attendance of top leadership and management in the Public Participation fora;
 - Dire Need for continuous civic education;
 - Fair and transparent Mombasa Yangu recruitment;
 - Designing initiatives geared towards curbing drug and substance abuse;
 - Putting up barriers to control harmful products/illegal substances entry.
- b) **Land and Housing Management (5.0%)** called for attention on: -
- Management of land disputes;
 - Operationalizing of the "Ardhi Fund" regulations to settle squatters within the County;
 - Digitization of all land records;
 - The implementation of the mega program on Social Housing Units through PPP for construction of social housing units within the County owned dilapidated Estates;
 - The County to continue working closely with the National Government in Planning and issuance of titles including sectional properties in the medium term and also repossession of all grabbed public land;
 - The County's participation in the surveying, planning and land mapping to ensure investors and the residents are able to benefit from land as a factor of production.

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- c) **Wealth Creation, Employment Opportunities and Investment Promotion (5.0%).** The following concerns were pointed out: -
- Ensuring equal employment opportunities;
 - Increased access to foreign jobs placement;
 - Construction and refurbishment of markets;
 - Employment of People Living with Disabilities;
 - Establish the Mombasa International Financial Center;
 - Revamp and operationalize the Mombasa Investment Corporation;
 - Operationalization of the Mombasa County Multi -Year Projects Financing Act;
 - Develop a strategy for investments promotion to grow the county economy;
 - Revamp revenue collection systems that will increase efficiency;
 - Develop innovative and effective sources of finance (including Public Private Partnerships) to fund urban development and the provision of services;
 - Establish business incubation centers;
 - Facilitation of shadowing and apprenticeship opportunities both in public and private sectors;
 - Setting up innovation funds, challenge funds for young people to test new ideas among the youths;
 - Develop, facilitate, and implement business incubation and accelerator programmes / information centers for start-ups, early and growth stage businesses;
 - Host annual business competition and exhibition forums to foster business innovation and linkage to investment opportunities;
 - Support the manufacturing sector through provision of a conducive working environment.
- d) **Blue Economy, Agriculture and Livestock (5.0%),** the main concerns include: -
- Need for training on blue economy ventures;
 - Procurement of equipment for fishing, agriculture and livestock activities;
 - Farming funding to support small-scale farming initiatives;
 - Need for veterinary officers and extension services across the county.
- e) **Digital Transformation (1.2%),** the issues raised includes the following priorities: -

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- Establishment and equipping of ICT Hubs across the county to promote technology-positive culture;
- Installation and maintenance of CCTVs in public spaces to curb instances of insecurity;
- Digitizing government services.

f) **Equitable Ward Development (0.2%)**, ensuring equitable allocation of resources to facilitate projects within the County at ward level.

8. The actualization of the key priority areas will complement the BETA Agenda and the Governor's Manifesto which is expected to accelerate and sustain inclusive growth, create opportunities for decent jobs, reduce poverty and income inequality and ensure that we create a healthy and food secure society in which every Citizen is guaranteed of affordable and decent quality of life.

Below we present the progress made in attaining the objectives of the 2023/27 CIDP for Mombasa County.

S/No	Strategic Objective as per CIDP (present the objectives on a high and strategic level)	Targeted Outcome	Performance/Progress made up since inception from the latest CIDP	Remarks (Explain the reasons underperformance/ Overperformance)
1	To have Inclusive Early Childhood Development	Enhanced access to ECDE for all citizens across the county	-The School Feeding Programme: Daily lunch distribution to Early Years' Learners. -Phased repairs of ECDE Centres. - Recruitment of teachers for ECDE. - Capitation of Kshs. 3,200 per child was disbursed thus making ECD education in the county free.	The achievement was undertaken through the Department of Education These interventions increased the proportion of children under 5 attending school
2	To improve accessibility, road connectivity,	Increased road connectivity	350km of major roads maintained	The achievement was undertaken through Transport & Infrastructure Department

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S/No	Strategic Objective as per CIDP (present the objectives on a high and strategic level)	Targeted Outcome	Performance/Progress made up since inception from the latest CIDP	Remarks (Explain the reasons underperformance/ Overperformance)
	security, safety and social integration between communities			Lack of adequate budget to facilitate the targeted 645km
3	To enhance Sustainable natural resource management and climate change resilience	Conserved natural resources	-Launch of Mombasa County Climate Action Plan 2023-2050. -Mapping and valuation of natural resources as well as Planting of Terrestrial trees in the schools County Wide.	The achievement was undertaken through Department of Water, Natural Resources and Climate Change Resilience
4	To enhance youth Economic Empowerment	Youth groups funded for business start-ups	40 groups funded through the collaboration of the county (Under the department of Public Service Administration, Youth, Gender, Sports and Social Services) and private partners. - A successful international youth day celebration	Funding from partners supported the initiative, however it did not meet the stipulated target of 500 youth groups to be funded.
5	To improve sanitation and waste management across the county	Controlled access to the dumpsites; curtailing open dumping and managing uncontrolled scavenging	Fencing of the Mwakirunge dumpsite with an earthen embankment:54 acres were targeted however the department of Environment and Governance fenced 15 acres this will ease access to the dumpsite	Implemented in a phased approach through the Department of Environment and Governance

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S/No	Strategic Objective as per CIDP (present the objectives on a high and strategic level)	Targeted Outcome	Performance/Progress made up since inception from the latest CIDP	Remarks (Explain the reasons underperformance/ Overperformance)
6	Improved service delivery	Upgraded infrastructure and improved operational efficiency	-Completion of renovation of mechanical service bay -Automation of financial services from the County	Implemented through : Department of Environment and Governance Department of Finance and Economic Planning
7	To improve sanitation and waste management across the county	Improved facilities and hygiene	-Completion of renovation Toilets at Tononoka Social Hall and Bomu Stadium -Construction of Ablution Blocks	Implemented through the Department of Environment and Governance Department of Water, Natural Resources and Climate Change Resilience
8	To Promote competitive agriculture and innovative research; sustainable livestock and fisheries development; (Increase in quantity of fish landed and	Increase in number of people engaged in agriculture, fish farming activities and adoption of	-Fish farming groups (Fresh and marine aquaculture) were trained on several aspects on fish farming -Procurement of 18 modern fishing gears -Farmers were sensitized on agricultural climate smart technologies, crop husbandry	The achievement was undertaken through Blue Economy, Cooperatives, Agriculture and Livestock Department

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S/No	Strategic Objective as per CIDP (present the objectives on a high and strategic level)	Targeted Outcome	Performance/Progress made up since inception from the latest CIDP	Remarks (Explain the reasons underperformance/ Overperformance)
	traded for income generation)	modern technologies.	practices, value addition & agro processing through their groups - Land Based and inshore patrols as a component of the Monitoring, Control and Surveillance.	
9	To promote trade and entrepreneurship	Improve market accessibility	Completion certificate issued on completion of New Mikindani Retail Market, Upgrading of Matopeni Road to Cabro Standards, Rehabilitation of Kongowea Market Perimeter Wall	The achievement was undertaken through Trade, Culture and Tourism Department
10	To enhance sustainable land development and crop management	To promote mechanization of agricultural practices	Improved crop production and productivity and acquisition of 2 disc ploughs and repair of tractors	The achievement was undertaken through Blue Economy, Cooperatives, Agriculture and Livestock Department
11	To provide decent and secure social amenities	Improved standards of living	Completion of renovation of Tononoka Social Hall and construction of Perimeter Wall at VOK social hall	The achievement was undertaken through Public Service Administration, Youth, Gender, Sports and Social Services Department
12	To enhance Prudent use of Land and Improved livelihood to the residents.	Improved standards of living	Operationalization of Ardhi Fun Finalization of the County Spatial Plan	The achievement was undertaken through Lands, Urban Renewal and Housing Department

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S/No	Strategic Objective as per CIDP (present the objectives on a high and strategic level)	Targeted Outcome	Performance/Progress made up since inception from the latest CIDP	Remarks (Explain the reasons underperformance/ Overperformance)
				The Ardhi Fund has begun initial implementation The CSP is awaiting approval from the county assembly
13	To strengthen health services	To provide effective and efficient curative and rehabilitative health services at all delivery units	Kongowea Health centre refurbishment and construction of perimeter wall Upgrading Utange level 4 facility Refurbishment of Maweni Dispensary Refurbishment of Tudor Sub-County Hospital	The achievement was undertaken through Health Department

Progress on Attainment of Development Objectives from Annual Development Plan for FY 2024/25

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Programme performance

Department	Objective	Outcome	Indicator	Performance
Lands, Urban Renewal and Housing	Optimize land use and provide decent safe affordable housing to the resident	Prudent use of Land and Improved livelihood to the residents	Resettlement Action Plan for Mombasa Truck Marshalling Yard in place	Resettlement action prepared
	To improve Land Management	Improved Land Management	No. of Servicing of notices on Updating of Valuation roll	Roll Tabled at the county assembly - 75,000 notices sent to ratable property owners -6,689 objections received. Awaiting appointment of the Tribunal to determine the objections raised
Education	To enhance access to ECDE and libraries	Inclusive Early Childhood Development	-ECDE centres constructed and furnished. -Completion of ongoing ECDE construction	Distribution of Daily lunch to Early Years' Learners through the School Feeding Programme

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Department	Objective	Outcome	Indicator	Performance
			-Renovated & furnished ECDE Centres -Proportion of ECDEs benefiting from feeding program -No. of Capitation grants allocated	
	To improve access to vocational and education training	Increased access, retention, completion and transition in Vocational Education and Training	Training centres constructed, Training centres renovated and refurbished and New courses introduced	
Transport & Infrastructure	To enhance mobility, safety and security	Enhanced service delivery	No. of street lights installed and maintained Placing road signs	6387 out of 15,000 were maintained, the shortfall due to budget constraints 80 out of 300 road signs were placed due to budget constraints
	To improve emergency response	Improved emergency response	No. of fire stations installed	Completion of: Refurbishment Likoni Fire station Refurbishment Changamwe Fire station

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Department	Objective	Outcome	Indicator	Performance
				Refurbishment Kiembeni Fire station
	To improve road access	To improve accessibility, road connectivity, security, safety and social integration between communities	No. of kms constructed and maintained	Maintenance or major roads (50km out of 645km), Routine maintenance of major roads under Fuel Levy in all the sub counties, Routine maintenance of all-weather roads, Maintenance and minor repairs of storm water drainage(70 out of 200)
Water, Natural Resources And Climate Change Resilience	To increase access to clean and safe water	Increased access to clean and safe water	Volume of bulk water increased(M3) Distance of water network laid (Km)	-Laid a total of 399 Km of water distribution pipeline, Over 100 km are currently under construction. -Signed a Water Purchase Agreement that paved way for the funding and construction of the Mwache Dam which will supply over 160,000m3 per day
	To improve access to sanitation and sewerage services	Improved access to sewerage and sanitation services	Distance of sewer lines laid [Km] No of WWTP(Waste water treatment plants) constructed or rehabilitated	25, 000 No Trees planted
	To improve climate resilience at the county	Improved climate resilience at the county	-% Acres of riparian natural buffer-zone established	

