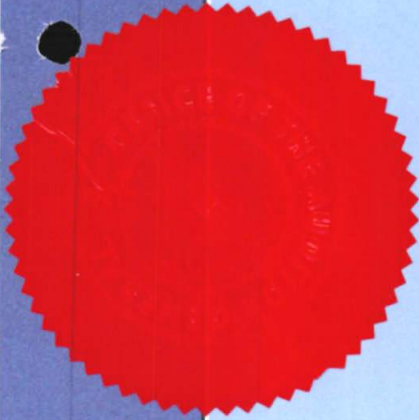


REPUBLIC OF KENYA

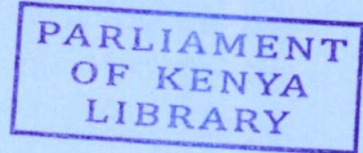


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REPORT

OF



THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF KISII

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

PAPERS LAID	
DATE	24/02/2026
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KISII COUNTY ASSEMBLY

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

Transitional Financial Statements Under International Public Sector Accounting Standards (IPSAS)

KISII COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended June 30, 2025.

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KISII COUNTY ASSEMBLY

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

1. Acronyms, Abbreviations and Definition of Key Terms

A. Acronyms and Abbreviations

<i>ADP</i>	<i>Annual Development Plan</i>
<i>AIE</i>	<i>Authority to Incur Expenditure</i>
<i>CA</i>	<i>County Assembly</i>
<i>CARA</i>	<i>County Allocation of Revenue Act</i>
<i>CBK</i>	<i>Central Bank of Kenya</i>
<i>CECM</i>	<i>County Executive Committee Member</i>
<i>CE</i>	<i>County Executive</i>
<i>CG</i>	<i>County Government</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>COG</i>	<i>Council of Governors</i>
<i>CRA</i>	<i>Commission on Revenue Allocation</i>
<i>CRF</i>	<i>County Revenue Fund</i>
<i>CT</i>	<i>County Treasury</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>MCA</i>	<i>Member of County Assembly</i>
<i>OAG</i>	<i>Office of the Auditor General</i>
<i>OCOB</i>	<i>Office of the Controller of Budget</i>
<i>OSR</i>	<i>Own Source Revenue</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>NT</i>	<i>National Treasury</i>
<i>WB</i>	<i>World Bank</i>
<i>KRB</i>	<i>Kenya Roads Board</i>
<i>Kshs</i>	<i>Kenya Shillings</i>
<i>FY</i>	<i>Financial Year</i>

B. Definition of Key Terms

Example

Fiduciary Management *The key management personnel who had financial responsibility*

KISII COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended June 30, 2025.

(This list is an indication of acronyms, abbreviations, and key terms; the County entity should include all from the annual report and financial statements prepared)

KISII COUNTY ASSEMBLY

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

2. Key Entity Information and Management

(a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 45 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management Team

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

No.	Designation	Name
1.	Speaker of the County Assembly	Hon. Dr. Philip M. Nyanumba
2.	Clerk of the County Assembly	Mr. Jacob M. Onkeo
3.	Head of Finance and Accounting Services Department	Mr. Moses Ratemo
4.	Head of Human Resource Management Department	Mrs. Fransiscah Bhoke
5.	Head of Legislative Services Department	Mr. Cyprian Masanga
6.	Head of Research and ICT Department	Mr. George Ochoti
7.	Head of Legal Services Department	Mr. Andrew Onserio
8.	Head of Administrative Services Department	Mr. Godfrey Mang'esa
9.	Deputy Director Finance and Accounting Services	Ms. Selina Anne Onchangu

KISII COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended June 30, 2025.

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer- Clerk	Mr. Jacob M. Onkeo
2.	Director Finance and Accounting Services	Mr. Moses Ratemo
3.	Head Procurement Department	Mr. Edward Ondieki
4.	Deputy Director Finance and Accounting Services	Ms. Selina Anne Onchangu

(d) Fiduciary Oversight Arrangements

The County Assembly of Kisii has an Internal Audit Department and an Audit Committee which provides oversight over the financial management and operations of the County Assembly.

The Public Accounts and Investment Committee examines the Auditors Reports for both the County Executive and County Assembly as per Article 229 (8) of the Constitution.

Section 36 of the County Assembly Service act 2017 also mandates The County Assembly Service Board to prepare and table an annual report on its operations and performance before the Whole House for deliberations.

(e) County Assembly Headquarters

P.O. Box 4552-40200
Old Municipal Building
Kisii - Kilgoris Road/Highway
Kisii, KENYA.

(f) County Assembly Contacts

Telephone: (254) 0208029160
E-mail: countyassembly@kisii.go.ke
Website: www.kisiiassembly.go.ke

(g) County Assembly Bankers

Central Bank of Kenya

KISII COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended June 30, 2025.

Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

(h) Independent Auditor

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

(i) Principal Legal Adviser

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

KISII COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended June 30, 2025.

3. Governance Statement

a. Background and roles

The County Assembly is constituted by the 71 MCAs of Kisii county government. (45 elected and 26 nominated). It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the county assembly service board while the county assembly clerk is the secretary. Section 10 (4) of the County Governments Act 2012 provides that a county assembly shall observe the following order of precedence.

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



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

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

KISII COUNTY ASSEMBLY



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

b. Profiles

Name	Details of qualifications and experience
 <p data-bbox="196 786 608 869">Hon. Dr. Phillip M. Nyanumba The Speaker</p>	<p data-bbox="794 398 1450 607">The Honourable Dr. Phillip Machuki Nyanumba, PhD was born in Bomachoge Borabu Sub-County of Kisii County in 1967. He became the Third Speaker of the Kisii County Assembly, after his election at the First Sitting of the Third Assembly in September 2022.</p> <p data-bbox="794 651 1450 786">Hon. Dr. Nyanumba, a Certified Public Accountant, has a range of experience in the public sector, having served in various capacities in the National Government and Devolved Units.</p> <p data-bbox="794 831 1450 1039">Until his retirement in February 2022 to get into politics, Hon. Nyanumba was the Director of Finance and Planning in the County Government of Nyamira. Prior to that, he served a Senior Accountant at the City Council of Nairobi.</p> <p data-bbox="794 1084 1450 1330">The Speaker holds a Doctor of Philosophy (PhD.) in Business Administration from Jomo Kenyatta University of Agriculture and Technology. He holds a Master of Business Administration from the University of Nairobi and Bachelor of the same from Kenya Methodist University.</p>
 <p data-bbox="196 1771 587 1854">Mr. Jacob M. Onkeo Clerk Kisii County Assembly</p>	<p data-bbox="794 1377 1450 1765">Mr. Jacob M. Onkeo- Mr. Jacob Onkeo is a Masters Holder of Education Planning and Economics from the Kenyatta University and Bachelor of Arts in Education from the same University. He is currently pursuing his PhD. Earlier he served as a teacher in several high schools and later promoted to Deputy Principal. He worked as a part time lecturer in Kisii University and Kenya Institute of Management. He is also the Chairman of the school Board of Management.</p> <p data-bbox="794 1771 1450 1944">He joined the County Assembly of Kisii as a principal research Officer and later promoted to the Director Chamber and procedural services. Currently he is the Clerk and Secretary to the County Assembly Service Board.</p>

KISII COUNTY ASSEMBLY

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

	<p>His duties include rendering of procedural advisory to the Speaker and Members of County Assembly. He is also the chief administrative officer, accounting and authorised officer of the County Assembly.</p> <p>Mr. Onkeo is a dedicated and Experienced public servant committed to promote transparency, accountability and good governance.</p>
 <p>Hon. James Ondari CASB Leader Majority</p>	<p>Hon. James Ondari: He is an Elected Member of County Assembly from BoochiTendere Ward. He is Member of the County Assembly Service Board. (CASB) nominated to represent the majority party/Coalition of parties in the CASB. He boasts 20 years of Experience in Leadership in various capacities.</p>
 <p>Hon Lilian Gor CASB Leader Minority</p>	<p>Hon. Lilian Gor was born in 1983 in Homabay County. She is a nominated Member of the County Assembly of Kisii and doubles up as a Member of the County Assembly Service Board. She is, also Ms President Academy Season 2. She holds an MBA in Entrepreneurship from CUEA, Bachelor of Arts in Language and literary studies from Moi University.</p> <p>She has a wide range of experience having served as a National Treasurer- KNC Party, deputy women league leader of the KNC Party, Community mobiliser ELIMU NDIO NGAO Project- Kajiado, Senior operations manager- Benyam Enterprises, Senior relationship manager- Standard Chartered Bank, compliance officer- Barclays Bank.</p>

KISII COUNTY ASSEMBLY

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

c. Sectoral Committees

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

The County Assembly has the following Select and Sectoral committees:

- i. Committee of Powers and Privileges
- ii. Public Accounts/Investment Committee
- iii. Budget and Appropriations Committee
- iv. Audit Committee

d. Select Committees

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

i. Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held 2 meetings in FY 2024/25. The committee members during FY 2024/25 were:

Name	Designation	Ward
Hon. Dr. Philip Nyanumba	Chairperson	N/A
Hon. MalackMainye	Member	Kiamokama
Hon. Peter Mokua	Member	Bosoti/Sengera
Hon. Victor Ombasa	Member	Riana
Hon. BethshebaSanaya	Member	Nominated
Hon. Dennis Ombachi	Member	Marani
Hon. DismasOnsombi	Member	Bomariba
Hon. Amos Omweri	Member	Nyatieko