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Department	Objective	Outcome	Indicator	Performance
			-No. climate change adaptation plan developed -No. conducted community awareness sessions on climate change resilience	
Public Service Administration, Youth, Gender, Sports And Social Services	To empower the youth and Development of sports facilities	Empowered the youth and Development of sports facilities	-No. of Youth trained on business skills -No. of Youth groups supported with business funds -Six One stop youth center (resource, empowerment, creative art) -No. of youth in employment	- 500 out of 1000 Youth trained on business skills - organized for Sanaa Mashinani for preparations for international film festivals finals. - The directorate is currently training young women on life skills in a program dubbed "second chance" -3 out of 6 sports facilities developed
	To provide decent social amenities	Decent social amenities	Improved facility	Completion of renovation of Tononoka Social Hall and construction of Perimeter Wall at VOK social hall

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Department	Objective	Outcome	Indicator	Performance
Environment And Governance	To develop an efficient waste collection and disposal system	Reduced strain on landfill and promotion of circular economy	-Number of acres of land fenced -% efficiency of truck cleaning and equipment -% efficiency of mechanical service operations	Completion of : -Renovation of mechanical service bay - Operationalization of the washing bay at the County Yard - Phased Fencing of the Mwakirunge dumpsite with an earthened embankment.
	To develop efficient public service structures through Serikali Mitaani	Effective and efficient public service structures at all administrative structures of the county	No. of youth employed -One service center Changamwe/Jomvu established -No. of motor vehicles purchased -One Nyali Sub-county office constructed - No. of Installed street live streaming screens	Completion of: - One Nyali Sub- County office constructed -One service center Changamwe/Jomvu established - Installation of 6 street live streaming screens
Blue Economy, Cooperatives, Agriculture and Livestock	Improve livelihoods by promotion of competitive farming, appropriate policy and	Efficient service delivery, Improved livelihoods &	-Increased livestock population. -Increase productivity per animal.	-39 barazas were held across the sub counties. -12 meetings were held and various issues were handled including field and incubator challenges.

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Department	Objective	Outcome	Indicator	Performance
	development environment, effective support services, sustainable natural resources and Land management	household food security and nutrition	<p>-Improved market access of products.</p> <p>-Improved income to farmers.</p> <p>-Increased market access for livestock</p> <p>-% increase in animals vaccinated against trade and public health sensitive diseases</p> <p>-% livestock slaughtered and inspected in licensed slaughter house</p>	<p>-3318 animals and , and 1986 Poultry vaccinated</p> <p>-146,845 Poultry and livestock slaughtered and inspected.</p>
	To improve use of fisheries resources for better livelihoods for fisher folk so as to increase incomes and create employment by building capacities of	Increase in quantity of fish landed and traded for income generation	<p>-Increase in number of people engaged in fish farming activities by 20%</p> <p>-Increase in adoption of modern fishing technologies.</p> <p>-Increase in quality sea food markets</p>	<ul style="list-style-type: none"> • Procurement of 18 modern fishing gears • 6 fish farming groups (Fresh and marine aquaculture) were trained on several aspects on fish farming • The sub-department also carried out 4 land based and inshore patrols as a component of the Monitoring, Control and Surveillance.

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Department	Objective	Outcome	Indicator	Performance
	fisheries value chain actors			<ul style="list-style-type: none"> • 15 Beach Management Units were trained on several aspects such as governance, fish quality assurance and marketing. Procurement of cold storage and fish handling materials for 10 groups in the bmus
Health	To provide effective and efficient curative and rehabilitative health services at all delivery units	Improved quality of life	<ul style="list-style-type: none"> -No of fully functional ambulances -Accident and emergency infrastructure Functional Call Centre (Emergency response network infrastructure) -Establish specialized facilities -Constructed incineration Facilities & PPP engagement for Microwave management in place 	<ul style="list-style-type: none"> -Routine Immunization, integrated outreaches, defaulter tracing and increased the number of immunization sites from 94 to 110 and immunized 159,996 children under 5yrs with full immunized coverage (fic) of 93%. -Care and treatment of tb and hiv was provided at 90% with the help of partners and chps in health facilities. -Increased access (from 40% to 53.7%) in pregnant women attending at least 4 anc visits, women of reproductive age accessing commodities and increased the number of facilities conducting assisted deliveries complimented by private/fbo, enrolment of Mothers To The Linda Mama Benefit

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Department	Objective	Outcome	Indicator	Performance
			-No. inpatient drug & substance facilities in place	<p>Package which led to an increase in facility delivery at 96%.</p> <p>-The county has reduced facility maternal mortality rate 196/100000 through active mpdsr committee, satellite blood bank, weekly blood type and level monitoring. Reduction in number of fresh still birth rate from 11/1000 to 9.4/1000.</p> <p>-Decentralization of skilled delivery, increased basic essential obstetric care, strengthened community referrals.</p> <p>-To strengthen collaboration with health-related sector the doh has improved in proportion of households using treated water (from 73.8% to 87.2%) by enhancing routine chlorination of wells, and improved household messaging through chvs was done to communities. This was done in collaboration with mowasco through a twg. Proportion of households with functional latrine improved (from 81.2 to 87.2 %) with</p>

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Department	Objective	Outcome	Indicator	Performance
				<p>the support of red cross in the open defecation free (odf) program and community sensitization.</p> <p>-Proportion of food handlers examined increased to 80% the public health department strengthened food inspection within the county which was an opportunity to sensitize food handlers on the need for medical examination</p>
Finance And Economic Planning	To prudently mobilize and manage resources	Improved fiscal prudence	% Increase in local revenue collection	OSR increased from 4B in 2022/2023 FY to 4.46B in 2023/24 FY
	To strengthen planning and budgeting	Increase implementation of the planned budget	% increase in budgetary absorption	The County had a 74.5% budget absorption
	To enhance Risk Management Services	Financial Risks mitigated and managed	An Unqualified audit reports in place	The County has qualified audit opinion in the previous FYs
	To Establish a platform for investors to access investment information within Mombasa county	Platform for investors to access investment information within Mombasa county	Fully functional Web site management system	Completion of Web site management system

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Department	Objective	Outcome	Indicator	Performance
	To improve productivity in work performance and minimize system breakdowns through internet connectivity	Enhanced work output and improved efficiency Reduced internet breakdown	No. of Network jitters reported	County wide internet connectivity
Tourism, Culture and Trade	Promote trade and entrepreneurship opportunities and Regulate trading activities, consumer protection and fair-trading practices	Empowered business community through Increased employment and business opportunities	-No. Wholesale & retail markets constructed & rehabilitated -No. of Trade Policies Developed -No. of modern kiosks constructed -No. SMEs trained, coached and mentored.	-New Mikindani Retail Market -Upgrading of Matopeni Road to Cabro Standards -Rehabilitation of Kongowea Market Perimeter Wall -Repair of roofing of new Kongowea retail market -Phased Establishment of county aggregation and industrial parks

6. Environmental and Sustainability Reporting

County Government of Mombasa exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on County Government of Mombasa pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

a) Sustainability strategy and profile

The Country and the World at large are facing the challenge of increasing oil prices and a weakening Kenyan Shilling, which have had a significant impact on the economy. These economic challenges have led to various measures and strategies being put in place by both levels of Government to mitigate their effects and promote economic recovery.

Kenya's economic growth prospects for the FY 2024/25 and over the medium term are influenced by the global and Sub-Saharan Africa economic landscape, which includes the challenges posed by rising oil prices. The growth projection also considers the strategic objectives of the Government, as outlined in the third MTP of Vision 2030.

To address the economic challenges posed by increasing oil prices and a weakening currency, the county is actively exploring ways to enhance local revenue collection and achieve greater efficiency in recurrent expenditure. This is crucial to prioritize development projects and allocate resources effectively. Maintaining a lean workforce is part of this effort to control the wage bill and create fiscal space for key county priorities, particularly in the social sectors and other development programs. This approach will also ensure readiness for countercyclical fiscal policies in response to economic shocks.

Fiscal consolidation remains a priority for the County Government, with the aim of reducing recurrent expenditure to allocate more resources to development projects. At least thirty percent of the total county revenue will be allocated to the implementation of development projects to stimulate economic growth.

Additionally, the county is actively engaging in public-private partnerships with potential local and foreign investors and other development partners to support the county's development efforts in the face of rising oil prices and currency challenges.

Recognizing the economic hardships faced by traders due to increasing oil prices and currency depreciation, the county government has implemented measures such as waiving arrears for market

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stall charges to support the trading community during these challenging times. These measures aim to alleviate some of the economic burdens caused by the current economic conditions.

b) Environmental performance

As the County embarks on implementation of any projects and programs within the County, environmental risks management is being mainstreamed including in the performance contracting and appraisal system.

The Department of Environment & Solid Waste Management, has an Environmental and Social Management System (ESMS) for the Mombasa County Projects. The ESMS ensures that the project activities are compliant with the relevant requirements of national policies, regulations and legislations as well as the World Bank Safeguards Policies and Procedures. The objective of this ESMS is to set out the principles, rules, guidelines and procedure to assess the environmental and social impacts and monitoring to ensure that environment and social aspects are duly considered.

The ESMS includes training program, responsibilities for its implementation and monitoring, procedures and budgets for ensuring enhancement of the environmental and social performance of the project. The ESMS reflects clarified roles and responsibilities vis-à-vis the implementation of the ESMS.

The objective of the Environmental and Social Management System (ESMS) is to ensure that any adverse environmental and social impacts are avoided or appropriately mitigated and compensated for where necessary. The ESMS is based on the environmental and social safeguard policies as well as Kenyan laws and policies. It will enable project proponents (the County Government of Mombasa and beneficiaries to integrate and incorporate environmental and social concerns in the entire cycle of project implementation. The ESMS provides an overview of relevant Safeguards Policies and Government of Kenya regulations and describes the planning process concerning environmental and social issues, including screening, preparation, implementation, and monitoring of all projects to ensure full compliance with the agreed guidelines.

Green Buildings Award Recognition

In FY 2024/25, Mombasa County Government made history by becoming the first sub-national government in Africa to receive a portfolio certification for green public buildings. The award is the EDGE (Excellence in Design for Greater Efficiencies) certification, granted by the Kenya Green Building Society (KGBS) in May 2025, recognizing its leadership in promoting sustainable construction practices, energy efficiency, and environmentally responsible urban development. This award underscores the County's commitment to integrating sustainability principles into

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infrastructure projects, reducing carbon footprints, and aligning with Kenya's broader decarbonization and climate resilience efforts under its Nationally Determined Contributions (NDCs) and Vision 2030.

The following facilities were covered:

- Mombasa County Assembly
- Office of the Governor
- Port Reitz Sub-County Hospital (Operating Theatre and Maternity Blocks)
- Kongowea Market

This demonstrates the County's proactive role in ensuring that adverse environmental and social impacts are avoided or mitigated, while promoting innovation in sustainable building design.



c) Employee welfare

Pursuant to provisions of Section 59(1) (i) of the County Government Act No.17 of 2012, the Board is mandated to advise the County Government on implementation and monitoring of the National Performance Management System in the county. The first step it took was to establish a directorate of Performance Management and World Class Operations. In order to effectively achieve its mandate, the Mombasa County Public Service Board purposes to facilitate institutionalisation of effective performance management at the county through various activities. This includes but is not limited to advisories to the county on performance appraisals and performance contracting as well as efforts to link rewards to performance. The Board has also developed performance management tools such as

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performance appraisals forms and requisite reporting templates and instituted a pool of Performance Champions, nominated by their respective County Chief Officers.

d) Market place practices-

Responsible competition practice.

To promote private sector development through enterprise and entrepreneurship development.

Create an enabling and attractive environment for investments and industrial growth.

To develop a county policy on energy provision and promote utilization of renewable energy

To promote confidence in measurements for trade, ensure fair trading practices and consumer protection.

To promote development of co-operatives to enhance savings for investment

Responsible Supply chain and supplier relations.

To Supporting the improvement of business and investment climate

To promote competitive and innovative industrial sector

To promote development of co-operatives

To promote confidence in measurements for trade

To promote utilization of renewable energy

Responsible marketing and advertisement-

Trade promotion

Industrial development and manufacturing

Renewable energy generation

Energy regulatory and reticulation

Cooperative societies

County market development and management

Electricity and gas reticulation

Administration of trade licensing and levies

Single Business Permits

Weights and measures, standard

Product stewardship

The county during the year implemented consumer protection programmes whose objectives is to safeguard the business owners and promote fair trade practices the county through the safeguards of trade industry and marketing.

- Industries: Mombasa is an industrial hub with companies such as Bamburi cement, Pwani oil, Kapa oil refineries ltd, wood carving, textile, Food processing, packaging and export.
- Fishing: these includes Deep Sea Fishing: -fishing for Sailfish, shark, swordfish.
- Entertainment: Mombasa's northern shore is re-known for its vibrant 24-hour entertainment that include both family entertainment (water parks, cinemas, bowling, sports (watersports, mountain biking and go-karting), restaurant and night life.
- Agriculture: sisal, sugarcane, cashewnuts, livestock keeping
- Mining: of chrome ore, cement, salt, sand
- Fiber- optic: There are major intercontinental under sea telecom cables reach the shore in Mombasa, connecting East Africa to the rest of the world and supporting a fast-growing call centre in the area outline efforts to safeguard consumer rights and interests

e) Community Engagements

The County Government through its various Departments and in collaboration with other stakeholders has been engaging in various community initiatives that have helped improved people's living standards. Several public participation exercises were conducted to collect views and contributions from the County residents on issues such proposed projects, progress reports, budgets, etc having a bearing on service delivery.

7. Management Discussion and Analysis

The funding sources for the County Government are derived from three primary channels: The Equitable share received from the National Government, Conditional grants provided by Donors and Development Partners, and internally generated Source Revenue collected from a diverse range of revenue streams. The Constitutional framework, as articulated in Article 202 of the Kenyan Constitution, mandates the equitable distribution of revenue generated at the national level between the National Government and County Governments.

Withdrawals from this account for the purpose of expenditure are done through the office of the controller of budget which is aimed at ensuring that all expenditures are within the county budget.

Financial Performance

Own Source Revenue Performance

The County was able to record its highest ever own source revenue collection in the financial year under review and achieved through new and innovative ways such as:

- Automation of revenue collection system
- Sealing revenue leakages

These measures have paid dividend, since inception of the County, own source revenue has continued to increase each year as highlighted below:

Own Source Revenue vs Annual Budget Projections

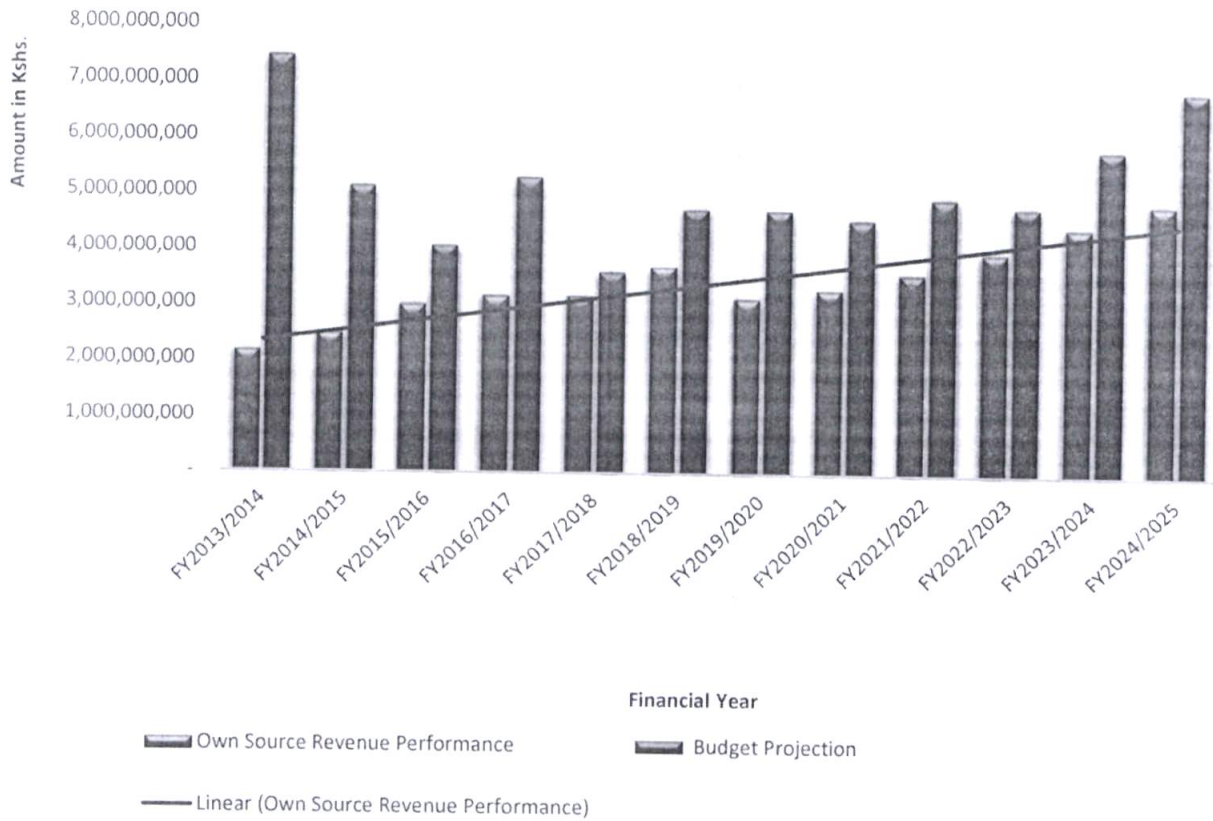


Figure 3: Mombasa County Own source revenue vs budget projected annual trend

The figure 3 compares actual Own Source Revenue Performance against Budget Projections from FY 2013/2014 to FY 2024/2025, revealing a consistent pattern where actual revenues fell short of budgeted targets, especially in the earlier years. For instance, only 22.8% of the projected revenue was achieved in 2013/2014. However, over time, there has been significant improvement both in revenue collection and in the accuracy of budget forecasts. From FY 2017/2018 onwards, the gap between actual revenue and projections narrowed, with performance reaching over 80% in some recent years. This suggests enhanced revenue collection efficiency, better financial planning, and more realistic budgeting practices. Overall, the data reflects steady progress in fiscal discipline and own-source revenue generation.