KISII COUNTY ASSEMBLY

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

Hon. Steve Arika	Member	Ibeno
Hon. Henry Moracha	Member	Basi Central
Hon. John Ombati	Member	Bomorenda
Hon. Ibrahim Machuki	Member	BasiBogetaorio
Hon. James Ondari	Member	Boochi/Tendere

ii. Public Accounts/Investment Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held 2 extra sittings to deal with arising matters. The members who served in the committee during the year were:

Name	Designation	Ward
Hon. Ogugu Timothy	Chairperson	Magenche
Hon. Anthony Kerage	Vice Chairperson	Gesusu
Hon. John Sambo	Member	Basi Chache
Hon. Ruth Nyagechanga	Member	Nominated
Hon. Peter Moindi	Member	Keumbu
Hon. Vanice Moraa	Member	Nominated
Hon. Felix Ombati	Member	Chitago Borabu
Hon. Saisi Nyagaka	Member	Sensi
Hon. Samuel Mauti	Member	Bogetenga
Hon. Celestine Bonanreri	Member	Nominated
Hon. Jeremiah Ongeru	Member	Majoge Basi

KISII COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended June 30, 2025.

iii. Budget and Appropriations Committee

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

Name	Designation	Ward
Hon. Peter Gichana	Chairperson	Monyerero
Hon. Jim Kenyanya	Vice Chairperson	Tabaka
Hon. Henry Moracha	Member	Basi Central
Hon. Dennis Ombachi	Member	Marani
Hon. John Ombati	Member	Bomorenda
Hon. Gaudencia Moraa	Member	Nominated
Hon. Hellen Nyamoita	Member	Nominated
Hon. Amos Onderi	Member	Bokimonge
Hon. Christopher Ogoti	Member	Nyamasibi
Hon. Duke Nyarang'o	Member	Kitutu Central
Hon. Stephen Arika	Member	Ibeno
Hon. Thomas Obare	Member	Basi Boitangare
Hon. Amos Omweri	Member	Nyatieko
Hon. Isabellah Oigara	Member	Nominated
Hon. Nicodemus Omwamba	Member	Boochi Borabu
Hon. Ibrahim Ongubo	Member	Bobaracho
Hon. Karen Magara	Member	Nominated
Hon. Bouse Mairura	Member	Masimba
Hon. Tirisa Onsombi	Member	Bomariba
Hon. Ronald Achira	Member	Moticho
Hon. Naftali Onkoba	Member	Nyacheki

KISII COUNTY ASSEMBLY

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

Hon. Peter Mokua	Member	Bosoti/ Sengera
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iv. Audit Committee

The audit committee was constituted on 10th August 2023. Its mandate is to advise the County Assembly on institutional risk management and compliance. The committee members during FY 2024/25 were:

Member	Designation
Rose Bosibori Osoro	Chairperson
Bosco Peter Onsembe	Member
Enock Ombui Nyasende	Member
Elias Ngere	Member

e. Communication with all Stakeholders

The County is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the County held an Annual consultative meeting in Ogembo, Mosoch, Marani and Suneka where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

The County Assembly also subjected 3 bills through public participation.

f. Risk management

The County Assembly has an internal audit department which performs audit risk on the internal controls put in place and directly reports to the Audit committee for processing and implementation.

The County Assembly Management Committee has developed a risk policy(draft) that awaits approval by the County Assembly Service Board. This will help to identify and assess how risks should be managed. The draft risk policy also includes the formal processes to assess changes in the internal and external environment which could give rise to risks.

In the FY 2024/25, the County Assembly of Kisii did not experience any risks.

g. Compliance

The Financial Reports and Statements for the financial year 2024/2025 were prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and in compliance with section 125 and 149 of Public Finance Management Act, 2012.

KISII COUNTY ASSEMBLY

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

4. Foreword by Clerk of the County Assembly

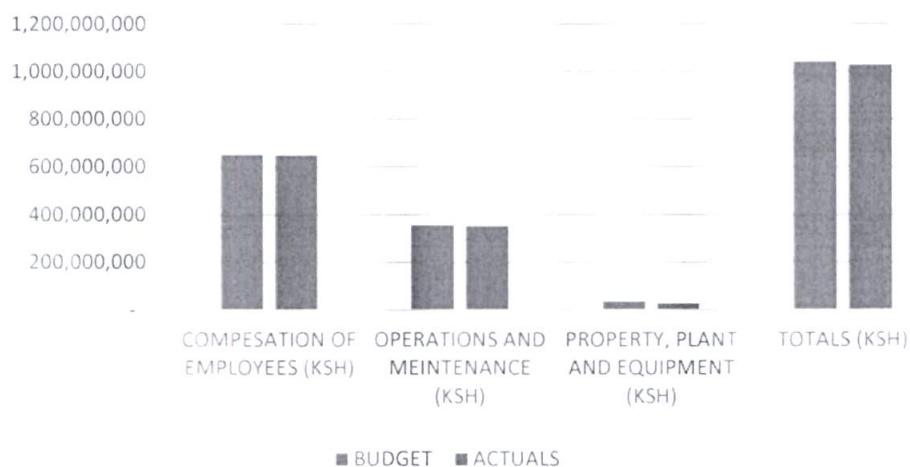
(i) Budget performance

The County Assembly of Kisii appropriated Kshs. **1,041,299,171** for the management of its programmes for FY 2024/2025, out of which Kshs. **1,027,411,099** was received from the National Treasury translating to **99%** of the budget.