Own Source Revenue vs Budget Revenue Trend

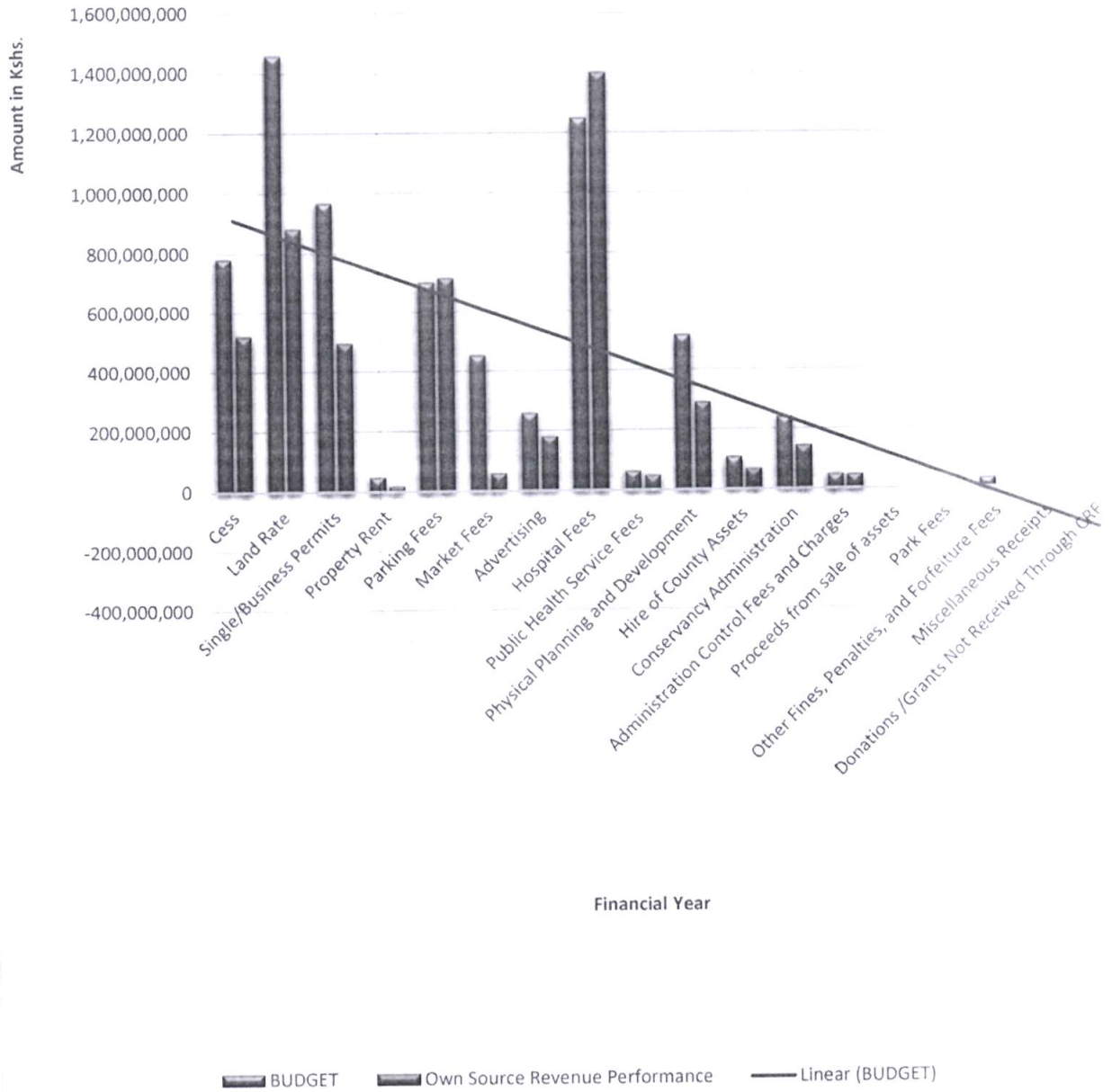


Figure 4: Mombasa County Own Source Revenue (Actual) vs Budget revenue stream trend

Challenges in Own Source Revenue Collection

Despite the growth in Own Source Revenue (OSR), the County continues to face several challenges that hinder optimal revenue collection. These challenges include:

1. **Inadequate Enforcement Mechanisms**

Enforcement of compliance with revenue obligations remains weak in some sectors. This is often due to limited staffing, lack of enforcement capacity, and insufficient legal backing to pursue defaulters.

2. **Revenue Leakages**

Although efforts have been made to seal leakages, some loopholes still exist due to collusion between unscrupulous staff and revenue payers, especially in high-volume revenue streams like parking, markets, and licensing.

3. **Unmapped and Untapped Revenue Streams**

Several potential sources of revenue remain untapped due to lack of data, limited capacity to assess and register new payers, and the absence of a comprehensive revenue mapping framework.

8. Statement of Management Responsibilities

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

The County Executive Committee (CEC) member for Finance and Economic planning of the County Government is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive/Assembly for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county Executive; (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 Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Executive'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 CEC member for finance is of the opinion that the County Executive's financial statements give a true and fair view of the state of the County Executive's transactions during the financial year ended June 30, 2025, and of its financial position as at that date.

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

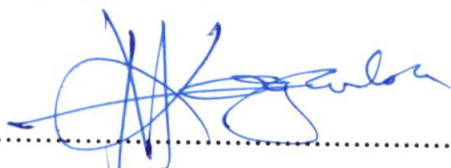
The CEC member for finance confirms that the County Executive has complied fully with applicable Government Regulations, and that the County Executive's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

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Further the CEC member for finance confirms that the County Executive'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 entity's financial statements were approved and signed by the CEC member for finance on 1.12.2025 2025.



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CECM – Finance and Economic Planning

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REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE - REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2025- COUNTY GOVERNMENT OF MOMBASA

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the revenue statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Revenue 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 REVENUE STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS revenue statements of Receiver of Revenue - County Government of Mombasa set out on pages 1 to 41, which comprise of the statement of financial position as at 30 June, 2025 and the statement of revenue and disbursements, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with

the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional IPSAS revenue statements present fairly, in all material respects, the financial position of the Receiver of Revenue - County Government of Mombasa as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the County Governments Act, 2012, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No. 3 of 14 April, 2025.

Basis for Qualified Opinion

Inaccurate Receivables from Non-Exchange Transactions Balance

The statement of financial position and Note 32 to the revenue statements reflects Nil receivables from non-exchange transactions balance. However, the statement of arrears of revenue disclosed under Appendix 2 indicates net realizable arrears amounting to Kshs.6,902,380,927 which ought to be reported under receivables from non-exchange transactions balance.

In the circumstances, the accuracy and completeness of receivables from non-exchange transactions balance as at 30 June, 2025 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Receiver of Revenue - County Government of Mombasa 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 revenue 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final target revenue budget and actual amounts on comparable basis of Kshs.6,930,655,697 and Kshs.4,880,829,952 respectively resulting in under-collection of Kshs.2,049,825,746 or 30% of the budget.

The under collection affected implementation of planned activities and may have impacted negatively on service delivery to the residents of Mombasa.

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 revenue statements. Except for the effects of the matter

In the circumstances, the regularity and validity of the total expenditure of Kshs.95,112,201 on under five children's programs could not be confirmed.

4. Inaccuracies in Cash and Cash Equivalents

The statement of financial position and Note 21 to the financial statements reflect cash and cash equivalents balance of Kshs.112,940,542. Review of bank reconciliations, cash books, and supporting schedules revealed the following inaccuracies:

- i. The balance includes unpresented cheques totalling Kshs.78,161,607 which have been outstanding for more than six (6) months, hence stale. No adjustments were done to reverse the entries in the respective cash books.
- ii. Variances totalling Kshs.63,963,725 were noted between the closing cash book balances and financial statement balances for two bank accounts held in Central Bank of Kenya in respect to Deposits and Public Health Care. No explanation or reconciliations was provided for audit review.
- iii. The cash and cash equivalents balance include unsupported balance of Kshs.1,064,900 held in Local Authority Service Delivery Action Plan account. The cash book, bank statement, bank reconciliation statements and certificate of bank balance for the account were not provided for audit. Further, KCB Salary Account and KCB Donation Account were not supported by certificates of bank balance.
- iv. The Management did not appoint a board of survey to examine and verify the cash in hand and bank balances as at 30 June, 2025 as required under paragraph 3.9 of the National Treasury Circular Ref. No. AG.3/88/Vol.I (43) dated 13 May, 2025 on year-end closing procedures.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.112,940,542 as at 30 June, 2025 could not be confirmed.

5. Unsupported Property, Plant and Equipment Balance

The statement of financial position and Note 26 to the financial statements reflect property, plant and equipment balance of Kshs.2,079,927,207. The balance includes land valued at Kshs.117,000,000 which was not supported by title deeds or land ownership documents.

In the circumstances, the accuracy, valuation and ownership of the land valued at Kshs.117,000,000 as at 30 June, 2025 could not be confirmed.

6. Unsupported Long Outstanding Legal Fees

The statement of financial position and Note 32 to the financial statements reflect trade and other payables of Kshs.3,803,407,106 which includes Kshs.158,166,016 relating to legal fees which had been outstanding for several years. Further review of litigation records revealed that the long outstanding legal fees owed to four (4) law firms totalling Kshs.143,570,000 were not supported with relevant documents such as court decrees, fee notes and evidence of services rendered. Failure to honour court rulings had resulted in accrual of penalties, interest, and decretal costs, hence increasing the County's financial exposure.

In the circumstances, the accuracy and completeness of the long outstanding legal fees of Kshs.158,166,016 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and performance

The statement of comparison of budget and actual amounts reflects final receipt budget and actual on comparable basis of Kshs.16,539,154,106 and Kshs.13,061,111,499 respectively resulting in under realization of Kshs.3,478,042,607 or 21% of the budget.

The under-realization of revenue affected planned activities and may have impacted negatively on service delivery to the residents of the County.

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. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved prior year Matters

In the audit report of the previous year, several issues were raised under the Reports on Financial Statements, Lawfulness and Effectiveness in the Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during the audit of the County Executive in 2024/2025 revealed that twenty-one (21) matters as detailed in **Appendix I** remained unresolved as at 30 June, 2025.

Other Information

The Management is responsible for the Other Information set out on page iii to lxxvi which comprise of Key Entity Information and Management, Governance Statement, Foreword by the County Executive Committee Member (CECM) Finance and Economic Planning, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting, Management Discussion and Analysis, and the Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the County Executive'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, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Payment of Subscription Fees to the Council of Governors

Review of expenditure records provided revealed that the County Executive paid an amount of Kshs.4,000,000 to the Council of Governors as intergovernmental contribution for the financial years 2022/2023 and 2023/2024. This was contrary to Section 37 of the Intergovernmental Relations Act, 2012, which provides that the operational costs of the Council of Governors to be funded from allocations of the National Government.

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

2. Failure to Submit Financial Statements for Audit- Coast General Teaching and Referral Hospital

The Coast General Teaching and Referral Level 5 Hospital an entity under the County Government of Mombasa did not submit financial statements for audit for the year ended 30 June, 2025. This is contrary to Section 149 (2) of the Public Finance Management Act, 2012 which requires an accounting officer not later than three months after the end of each financial year to prepare annual financial statements for that financial year and submit them to the Auditor-General for audit, with a copy to the County Treasury;

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

3. Irregular Use of Direct Procurement Method

Records provided for audit on procurement of ten-tonne compactors at a cost of Kshs.95,127,712 revealed that the procurement was not included in the departmental

procurement plan. In addition, no professional opinion was issued to the accounting officer for approval and tender evaluation minutes were not signed by the committee members. In addition, records indicated that the machine was procured through direct procurement without justification as required under Section 103 of the Public Procurement and Asset Disposal Act, 2015 which requires that a procuring entity may use direct procurement as allowed under sub-section (2) as long as the purpose is not to avoid competition. No justification and approval by the tender committee was provided for audit review.

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

4. Non-Compliance with Fiscal Responsibility on Wage Bill

The statement of financial performance and Note 9 to the financial statements reflects an amount of Kshs.6,535,058,196 in respect of employee costs and Note 6 in respect of total revenue of Kshs.12,882,019,063. However, the costs exceeded the statutory ceiling of 35% on total revenue by Kshs.2,026,351,524 or 45% as compared to the recommended ceiling. This was contrary to Regulation 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015, which stipulates that the County Government's expenditure on wages and benefits for public officers shall not exceed thirty-five percent (35%) of the County Government's total revenue.

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

5. Non-compliance with the Law on Staff Ethnic Composition

Review of human resource records provided for audit revealed that the County Executive had five thousand two hundred and forty (5,240) staff out of whom 41% were from the dominant ethnic community in the County. This was contrary to Section 7 (2) of the National Cohesion and Integration Act, 2008 which requires no public establishment to have more than one third of its staff from the same ethnic community.

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

6. Stalled Projects

6.1. Delayed Project Implementation – County Aggregated Industrial Park

The statement of financial position and Note 26 to the financial statements reflects Kshs.2,079,927,207 in respect of property, plant and equipment. The balance includes Kshs.360,577,208 in respect of work in progress. Included in work in progress is Kshs.68,098,539 incurred on construction of aggregated industrial park. The County Executive awarded a tender to a firm at a contract sum of Kshs.461,219,071 for a period of twenty-eight (28) weeks with expected completion date of 22 November, 2024. The project was not completed on time and an extension of twenty-four (24) weeks was sought and approved. However, as at the time of audit during the month June 2025 the contract duration had lapsed and the contractor was on site without an approved extension, contrary to Section 139 (1) (a) of the Public Procurement and Assets Disposal Act, 2015 on amendment or variation to a contract resulting from a procurement which requires a written approval by the tender awarding authority of the procuring entity.

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

6.2. Delayed Construction of ECD Centre at Amani Primary School

Review of procurement records revealed that the County Executive awarded a tender to a firm at a contract sum of Kshs.17,722,207 for the construction of ECD Centre at Amani Primary School. The Contractor had been paid an amount of Kshs.5,860,582 as at 30 June, 2025. However, physical verification of the project in May 2025 and review of site meeting minutes revealed that the project was incomplete at an estimated 40% completion level with construction having reached the slab level and contract time lapsed without evidence of extension. This was contrary to contrary to Section 139 (1) (a) of the Public Procurement and Assets Disposal Act, 2015 on amendment or variation to a contract resulting from a procurement which requires a written approval by the tender awarding authority of the procuring entity.

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

6.3. Delayed Construction of ECD Centre at Majaoni Primary School

The County Executive awarded a contract to a Company for the construction of four (4) No. Classrooms, administration offices, staffroom, kitchen store, dining area, six (6) No. learner toilets, two (2) No. staff toilets, two (2) No. PWD toilets, borehole, sewer management, playing court, boundary wall, and water tower at a contract sum of Kshs.21,601,440 on 20 March, 2020. Review of expenditure records including interim payment certificates shows that a total of Kshs.10,100,860 had been made to the contractor as at 30 June, 2025. However, the payments were not supported by the requisite documents including engineer's certificates and site meeting minutes approving the works for payment. Further, physical verification during the month of May, 2025 established that six (6) classrooms were incomplete, borehole, sewer management, playing court, boundary wall, and water tower works had not commenced.

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

6.4. Contract for Provision of Integrated Smart City Surveillance System

The statement of financial position and Note 26 to the financial statements reflects Kshs.2,079,927,207 in respect of property, plant and equipment. The balance includes Kshs.360,577,208 in respect of work in progress. The County Executive awarded a contract for provision of integrated smart city surveillance system at a contract sum of Kshs.94,044,042. The contract was signed on 4 March, 2024 and a total of Kshs.55,617,616 had been paid at the time of audit. Review of the progress report dated 23 May, 2025 and minutes of departmental meeting held on 26 May, 2025 shows that the project had delayed and no evidence of extension was provided for audit confirmation. This was contrary to contrary to Section 139 (1) (a) of the Public Procurement and Assets Disposal Act, 2015 on amendment or variation to a contract resulting from a procurement which requires a written approval by the tender awarding authority of the procuring entity.

Further, special conditions of the contract required that installation of equipment be completed within twenty (25) days of delivery, yet as at June 2025, no evidence of completion or commissioning of installations was provided for audit confirmation.

In addition, performance guarantee provided for audit had expired on 28 February, 2025 and the same had not been renewed at the time of audit contrary to Clause 14.4 of the Contract Agreement, which stipulates that performance security to remain valid until final completion and acceptance of the works.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Finance Policy and Procedure Manual

The County Executive had not developed a finance management policy and procedures manual to guide on financial management and operations. Therefore, there were no standardized procedures governing key financial management processes, including budgeting, expenditure control, accounting, financial reporting, and use of the Government standard chart of accounts. This was contrary to Regulation 9(1) and (4) of the Public Finance Management (County Governments) Regulations, 2015, which require the County Treasury to publish financial manuals and forms to support implementation of the Regulations and to ensure that the manuals contain procedures for budget preparation, execution, accounting, financial reporting, and other related processes.

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

2. Lack of Fixed Assets Register

Review of the County Executive financial report indicated that property, plant and equipment increased during the year by balance of Kshs.423,835,767. However, the

fixed assets register was not maintained to record, classify, and track assets owned by the County Executive.

In the circumstances, the effectiveness of measures on the management of assets could not be confirmed.

3. Lack of Climate Change Mitigation Policy and Budget and Weak Environmental Governance

Review of County policy and planning documents and discussions with Management revealed that the County Executive had not developed or approved a Climate Change Mitigation and Adaptation Policy to guide the planning, implementation, and monitoring of climate-related interventions. Further, no specific budgetary provisions were made during the year under review to finance climate change mitigation, adaptation, or resilience-building activities as required by national frameworks.

In addition, it was noted that the County Executive lacked a structured environmental governance framework, including designated units or committees responsible for coordinating sustainability programs, monitoring environmental indicators, and preparing periodic sustainability or environmental impact reports.

In the circumstances, the adequacy of policies, dedicated budgets, and governance structures on climate change mitigation could not be confirmed.

4. Lack of Comprehensive Policy on Corporate Social Responsibility

Review of records established that the County Executive has not developed or adopted a formal policy on Corporate Social Responsibility (CSR) to guide the planning, approval, implementation, and reporting of CSR activities. In the absence of a comprehensive policy framework: There were no clear criteria or priorities for selecting CSR initiatives or beneficiaries, no standard procedures exist for budgeting, executing, or monitoring CSR projects and contributions and reporting mechanisms and accountability structures for CSR spending are inadequate. This was contrary to the principles of good governance and public financial management, which require transparency, accountability, and alignment of public resources to strategic objectives as provided under Sections 149(1) and 68(1)(a) of the Public Finance Management Act, 2012.

In the circumstances, the planning, execution, and oversight of CSR activities could not be confirmed.

5. Lack of Formal Information and Communication Technology Policy

Review of records revealed that there was no approved Information and Communication Technology (ICT) Policy, Data Recovery Plan (DRP) and ICT Security Policy. The policies are vital for effective and efficient management of the County's ICT resources, with the aim of ensuring that data stored in its systems does not lose its integrity and is readily available when required. In addition, the County had not installed antivirus programs in its systems and did not have mechanisms for ensuring that there is up-to-date security on all systems software.

In the circumstances, the effectiveness of internal controls on ICT and its governance could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with

Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 December, 2025

Appendix

S/No	Audit Issue
1	Inaccuracies in the Financial Statements
2	Unexplained Voided Transactions
3	Unexplained Variances - Cash and Cash Equivalent
4	Unsupported Domestic Travel and Subsistence
5	Long Outstanding Bank Reconciliation Transactions
6	Regularity of Human Resource Management Practices
7	Employees above Retirement Age
8	Non-Compliance with Law on Fiscal Responsibility on Wage Bill
9	Irregular Promotion
10	Non-Compliance with Law on One-Third of Basic Salary Rule
14	Irregular Appointment in Acting Positions
15	Avoidable Legal Expenses
16	Delayed Completion of Early Childhood Development (ECD) Centre
17	Incomplete Contract
18	Irregular Opening of Bank Accounts
19	Outstanding Imprests
20	Lack of Approved Information Communication Technology Security Policy and Disaster Recovery Plan
21	Incomplete Project Implementation Status Report

Mombasa County Executive
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10. Statement of Financial Performance for the year ended 30 June 2025

	Notes	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	12,882,019,063
Miscellaneous Revenue	7	0
Total		12,882,019,063
Revenue from exchange transactions		
Other income	8	0
Total revenue		12,882,019,063
Expenses		
Employee costs	9	6,535,058,196
Use of goods and services	10	2,077,735,712
Transfers to other Government Entities	11	0
Depreciation and amortization expense	12	185,647,774
Other Grants and Subsidies	13	2,277,054,206
Finance costs	14	0
Social Benefits	15	0
Total expenses		11,075,495,887
Gain/(loss) on sale of assets	16	0
Gain/Loss on Foreign Exchange	17	0
Gain/Loss on fair value of investments	18	0
Impairment loss	19	0
Surplus/Deficit for the year		1,806,523,176
Taxation	20	0
Net Surplus/Deficit		1,806,523,176

- In compliance with IPSAS 33 (paragraphs 77 and 79), and given that these are the first IPSAS-based financial statements for Mombasa County Executive, no comparative information for FY2023/24 has been presented.

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

The Financial Statements set out on pages 1 to 71 were signed by:



.....
Name: Swaleh Mwalizuma
Chief Officer Finance



.....
Name: Robert Murunga
Ass. Director Finance
ICPAK Member No.10578

Mombasa County Executive
Annual Report and Financial Statements for the year ended June 30, 2025.

11. Statement of Financial Position as at 30 June 2025

	Notes	2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	21	112,940,542	179,092,436
Receivables from Exchange Transactions	22	25,797,432	25,797,432
Receivables from Non-Exchange Transactions	23	0	0
Inventories	24	0	0
Current portion of investments	25	0	0
Total Current Assets		138,737,974	204,889,868
Non-Current Assets			
Receivables from Exchange Transactions	22(b)	0	0
Non- Current portion of investments	25	0	0
Property, Plant and Equipment	26	2,079,927,207	809,257,152
Intangible Assets	27	8,436,260	0
Investment Property	28	0	0
Right-of-use assets	29	0	0
Biological Assets	30	0	0
Tangible Natural Resources	31	0	0
Total Non- Current Assets		2,088,363,467	809,257,152
Total Assets (A)		2,227,101,441	1,014,147,020
Liabilities			
Current Liabilities			
Trade and Other Payables	32	3,803,407,106	4,360,707,188

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

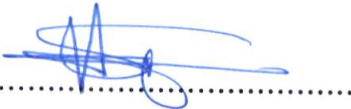
	Notes	2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Refundable Deposits and Prepayments	33	162,294	35,717,791
Current Provision	34	0	0
Lease Liabilities	35	0	0
Deferred Income	36	0	0
Employee Benefit Obligation	37	0	0
Current Portion of Borrowings	38	0	0
Total Current Liabilities		3,803,569,400	4,396,424,979
Non-Current Liabilities			
Non-Current Provisions	34	0	0
Lease Liabilities	35	0	0
Deferred Income	36	0	0
Non-Current Employee Benefit Obligation	37	0	0
Borrowings – Non-Current Portion	38	0	0
Service Concession Liability	39	0	0
Total Non- Current Liabilities		0	0
Total Liabilities (B)		3,803,569,400	4,396,424,979
Net Assets(A-B)		(1,576,467,959)	(3,382,277,959)
Represented By:			
Reserves		0	0
Accumulated Surplus		(1,576,467,959)	(3,382,277,959)
Capital Fund			
Net Assets		(1,576,467,959)	(3,382,277,959)

- Mombasa County Executive has elected to defer the recognition and/or measurement of assets under the three-year transitional relief in accordance with the provisions of Paragraph 36 of

Mombasa County Executive
Annual Report and Financial Statements for the year ended June 30, 2025.