The Assembly spent Kshs. 647,297,696 (**63%**) towards personnel emoluments, Kshs.353,113,010 (**34%**) on Operations and maintenance, and Kshs.27,000,393 (**3%**) on Property, Plant and Equipment.

	COMPESATION OF EMPLOYEES (KSH)	OPERATIONS AND MEINTENANCE (KSH)	PROPERTY, PLANT AND EQUIPMENT (KSH)	TOTALS (KSH)
BUDGET	649,490,491	356,329,054	35,479,626	1,041,299,171
ACTUALS	647,297,696	353,113,010	27,000,393	1,027,411,099

BUDGET PERFORMANCE AGAINST ACTUALS



KISII COUNTY ASSEMBLY

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

(ii) Operational Performance

In the FY 2024/25 the Kisii County Assembly passed 5 Bills and 2 Policies namely;

1. Kisii County Climate Change Bill, 2024
2. Kisii County Facility Improvement Fund Bill, 2024
3. Kisii County Finance Bill, 2024
4. Kisii County Appropriation Bill, 2024
5. Kisii County Appropriation Amendment Bill, 2024
6. Kisii County Gender Mainstreaming Policy
7. Kisii County Right to Food Policy

The Budget for the FY 2024/25 was passed on 19th June 2024. Subsequently, there were two (2) supplementary budgets during the year that were passed on 1st January 2025 and 2nd April 2025.

The ultimate mission of the County Assembly is to improve the livelihoods of the people of Kisii County through effective Legislation, Oversight and Representation. Towards this aim, the County Assembly under its Standing Orders has established a total of 23 committees. Ten (10) are Sectorial Committees which oversight Ten departments of the County Executive and Thirteen (13) select committees which have various legislative and oversight mandates. These Committees include:

Agriculture, Livestock, Fisheries & Co-operative Committee whose mandate, is to, among others interrogate, investigate and examine all matters related to Agriculture including Crop and Animal husbandry, livestock development, fisheries and cooperative societies.

Lands, Physical Planning & Urban Development Committee-It deals with matters related to county planning and development, including statistics, land survey & mapping, boundaries and urban development.

Trade, Tourism & Industry Committee-Deals with all matters related to trade development and regulation, including markets, trade licences, fair trading practices and development of local tourism.

Labour, Manpower & Social Welfare Committee- Considers all matters related to labour, trade union relations, manpower and human resource planning.

Health Services Committee-Deals with all matters related to County health services, including County Health facilities and pharmacies, Ambulance services, primary health care licences and control of undertakings that sell food to the public, veterinary services, cemeteries, refuse removal and solid waste disposal.

Energy, Water, Environment & Natural Resources Committee- Deals with all matters related to energy regulation, electricity and gas reticulation, natural resources and environmental conservation including water, forestry and soil.

KISII COUNTY ASSEMBLY

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

Transport, Roads, Housing & Public Works Committee-Considers all matters related to county transport including County roads, street lighting traffic and parking, County Public works and services and housing.

Culture ,Youth, sports & Social Services Committee- Considers all matters related to cultural activities, public entertainment, public amenities, including betting, liquor licensing , libraries, museums, sport and cultural activities and facilities, county parks ; Fire fighting services and disaster management, Control of drugs and Pornography; coordinating participation of communities and locations in governance at the local level; animal control and welfare.

Justice & Legal Affairs Committee-Considers constitutional affairs and administration of law and justice.

ECDE & Vocational Training Committee- Deals with all matters related to Early Childhood Development And Education including Vocational training, in particular development of ECDE centres and youth polytechnics.

Budget & Appropriations Committee- Whose primary mandate is to Oversight the budgeting process and other financial matters.

Public Accounts & Investment Committee-Oversight the expenditure of public finances by departments, to ensure value for money and adherence to government financial regulations and procedures. The Committee reviews reports by Kenya National Audit Office (KENAO) and Office of the Controller of Budget (COB).

Liaison Committee-Guides and coordinates the operations, policies and mandates of all committees in the assembly. Consist of all chairpersons of committees.

House Business Committee- Deals with matters that are discussed in the house. The committee manages the assembly calendar, monitors and oversees the implementation of the county assembly business and programs.

Implementation Committee-Examines resolutions of the county assembly, petitions and undertakings of executive committees.