IPSAS 33. Progressive efforts are underway to identify, value, and incorporate these assets in future reporting periods in accordance with applicable IPSASs.

The financial statements set out on pages 1 to 71 were signed by:



Name: Swaleh Mwalizuma
Chief Officer Finance



Name: Robert Murunga
Ass. Director Finance
ICPAK Member No.10578

Mombasa County Executive
Annual Report and Financial Statements for the year ended June 30, 2025.

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

	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30 th June 2024 (cash basis)	169,172,077			169,172,077
Adjustments: To Recognize Assets & Liabilities				
To recognize assets	809,257,152			809,257,152
Trade and Other Payables	(4,360,707,188)			(4,360,707,188)
As at July 1, 2024	(3,382,277,959)			(3,382,277,959)
Surplus/ deficit for the year	1,806,523,176			1,806,523,176
Return to CRF	(713,176)			(713,176)
As at June 30, 2025	(1,576,467,959)			(1,576,467,959)

Note:

1. The negative adjustment of Kshs (4,360,707,188) to the opening balance reflects the recognition of Trade and Other Payables, which were not previously captured under the cash basis.
2. An amount of Kshs (713,176) was returned to the CRF during the year, in line with end of year closing procedures.
3. The adjustment of Kshs 809,257,152 reflects the recognition of assets from prior year.

Mombasa County Executive
Annual Report and Financial Statements for the year ended June 30, 2025.

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

		2024-2025
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		12,882,019,063
Miscellaneous Revenue		0
Other income		0
Total receipts		12,882,019,063
Payments		
Employee costs		6,797,801,508
Use of goods and services		2,409,767,240
Transfers to other Government Entities		0
Other Grants and Subsidies		2,275,134,945
Finance costs		0
Social Benefits		0
Total payments		11,482,703,693
Net cash flows from/(used in) operating activities	40	1,399,315,370
Cash flows from investing activities		
Purchase of PPE		(1,456,317,829)
Purchase Intangible assets		(8,436,260)
Proceeds from sale of PPE		0
Proceeds from sale of Biological Assets		0
Purchase of investments		0
Sale of investments		0
Net cash flows from/(used in) investing activities		(1,464,754,089)
Cash flows from financing activities		
Returns to CRF		(713,176)
Proceeds from borrowings		0
Repayment of borrowings		0

Mombasa County Executive
Annual Report and Financial Statements for the year ended June 30, 2025.

		2024-2025
	Notes	Kshs
Net cash flows from financing Activities		(713,176)
Net increase/(decrease) in cash & Cash equivalents		(66,151,894)
Cash and cash equivalents at 1 July	21	179,092,436
Cash and cash equivalents at 30 June	21	112,940,542

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

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

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carry overs (Special Purpose A/c)	179,092,436	0	179,092,436	179,092,436	0	100%
Receipts			0	0		
Transfers from CRF	15,187,171,631	1,172,890,039	16,360,061,670	12,882,019,063	3,478,042,607	79%
Miscellaneous Revenue	0	0	0	0	0	0
Other income	0	0	0	0	0	0
			0	0		
Total Receipts	15,366,264,067	1,172,890,039	16,539,154,106	13,061,111,499	3,478,042,607	78%
Payments						
Compensation of employees	6,378,795,170	423,889,532	6,802,684,702	6,797,801,508	4,883,194	100%
Use of goods and services	1,915,546,763	472,144,138	2,387,690,901	2,409,767,240	(22,076,339)	100%
Subsidies	52,000,000	0	52,000,000	15,000,000	37,000,000	29%
Transfers to other government units	0	0	0	0	0	0.00%

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Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Other grants and transfers	4,554,810,135	(277,850,185)	4,276,959,950	2,260,134,945	2,016,825,005	53%
Social security benefits	0	0	0	0	0	0%
Acquisition of assets	2,425,111,999	594,706,554	3,019,818,553	1,464,754,089	1,555,064,464	49%
Finance costs, including loan interest-Car Loans	40,000,000	(40,000,000)	0	0	0	0%
Repayment of principal on borrowings	0	0	0	0	0	0.00%
Other payments	0	0	0	0	0	0.00%
Total	15,366,264,067	1,172,890,039	16,539,154,106	12,947,457,782	3,591,696,324	78%
Surplus	0	0	0	113,653,718	(113,653,718)	0

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Reconciliation table

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	113,653,718
1	Classification differences	(713,176)
2	Reason for differences	
3	Reason for differences	
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	112,940,542

Budget Notes

1. Changes between original and final budget is due to reallocations and supplementary budget.
2. Other grants and transfers (53%); The underperformance is linked to delays and partial disbursement of conditional grants, which the County Government never received.

15. Notes to the Financial Statements

1. General Information

Mombasa County Entity is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are to implement county government functions, manage public resources, and deliver services in accordance with approved budgets, development plans, and the Public Finance Management (PFM) Act, 2012.

2. Statement of Compliance and Basis of Preparation

Statement of compliance

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying Mombasa County's accounting policies.

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). Mombasa County has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach; therefore, these are the 1st transitional financial statements.

Mombasa County has recognized the following financial assets which include cash and cash equivalents for operational account, deposit account and other commercial bank balances, receivables (amounts due from Imprest), prepayments, property, plant and equipment (PPE), and intangible assets acquired during the F/Y 2024/2025 up to the reporting date. In addition, the County has recognized assets acquired during the F/Y 2023/2024 that meet the recognition criteria under IPSAS. Liabilities recognized include trade and other payables and deposits.

The recognition of all other non-financial assets acquired prior to the F/Y 2023/2024 financial year will be undertaken in the third year of the transition period after the necessary identification and valuation processes have been completed.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity. The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Guiding note during the transition period:

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The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33.

Mombasa County Government has elected to defer the recognition and/or measurement of assets under the three-year transitional relief in accordance with the provisions of Paragraph 36 of IPSAS 33.

Progressive efforts are underway to identify, value, and incorporate these assets in future reporting periods in accordance with applicable IPSASs.

These financial statements were authorised for issue by the accounting officer on 25th August 2025.

Basis of Preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis unless otherwise specified except for the Statement of Cash Flows. Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Entity. The accounting policies adopted have been consistently applied to all the years presented.

Reporting period

The reporting period for these financial statements is for the period ended June 2025.

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Notes to the financial statements

Critical accounting judgements

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

Recognition of revenue

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

Recognition of non-exchange expenses and liabilities

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

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

Purpose and nature of financial instruments

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

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Climate change obligations

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

Physical assets

An asset is a resource presently controlled by the entity as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>This IPSAS is Not applicable at the entity this financial year.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>This IPSAS is Not applicable at the entity this financial year.</p>
IPSAS 45- Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>

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Standard	Effective date and impact:
	All property, plant and equipment additions acquired during FY2024/2025 have been recognized in line with IPSAS 45 requirements.
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>This IPSAS is Not applicable at the entity this financial year.</p>

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

Standard	Effective date and impact:
IPSAS 47- Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>This IPSAS is Not applicable at the entity this financial year.</p>
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for</p>

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Standard	Effective date and impact:
	<p>public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>This IPSAS is Not applicable at the entity this financial year.</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>This IPSAS is Not applicable at the entity this financial year.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>This IPSAS is Not applicable at the entity this financial year.</p>

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget.

Accordingly, the Entity recorded additional appropriations of 1(Supplementary budget) on the 2024/2025 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

Notes to the Financial Statements (Continued)

Budget information (continued)

The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial cash flows has been presented under section 6 of these financial statements.

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over 0 year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All

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other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

e) Right of use asset

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

f) Tangible Natural Resources

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

Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at

the inception of the lease. The liability recognized is measured as the present value of the future

Notes to the Financial Statements (Continued)

minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

h) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale;
- ii) Its intention to complete and its ability to use or sell the asset;
- iii) How the asset will generate future economic benefits or service potential;
- iv) The availability of resources to complete the asset;
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

i. Financial assets

Classification of financial assets

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

Subsequent measurement

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

Notes to the Financial Statements (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note 19.

ii. Financial liabilities

Classification

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

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

k) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

m) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

n) Nature and purpose of reserves

The Entity does not create and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Notes to the Financial Statements (Continued)

q) Foreign currency transactions

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

Notes to the Financial Statements (Continued)

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements.

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

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the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

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market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xx. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers 2024-2025
	Kshs	Kshs	Kshs
Recurrent	9,442,388,676		9,442,388,676
Development	2,668,978,182		2,668,978,182
Special purpose transfers	770,652,205		770,652,205
Total	12,882,019,063		12,882,019,063

7. Miscellaneous Revenue

Nature of Revenue	2024-2025
	Kshs
In kind grants and donations	0
Refunds & Reimbursements	0
Revenues not classified anywhere else	0
Total	0

8. Other Incomes

Description	2024-2025
	Kshs
Insurance recoveries	0
Sale of tender documents	0
Services concession income	0
Other incomes not specified elsewhere	0
Total other income	0

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

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Notes to the Financial Statements (Continued)

9. Employee Costs

Description	2024-2025
	Kshs
Basic salaries of permanent employees	3,558,935,174
Basic wages of temporary employees	111,946,618
Personal allowances – part of salary	2,329,058,335
Pension and other social security contributions	0
Employer contributions to compulsory national social security schemes	426,525,292
Employer contributions to compulsory national health insurance schemes	0
Employer contribution to compulsory housing scheme	0
Other social benefit schemes	0
Other personnel costs-Gratuity	108,592,777
Total Employee costs	6,535,058,196

Other personnel costs- These are gratuity and pension costs.

10. Use of Goods and Services

Description	2024-2025
	Kshs
Utilities, supplies and services	219,268,180
Communication, supplies and services	13,308,117
Domestic travel and subsistence	171,084,442
Foreign travel and subsistence	54,762,172
Printing, advertising, and information supplies & services	71,700,685
Rentals of produced assets	33,056,944
Training expenses	20,412,891
Hospitality supplies and services	338,312,366
Insurance costs	341,458,859
Specialized materials and services	87,718,982
Other operating expenses including bank Charges	450,197,871
Office and general supplies and services	24,620,668
Fuel Oil and Lubricants	172,567,803
Routine maintenance – vehicles and other transport equipment	39,830,577
Routine maintenance – other assets	39,435,157
Total	2,077,735,712

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Notes to the Financial Statements (Continued)

11. Transfers to Other Government Entities

Description	2024-2025
	Kshs
Transfers to other County Government entities	0
Transfers to self-reporting projects	0
Transfers to car loan and mortgage schemes	0
Others (specify)	0
Total	0

12. Depreciation and Amortization Expense

Description	2024-2025
	Kshs
Property, plant and equipment	185,647,774
Intangible assets	0
Investment property carried at cost	0
Total	185,647,774

13. Other Grants and Subsidies

Description	2024-2025
	Kshs
Membership dues and subscriptions to international organizations	
Scholarships and other educational benefits	324,500,000
Current Grants to Semi-Autonomous Government Agencies	1,854,454,766
Grants to small businesses, cooperatives, and self employed	77,051,678
Subsidies to Public entities	19,128,500
Primary Health care	1,919,261
Total Grants and Subsidies	2,277,054,206

14. Finance Costs

Description	2024-2025
	Kshs
Interest Payments on Guaranteed Debt Taken over by Govt	0
Interest on Domestic Borrowings (Non-Govt)	0
Interest on Borrowings from Other Government Units	0
Interest on bank overdrafts	0
Interest on loans from commercial banks	0
Total finance costs	0

Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

15. Social Benefits

Description	2024-2025
	Kshs
Transfers to the elderly	0
Transfers to orphans	0
Transfers to the physically challenged	0
<i>Add any other category</i>	0
Total social benefit expenses	0

16. Gain/Loss on Sale of Assets

Description	2024-2025
	Kshs
Property, plant and equipment	0
Intangible assets	0
Other assets not capitalised	0
Total gain on sale of assets	0

17. Gain/Loss on Foreign Exchange

Description	2024-2025
	Kshs
Gain or loss on foreign exchange transactions	0
Gain or loss on balances in foreign exchanges	0
Total	0

**Mombasa County Executive
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Notes to the Financial Statements (Continued)

18. Gain/Loss on Fair Value Investments

Description	2024-2025
	Kshs
Investments at Fair Value	0
Total Gain	0

19. Impairment Loss

Description	2024-2025
	Kshs
Property, Plant and Equipment	0
Intangible Assets	0
Total Impairment Loss	0

20. Taxation

Description	2024-2025
	Kshs
Current income tax charge	0
Tax charged on rental income	0
Tax charged on interest income	0
Original and reversal of temporary differences	0
Income tax expense reported in the statement of financial performance	0

21. Cash and Cash Equivalents

Description	Period ended	Opening Statement
	June 2025	1st July 2024
	Kshs	Kshs
Recurrent Account	8,003,263	416
Development Account	99,308	691,882
Deposits Account	162,294	35,717,791
Special Purpose Accounts	57,293,916	45,000,981

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Co-operative Bank- Imprest	1,008,158	1,003,703
SBM Bank-Kisip	42,754,980	94,057,763
Standard Bank-Lasdap	1,064,900	1,064,900
KCB Bank-Donation	2,553,722	1,555,000
Total	112,940,542	179,092,436

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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

		Period ended Jun 25	Opening Statement 1 st July 2024
Financial Institution	Account number	Kshs	Kshs
Recurrent Accounts			
Mombasa County Recurrent	1000170689	8,003,263	416
Development Accounts			
Mombasa County Development	1000170662	99,308	691,882
Deposits Accounts			
Mombasa County Deposit	1000262745	162,294	35,717,791
Special Purpose Accounts			
Mombasa County Road Maintenance Levy	1000331135	45,601,067	0
Mombasa County Health Conditional Grant	1000331143	0	0
Mombasa County Primary Health Care	1000571217	1,066,589	1,364,599
Mombasa County Investment Corporation	1000736291	0	0
Mombasa County ASDSP II Account	1000367927	0	0

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Mombasa County City Polytechnic	1000368918	0	0
KDSP	1000375377	0	0
Mombasa County Water and sanitation	1000437715	0	1
Disaster Preparedness & emergency	1000448188	0	0
COVID 19 SUPPORT	1000471077	0	0
Mombasa County Universal Health (UHC)	1000437723	321,381	321,381
Mombasa County Aggreg And Ind Parks	1000735554	10,304,879	43,315,000
Other operating commercial accounts (Specify)			
Co-operative Bank-Imprest	1141445300004	1,008,158	1,003,703
SBM Bank-Kisip	352396172001	42,754,980	94,057,763
Standard Bank-Lasdap	106097647100	1,064,900	1,064,900
KCB Bank-Donation	1323216804	2,553,722	1,555,000
<i>Cash on Hand</i>		0	0
Total		112,940,542	179,092,436

Notes to the Financial Statements (Continued)

22. Receivables from Exchange Transactions

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Total receivables	25,797,432	25,797,432
Other exchange debtors (<i>Specify</i>)	0	0
Less: impairment allowance	0	0
Total receivables	0	0
a) Current receivables	25,797,432	25,797,432
b) Non-current receivables	0	0
Total Receivables (a+b)	25,797,432	25,797,432

i) Ageing analysis for Receivables

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	0	0%	25,797,432	100%
Between 1- 2 years	25,797,432	100%	0	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total (a+b)	25,797,432	100%	25,797,432	100%

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

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

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Notes to the Financial Statements (Continued)

23. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Other debtors (non-exchange transactions)				
Less: impairment allowance				
Total receivables from non-exchange transactions				
	2024	%	Opening Balance	%
	-	of		
Ageing Analysis- Receivables from non-exchange transactions	2025	the		
		tota		
		l		
Less than 1 year		%		%
Between 1-2 years		%		%
Over 3 years		%		%
Total		%		%

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

Description	2024-2025
	Kshs
At the beginning of the year	0
Additional provisions during the year	0
Recovered during the year	0
Written off during the year	0
At the end of the year	0

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Notes to the Financial Statements (Continued)

24. Inventories

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Spare parts	0	0
Goods held for distribution	0	0
Less: allowance for impairment	0	0
Total	0	0

Detailed disclosure on inventories

	2024-2025
Opening balance	0
Additional Inventory in the year	0
Inventory expensed in the year	0
Write-downs in the year	0
Others specify	0
Closing balance	0

25. Investments

Description	2024-2025	Opening Statement 1 st July 2025
	Kshs	Kshs
a) Investment in Treasury bills and bonds		
Financial institution	0	0
CBK	0	0
CBK	0	0
Sub- total	0	0
b) Investment with Financial Institutions/ Banks	0	0
Bank	0	0
Bank	0	0
Sub- total	0	0
c) Equity investments (specify)	0	0
Equity/ shares in Entity	0	0

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Sub- total	0	0
Grand total	0	0
Analysed as:	0	0
Current portion of Investment	0	0
Non-current portion of investment	0	0

d) Movement of Equity Investments

	2024-2025
	Kshs
At the beginning of the year	0
Purchase of investments in the year	0
Sale of investments during the year	0
Increase /(decrease) in fair value of investments	0
At the end of the year	0

Notes to the Financial Statements (Continued)

e) Shareholding in other entities

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

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Kshs	Opening Statement 1 st July 2024 Kshs
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
Entity C	0	0	0	0	0	0
	0	0	0	0	0	0

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Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
Depreciation Rate		2-10%	10-16.67%	2-20%	12.5%	33.3%	x %			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	0	51,529,530	0	692,066,306	56,005,885	9,655,431	0	0	0	809,257,152
Additions	117,000,000	135,810,216	157,170,481	578,721,159	93,663,872	13,374,893	0	360,577,208		1,456,317,829
Disposals	0	0	0	0	0	0	0	0	0	0
Transfer/Adjustments	0	0	0	0	0	0	0	0	0	0
As At /Jun 2025	117,000,000	187,339,745	157,170,481	1,270,787,465	149,669,757	23,030,324	0	360,577,208	0	1,456,317,829
Depreciation And Impairment		0.0600	0.1333	0.1000	0.1250	0.3330				

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	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
Depreciation Rate		2-10%	10-16.67%	2-20%	12.5%	33.3%	x %			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation for the year	0	11,240,385	20,950,825	127,078,747	18,708,720	7,669,098	0	0		185,647,774
Disposals	0	0	0	0	0	0	0	0		0
Impairment	0	0	0	0	0	0	0	0		0
Transfer/Adjustment	0	0	0	0	0	0	0	0		0
As At Jun 2025	0	11,240,385	20,950,825	127,078,747	18,708,720	7,669,098	0	0	0	185,647,774
Net Book Values	117,000,000	176,099,361	136,219,656	1,143,708,719	130,961,037	15,361,226	0	360,577,208	0	2,079,927,207
Opening Bal as at 1st Jul 2024	0	51,529,530	0	692,066,306	56,005,885	9,655,431	0	0	0	809,257,152

Mombasa County Executive
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	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
Depreciation Rate		2-10%	10-16.67%	2-20%	12.5%	33.3%	x %			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At June, 2025	117,000,000	176,099,361	136,219,656	1,143,708,719	130,961,037	15,361,226	0	360,577,208	0	2,079,927,207

Depreciation for buildings, motor vehicles, and infrastructure assets was calculated using the straight-line method, applying mid-point rates based on the National Asset and Liability Management (NALM) framework and Public Sector Accounting Standards Board guidelines.

- 6% for buildings,
- 13.33% for motor vehicles, and
- 10% for infrastructure assets.

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Notes to the Financial Statements (Continued)

27. Intangible Assets

Description	2024-2025
	Kshs
Cost/Opening balance at the beginning of the year	
Additions	8,436,260
Disposal	0
At end of the year	0
Additions–internal development	0
Disposal	0
At end of the year	0
Amortization and impairment	0
At beginning of the year	0
Amortization	0
At end of the year	0
Impairment loss	0
At end of the year	8,436,260
NBV	8,436,260

28. Investment Property

Description	2024-2025
	Kshs
Cost/Opening balance at the beginning of the year	0
Additions	0
Disposal during the year	0
Depreciation	0
Impairment	0
At end of the year	0

(This note applies to investment property held at cost. For investment property held at fair value, changes in fair value should go through the statement of financial performance).