Appointment Committee-Considers for approval by the County Assembly all appointments under Article 179 (2) (Members of County Executive Committees).

Devolution Committee- Deals with matters that involve devolved units.

Welfare Committee -Deals with matters related to the welfare of the members.

Selection Committee-Mandated to nominate members to serve in committees, save for the membership of the County Assembly Business Committee and Committee on Appointments.

Delegated Legislation Committee- Deals with and approves statutory instruments (bills) submitted to the Assembly before they are passed or taken to the house for discussion.

KISII COUNTY ASSEMBLY

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

Powers & Privileges Committee-Inquires into the conduct and discipline of members of the house and checks on the powers and privileges they enjoy.

ICT, Broadcasting & Library Services Committee- Deals with all matters relating to ICT development in the County including, automation of county functions, broadcasting, hansard, online business and library services.

Procedure & Rules Committee-Considers and reports all matters relating to standing orders and also proposes amendments to standing orders.

(iii) Performance of key development projects

There was completion of three Ward offices in Ibeno ward, Boochi Tendere ward and Bobaracho ward. The Speakers residence which will host the speaker of Kisii County Assembly is almost complete. All this will ease in legislative and public service transactions.

(iv) Comment on value-for-money achievements

There was completion of three Ward offices in Ibeno ward, Boochi Tendere ward and Bobaracho ward. The Speakers residence which will host the speaker of Kisii County Assembly is almost complete. All this will ease in legislative and public service transactions.

(v) Challenges and recommended way forward

1. Budget Cuts

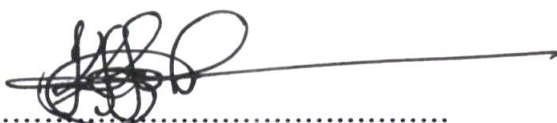
Budget cuts in FY 2024/25 led to Efficiency pressure on the County Assembly and also slowed Development projects for the County Assembly.

The Kisii County Assembly budget ceilings should be revised upwards for it to achieve its obligations effectively.

2. Delay in Disbursement of Funds

There was delay of disbursement of the June allocation from the National Treasury which led to the county assembly not meeting its financial obligations as at the end of the financial year. The occasioned the Kisii County Assembly to close the Financial year with unpaid payables.

The National Treasury should release funds in time for the assembly's smooth operations.



Name: Jacob M. Onkeo

Clerk of the County Assembly

KISII COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended June 30, 2025.

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

Below were the expected outputs of the assembly in FY 2024/2025

Program 1	Objective	Outcome	Indicator	Performance
Legislative, oversight and representation services.	Strengthen Oversight, budget scrutiny and expenditure review	Accountability, Equitable distribution, efficient utilization and transparency in allocation of resources	No. of Mca’s/staff trained, No. of committee reports, No. of site visits, and No. of bills passed	Mca’s and staff attended 20 sectoral trainings; All 23 committees submitted annual reports; 1 site visits was conducted; ADP, CIPROP, CFSP reports were adopted.2 bills were also passed.
	Effective representation and Outreach	Effective public and stakeholders participation in the assembly processes	No. of public participation fora, No. of public participation reports	3 public participations exercises and reports were concluded.

KISII COUNTY ASSEMBLY
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		Improved image and perception of residence; informed public	No. of Reports, Responses (website, facebook page, twitter handle).	No petition was received.
	Enhance effective legislation	Quality and progressive legislations	No of bills passed in the County Assembly,	2 bills were passed
Program 2	Objective	Outcome	Indicator	Performance
County Assembly Services	Strengthen the County Assembly Service	Productive and professional staff	Training Policy, No. of training reports, training needs assessment report and skills inventory	10 staff trainings conducted.
Program3	Objective	Outcome	Indicator	Performance
County Assembly Service Board (Office of the Speaker).	Enhance physical and ICT infrastructure	New modern administrative block, Furniture and equipment, improved Security, Operational IT infrastructure, Ward offices for MCA's	New administration office block, No of furniture items acquired, number of security installations, No. of IT infrastructure installed, No. of	Completion of refurbishing of Block A and B MCA;s offices, Completion of underground water tank and Speakers residence construction ongoing.

KISII COUNTY ASSEMBLY

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

			ward offices constructed.	
	Adequate resource mobilization and proper management	Sufficient budgetary provision, improved financial management,	Approved budget, Additional resources obtained, Accurate and timely financial reports	FY 2024/25 Budget was approved;
	Improved stakeholder engagement and management	Improved systems, Increased Compliance levels, reduced instances of penalties, reduced litigation	% increase in stakeholder engagement, % Reduction in penalties and litigation.	100% engagement with suppliers through E- procurement system, 70% reduction in number of litigations.

6. Environmental and Sustainability Reporting

The County Assembly of Kisii aims to improve the livelihoods of the people of Kisii County through effective Legislation, Oversight and Representation. We are guided by Our Core Values which include; Inclusivity, the rule of law, Democracy, Equity, good Governance, Integrity, Transparency and Accountability. Below is a brief highlight of our achievements in each pillar;

a) Sustainability strategy and profile –

The County Assembly has developed a five year strategic plan (2018-2023) that outlines the Objectives and activities that will guide us in deepening our parliamentary culture and improving the administrative mechanisms of our institution to better serve the public. The plan provides a framework for resource planning to enhance the performance of the Assembly's Core mandate of Legislation, Oversight and Representation.

b) Environmental performance

The County Assembly through standing order 191 has established a standing Committee on Energy, Water, Environment & Natural Resources which is mandated to consider all matters relating to Implementation of specific government policies on Natural Resources and environmental conservation including Soil, Water, Forestry, Energy and Control of Air & water pollution and other public Nuisances.

c) Employee welfare

The County Assembly has developed a Human Resource Manual that outlines best human resource management practices and employee welfare. The assembly also has in place a training policy manual that guides in managing the training needs of the assembly. All the members of the County Assembly and staff are covered under medical insurance scheme.

d) Market place practices-

a) Responsible Supply chain and supplier relations-

All our engagements with suppliers, business partners and other stakeholders is done competitively through open platforms and in line with relevant laws and regulations. The Assembly emphasises Zero tolerance to corrupt practices.

b) Responsible ethical practices-

The Assembly has fully embraced the Electronic Procurement System through the Government recommended Integrated Financial Management Information System (IFMIS). All our procurement is done as per the Public Procurement and Disposal Act 2015. The management ensures Suppliers are promptly paid and discourages instances of accumulated pending bills.

c) Stewardship of goods and services

The Assembly ensures that product Quality and Safety meets the acceptable standards. The inspection and acceptance committees take responsibility of making sure that products and services are of good and standard quality and meet user expectations.

KISII COUNTY ASSEMBLY
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e) Community Engagements

The Assembly promotes public participation in its legislative processes. It educates the public on the law making process and incorporates the public views. The Assembly is also open to Research and Educational institutions which are allowed access to information and visitations including internships.

7. Management Discussion and Analysis

Over the last 3 to 5 years, the County Assembly of Kisii has undertaken a range of strategic programs and projects aimed at enhancing governance, public service delivery, infrastructure, and legislative oversight. These initiatives have been aligned with the County Integrated Development Plan (CIDP) and national development goals.

Key Programs and Projects Implemented or Ongoing

a. Infrastructure Development and Assembly Facilities

- Renovations of the Assembly Chambers: The Kisii County Assembly chambers has been renovated to support legislative activities, enhance transparency, and provide a conducive environment for debates and deliberations.



(Renovated Assembly Chambers)

- Construction of Office Blocks and Committee Rooms: To accommodate MCA's and staff expanded functions, new office blocks have been built, along with meeting and committee rooms to improve operational efficiency. Also new ward offices are being built at the wards so as to take service delivery closer to the electorate.
- Construction of underground water reservoir that will help in the smooth operations of the Assembly.

b. Automation and Digitization Initiatives

- Installation of ICT Infrastructure: Upgraded internet connectivity, server systems, and digital tools have been rolled out to support members and staff.

c. Capacity Building and Institutional Strengthening

- Continuous Professional Development for MCAs and Staff: The Assembly has invested in regular trainings and workshops to improve legislative, oversight, and representation functions.
- Policy and Legislative Development Support: Resources have been channelled towards research and drafting services to support the formulation of quality bills, motions, and county legislation.

d. Public Participation and Civic Engagement

- Ward-Based Public Forums: The Assembly has consistently conducted forums at the grassroots level to collect views from citizens on key legislation and development priorities.
- Development of a Public Participation Framework: This has guided structured engagement with citizens and stakeholders in legislative and budget processes.

e. Financial Management and Resource Utilization

- Adoption of IFMIS (Integrated Financial Management Information System): This has improved budget execution, reporting, and accountability.
- Timely Preparation and Submission of Key Financial Documents: Annual budgets, quarterly reports, and financial statements have been prepared and submitted to relevant oversight bodies in line with the PFM Act, 2012.

County Assembly of Kisii compliance with statutory requirements.

- Compliance with statutory requirements for the County Assembly of Kisii is governed by the Constitution of Kenya (especially Chapters 11, 4, and 6) and specific statutes like the County Governments Act, 2012, the County Assembly Services Act, 2017. Key compliance areas include proper membership (gender balance, marginalized groups), adherence to the separation of powers while exercising oversight, following financial oversight (budgeting, expenditure), maintaining public participation in legislative processes, and ensuring ethical conduct under the Leadership and Integrity Code.

Constitutional Framework

- Article 185 of the Constitution: Establishes legislative authority in the county assembly and its ability to make laws for county governance, while also requiring it to exercise oversight over the county executive. The County Assembly of Kisii passed 2 (two) bills into laws during the year ended 30th June 2025.