Mombasa County Executive
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

29. Right-of-use assets

	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Plant and equipment</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2023	0	0	0	0
Additions	0	0	0	0
As at June 2024	0	0	0	0
Accumulated Depreciation				
As at 1 July 2024	0	0	0	0
Charge for the year	0	0	0	0
As at June 2025	0	0	0	0
Carrying Amount				
As at June 2025	0	0	0	0

30. Biological Assets

Description	<i>2024-2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Improved Kienyeji Chickens	0	0
General Seedlings	0	0
Others	0	0
Total	0	0

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31. Tangible Natural Resources

	Sub- assets	soil	Water	Wildlife	Total
	Kshs		Kshs	Kshs	Kshs
Cost		0	0	0	0
As at 1 July 2024		0	0	0	0
Additions		0	0	0	0
As at June 2025		0	0	0	0
Accumulated Depreciation		0	0	0	0
As at 1 July 2024		0	0	0	0
Charge for the year		0	0	0	0
As at June 2025		0	0	0	0
Carrying Amount		0	0	0	0
As at June 2025		0	0	0	0

32. Trade and Other Payables

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	2,451,767,999		2,875,266,053	
Payments received in advance	0		0	
Employee Payables-Salary Arrears and Statutory Deductions	1,289,516,702		1,485,441,135	
Tax Arrears-Withholding Taxes	8,827,357		0	
Court Decree	51,375,787		0	
Other payables-Primary Health Care	1,919,261		0	
Total trade and other payables	3,803,407,106		4,360,707,188	
Ageing analysis: (Trade and other payables)	Current FY	%	Opening balance	% of the Total

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Under one year	696,706,549	18%	24,806,261	1%
1-2 years	24,806,261	1%	156,455,029	4%
2-3 years	156,455,029	4%	1,316,265,866	30%
Over 3 years	2,925,439,267	77%	2,863,180,032	66%
Total (tie to above total)	3,803,407,106	100%	4,360,707,188	100%

During FY2024/25:

- Kshs 527,603,901 in new salary arrears were accrued, but not yet settled at year-end.

33. Refundable Deposits and Prepayments

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Customer deposits				
Prepayments				
Other deposits		162,294		35,717,791
Total deposits		162,294		35,717,791
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Opening Balance	% of the Total
Under one year	162,294	100%	35,717,791	100%
1-2 years	0	0%	0	0%
2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total	162,294		35,717,791	

Notes to the Financial Statements (Continued)

34. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f				
Additional provisions	0	0	0	0
Provision utilised	0	0	0	0
Change due to discount and time value for money	0	0	0	0

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Total provisions year end	0	0	0	0
Current Provisions	0	0	0	0
Non-Current Provisions	0	0	0	0

35. Lease Liabilities

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Balance at the beginning of the year	0	0
Discount interest on lease liability	0	0
Paid during the year	0	0
At end of the year	0	0

Maturity Analysis

Period	Amount
Year 1	0
Year 2	0
Year 3	0
Year 4	0
Year 5 and onwards	0
Less: unearned Interest	0
	0

Analysed as:

Description	Amount
Current	0
Non- Current	0
Total	0

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Notes to the Financial Statements (Continued)

36. Deferred Income

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
National Government	0	0
International Funders	0	0
Public Contributions and Donations	0	0
Total Deferred Income	0	0

The deferred income movement is as follows:

	National government	Internationa l funders	Public contribution s and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	0	0	0	0
Additions	0	0	0	0
Transfers To Capital Fund	0	0	0	0
Transfers To Income Statement	0	0	0	0
Other Transfers	0	0	0	0
Balance Carried Forward	0	0	0	0

Analysed as:

Description	Amount
Current	0
Non- Current	0
Total	0

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Notes to the Financial Statements (Continued)

37. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0	0	0	0	0
Non-Current Benefit Obligation	0	0	0	0	0
Total Employee Benefits Obligation	0	0	0	0	0

Retirement benefit Asset/ Liability (Applicable to Pensions)

The Entity has no defined benefit scheme for all full-time employees.

The principal assumptions used for the purposes of valuation are as follows:

	2024-2025	Opening Statement 1 st July 2024
Discount Rates	0	0
Future Salary Increases	0	0
Future Pension Increases	0	0
Mortality (Pre- Retirement)	0	0
Mortality (post-retirement)	0	0
Withdrawals	0	0
Ill Health	0	0
Retirement	0	0

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Notes to the Financial Statements (Continued)

Recognition of Retirement Benefit Asset/ Liability

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

	2024-2025	Opening Statement 1 st July 2024
Description	Kshs	Kshs
The return on defined plan assets	0	0
Actuarial gains/ losses arising from changes in demographic assumptions	0	0
Actuarial gains/ losses arising from changes in financial assumptions	0	0
Actuarial gains and losses arising from experience adjustments	0	0
Others (specify)	0	0
Adjustments for restrictions on the defined benefit asset	0	0
Remeasurement of the net defined benefit liability (asset)	0	0

b) Amounts recognized in the Statement of Financial Position

	2024-2025	Opening Statement 1 st July 2024
Description	Kshs	Kshs
Present value of defined benefit obligations(a)	0	0
Fair value of plan assets(b)	0	0
Funded status(=a-b)	0	0
Restrictions on asset recognised	0	0
Others	0	0
Net asset or liability arising from defined benefit obligation	0	0

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

Notes to the Financial Statements (Continued)

38. Borrowings

Description	2024-2025
	Kshs
a) External borrowings	
Balance at beginning of the year	0
External borrowings during the year	0
Repayments of during the year	0
Balance at end of the year	0
b) Domestic borrowings	
Balance at beginning of the year	0
Domestic borrowings during the year	0
Repayments during the year	0
Balance at end of the year	0
Balance at end of the period- domestic and External borrowings c = (a+b)	0

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

	<i>2024-2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organisation'	0	0
Sterling Pound Denominated Loan From 'Y Organisation'	0	0
Euro Denominated Loan from Z Organisation'	0	0
Domestic Borrowings	0	0
Kenya Shilling Loan From KCB	0	0
Kenya Shilling Loan from Barclays Bank	0	0
Kenya Shilling Loan from Consolidated Bank	0	0
Total /Balance at end of The Year	0	0

Notes to the Financial Statements (Continued)

Description	<i>2024-2025</i>	<i>Opening</i>
	Kshs	Kshs
Short Term Borrowings (Current Portion)	0	0
Long Term Borrowings	0	0
Total	0	0

(NB: the total of this statement should tie to note 41 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

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39. Service Concession Arrangements Liability

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	0	0
Net carrying amount	0	0
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	0	0
Service concession liability at end of the year	0	0

40. Cash Generated from Operations

	2024-2025
	Kshs
Surplus for the year before tax	1,806,523,176
Adjusted for:	
Depreciation	185,647,774
Non-cash grants received	0
Contributed assets	0
Impairment	0
Gains and losses on disposal of assets	0
Contribution to provisions	0
Contribution to impairment allowance	0
Working capital adjustments	
Increase in inventory	
Increase in receivables	
Increase in Deposits	(35,555,497)
Increase in payables	(557,300,082)
Increase in payments received in advance	0
Net cash flow from operating activities	1,399,315,370

Notes to the Financial Statements (Continued)

41. Financial Risk Management

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

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

i) Credit risk

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

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

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

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(NB: The totals column should tie to the individual elements of credit risk disclosed in the Entity's statement of financial position)

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has no significant concentration of credit risk on amounts due. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	0	0

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

The Entity has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

a) Foreign currency risk

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

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Notes to the Financial Statements (Continued)

Financial Risk Management

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

Current FY

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 June 2025	0	0	0
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total Financial Assets	0	0	0
Financial Liabilities	0	0	0
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Total Financial Liabilities	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

Financial Risk Management

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

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2025			
Euro	10%		
USD	10%		
2024			
Euro	10%		
USD	10%		

Notes to the Financial Statements (Continued)

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 0 (2025: KShs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs 0 (2025 – KShs 0)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

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

Notes to the Financial Statements (Continued)

Financial Risk Management

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

	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Financial Assets				
Quoted Equity Investments		0	0	0
Non- Financial Assets		0	0	0
Investment Property		0	0	0
Land And Buildings		0	0	0
		0	0	0

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

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iv) Capital Risk Management

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

	<i>2024-2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	0	0
Capital Reserve	0	0
Total Funds	0	0
Total Borrowings	0	0
Less: Cash And Bank Balances	0	0
Net Debt/(Excess Cash And Cash Equivalent)	0	0
Gearing	0	0

Notes to the Financial Statements (Continued)

42. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

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

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

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43. Segment Information

No segments.

44. Contingent Assets and Contingent Liabilities

Contingent Assets

	2024-2025
	Kshs
Contingent Assets	
Insurance Reimbursements	0
Assets Arising from Determination Of Court Cases	0
Reimbursable Indemnities and Guarantees	0
Receivables From Other Government Entities	0
Others (Specify)	0
Total	0

Contingent Liabilities

	2024-2025
	Kshs
Contingent Liabilities	
Court Case xx against the Entity	0
Bank Guarantees in Favour of Subsidiary	0
Contingent Liabilities arising from Contracts Including PPPs	0
Others (Specify)	0
Total	0

45. Capital Commitments

Capital Commitments	2024-2025
	Kshs
Authorised for	0
Authorised and contracted for	0
Total	0

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been

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authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

Notes to the Financial Statements (Continued)

46. Program for Results (PforR) Disclosure

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

Name of PforR:			Name of Financing Partners:			
Expenditure Details*	Opening Cumulative for Previous FYs		Current FY		Total Cumulative	
	Budget	Actual	Budget	Actual	Budget	Actual
Program code						
Sub-program						
Sub-program						
Sub-total						
Program code						
Sub-program						
Sub-program						
Sub-total						
Total	0	0	0	0	0	0

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

47. Events after the Reporting Period

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

48. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

49. Currency

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

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16. Appendix

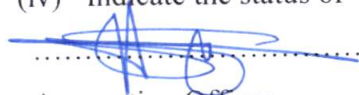
Appendix 1: Implementation Status of Auditor-General's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Inaccuracies in the Financial Statements	Financial Statements was amended	Not Resolved	30th October 2024
7.	Pending Bills	Financial Statements was amended	Not Resolved	30th October 2024
3 ii.	Variances Between Bank Reconciliation Statement and Certificate of Bank Balances	Bank reconciliations was provided	Not Resolved	30th October 2024
11.	Delayed Completion of Early Childhood Development (ECD) Centre		Not Resolved	

Guidance Notes:

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


.....
Accounting Officer

Date

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Appendix II: Projects implemented by (The Entity)

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per	Consolidated in these financial statements (Yes/No)

Status of Projects completion

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

Project	Total project	Total expended to	Completion % to date	Budget	Actual	Sources of funds

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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES		Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
							Deferred Income	Receivables	Others - must be specific	

Appendix VI: Reporting of Climate Relevant Expenditures

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

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Appendix VII: Disaster Expenditure Reporting Template

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

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Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land					
Buildings and structures					
Transport equipment					
Office equipment, furniture and fittings					
ICT Equipment					
Machinery and Equipment					
Biological assets					
Infrastructure Assets- Roads, Rails					
Heritage and cultural assets					
Intangible assets					
Work in Progress					
Total					