KISII COUNTY ASSEMBLY

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- Article 177 of the Constitution: Outlines the proper composition of a county assembly, including the need for gender balance and representation of marginalized groups. The table below shows the representation and gender for the members of the County Assembly of Kisii.

Major risks facing the County Assembly of Kisii

Major risks facing Kenyan county assemblies and particularly Kisii County Assembly include a lack of financial autonomy, with dependency on county executives for funding, which compromises their ability to provide effective oversight. Other risks are political interference, and insufficient information sharing from the county executives.

Financial Dependence:

County Assemblies often depend on the county executive for their budgets, which are sometimes delayed or reduced, limiting their financial independence and ability to carry out their mandate.

Capacity and Expertise Gaps:

A significant number of MCAs lack professional knowledge, specialized skills, and experience necessary for effective legislative and oversight functions. This leads to capacity issues in budgeting and technical areas.

Political Interference:

MCAs can face undue pressure and intimidation from county executives to align with their agendas, which undermines the assembly's autonomy and oversight role.

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 Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly financial statements, which give a true and fair view of the state of affairs of the County 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/assembly; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the county Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly financial statements give a true and fair view of the state of the County Assembly's transactions during the financial year ended June 30, 2025, and of its financial position as at that date.

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

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County

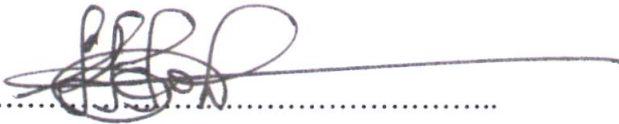
KISII COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended June 30, 2025.

Assembly funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Assembly's financial statements were approved and signed by the Clerk on 21st August, 2025.



.....
Clerk of County Assembly

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements for County Assembly of Kisii set out on pages 1 to 86, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respect, the financial position of County Assembly of Kisii 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 Government 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

1. Non-Compliance with Transitional IPSAS Reporting Template

The cover page to the annual report and financial statements indicates "Transitional IPSAS financial statements/ Prepared in accordance with accrual basis of accounting method under International Public Sector Accounting Standards (IPSAS). This is indicative of Management failure to choose the method adopted to prepare the financial statements. Further, under Note 2 to Financial Statements on Statement of Compliance and Basis of Preparation of the financial statements, Management having taken advantage of the transitional provisions under IPSAS 33 have not indicated the elements of the financial statements that have not been recognized and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

2. Variance Between the Financial Statements and Integrated Financial Management Information System (IFMIS) Trial Balance

A comparison between the presented financial statements figures and the trial balance generated from IFMIS revealed differences as detailed below:

Items	Financial Statement Balances (Kshs)	IFMIS Trial Balance (Kshs)	Variance (Kshs)
Employee Costs	653,324,834	647,297,696	6,027,138
Use of Goods and Services	352,076,409	351,850,608	225,801
Cash and Bank Balances	6,147,707	6,873,600,698	(6,867,452,991)
Receivables	0	117,348,352	(117,348,352)
Trade and Other Payables	8,200,216	167,283,873	(159,083,657)
Transfer from CRF	1,027,411,099	6,819,572,161	(5,792,161,062)

Management has explained that IFMIS system is not configured to conform with the accrual method of reporting and some transactions that were posted and cleared in the IFMIS system but they did not post to the general ledger.

In the circumstances, the accuracy, completeness of the financial statements as prepared and presented could not be confirmed.

3. Unsupported Voided IFMIS Transactions

The statement of financial performance reflects total expenses of Kshs.1,007,908,081. However, review of the financial transactions in the Integrated Financial Management Information Systems (IFMIS) revealed that three hundred and twenty-seven (327) transactions amounting to Kshs.107,972,137 were voided. The documentary evidence was provided to support authorization and reasons for voiding the transactions, which had been presented to the Controller of Budget (CoB) for approval amounting to Kshs.53,318,851.70. However, the transactions amounting to Kshs.54,653,285.30 were not supported by requests to void, the National Treasury approvals and exchequer requisitions from the Controller of the Budget. Further requisitions of the voided payments to pending accounts payables and cancelled payments were not provided for audit.

In the circumstances, the accuracy and completeness of the payments amounting to Kshs.1,007,908,081 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

In the prior year's audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Assembly in 2024/2025 revealed matters remained unresolved as detailed in the **Appendix I** as at 30 June, 2025.

Other Information

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

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

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

Review of the human resources management practices revealed the following unsatisfactory matters:

1.1 Retention of Staff Beyond the Mandatory Retirement Age

Review of employee records and employee master data revealed that County Assembly of had four staff members who were above the mandatory retirement age of 60 contrary to the County Assembly's human resource manual.

1.2 Staff Over Establishment

Review of personnel records revealed that the County Assembly had one hundred and forty-six (146) employees which exceeded a limit of one hundred and twenty-six (126) employees as per the Assembly's staff establishment which require optimum level

resulting in an over establishment of twenty (20) employees. Similarly. The employees number also exceeded the maximum limit of one hundred and fifteen (115) employees set in the Commission of Revenue Allocation Circular No. CRA/FA/01 Vol 11 (22) dated 28 June, 2018 resulting in unauthorized employment of thirty-one (31) members of staff.

1.3 Failure to Comply with Ethnic Diversity on Employment

Review of employee records and employee master data revealed that County Assembly had 146 employees out of which 98% of the staff were from the dominant ethnic community. This was contrary to section 7(1) of the National Cohesion and Integration Act, 2008, which states that public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one-third of its establishment from the same ethnic community.

In circumstances, Management was in breach of the law.

2. Irregular Payment of Subscriptions to County Assembly Forum and Society of Clerks at the Table in Kenya

The operating expenses amount of Kshs.36,466,773 includes subscription fees of Kshs.4,000,000 paid to County Assemblies Forum (CAF) and Kshs.750,000 paid to Society of Clerks at the Table in Kenya (SOCATT) totalling Kshs.4,750,000. However, these bodies do not draw their mandates from the Constitution of Kenya or an Act of Parliament. Therefore, Management violated Section 149(1)(a) of the Public Finance Management Act 2012 which requires an accounting officer of an entity to be accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is lawful and authorized.

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

3. Regularity of Legal Expenses

The statement of financial performance reflects Kshs.352,076,409 in respect to use of goods and services as disclosed under note 10 to the financial statements. Included in this amount is Kshs.36,466,773 paid in respect to other operating expenses. The other operating expenses amount includes a payment of Kshs.1,910,583 to an external advocate in respect to legal fees for court case filed against the County Assembly. However, the audit revealed that direct procurement method was used to source the external advocate to represent the county assembly for the above case contrary to Section 103 of Public Procurement and Asset Disposal Act, 2015. Further, the case files, pleadings, summons, rulings pertaining to the case were not provided for audit review. In addition, schedule of the litigation cases against the County Assembly and their status provided for audit revealed that the county has over 20 pending cases in various courts some dating as far back as 2017.

In the circumstances, propriety of expenditures totalling Kshs.1,910,583 could not be confirmed.

4. Project Implementation Status

The statement of financial position reflects a balance of Kshs.25,976,981 in respect to property, plant and equipment as disclosed in Note 26 to the financial statements. Included in this balance is Kshs.16,116,866 in respect buildings additions during the year. However, the following unsatisfactory matters were noted:

4.1 Stalled Construction of Ibeno Ward Offices, Boochi Tendere Ward Offices and Boikang'a Ward Offices

Included in this amount is Kshs.5,274,927 that was paid to a contractor in respect to Proposed construction of Ward offices at Boikang'a, Boochi Tendere and Ibeno Wards. The amount was paid to a contractor in respect to Certificate No.1 of 18 August, 2023 of contract No. KCA/C/006/2018-2021. However, physical inspection on September 2025 revealed that the projects had stalled at the substructure level and the payment related to the first certificate of works done before the contract was terminated as per court ruling. Further, evidence of termination and the court proceedings that resulted to the termination were not provided for audit.

In circumstances, realized from the expenditure of Kshs.5,274,927 on the stalled and incomplete office wards.

4.2 Idle Bogiakumu Ward Offices

As reported in the previous audits, the Assembly paid Kshs.6,004,289 out of a contract sum of Kshs.7,350,465 towards the construction of Bogiakumu Ward Office. The contract completion dated was agreed to be 2 February, 2022. However, audit inspection on September 2025 revealed that only few outstanding items remained to be fixed but the offices were complete but was not in use. Management did not provide a plausible explanation for the non-occupation of the offices.

In circumstances, value for money on the expenditure of Kshs.6,004,289 on the ward office not in use could not be confirmed.

5. Failure to Deduct and Remit 0.03% Capacity Building Levy

The County Assembly did not deduct and remit to the Public Procurement Regulatory Authority, 0.03% Public Procurement Capacity Building Levy of contract sum from suppliers and contractors of Kshs.19,480.75, contrary to Circular No. 1/2024 (Ref) PPRA/6/5 Vol II (2024) of 30 August, 2024. Management has explained that Integrated Financial Management Information System (IFMIS) had not been configuration and activated to remit payments. As at the time of review, the configuration process was complete within the implementation of the electronic Government Procurement but the no evidence of remittance provided for audit review.

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

6. Long Outstanding Trade and Other Payables

The Statement of financial position reflect trade and other payable of Kshs.8,200,216 as disclosed in Note 32 to the financial statement, of which Kshs.400,000 has been outstanding for more than three years this is contrary to Regulation 41(2) of the Public

Finance Management (County Governments) Regulations, 2015 which require debt service payments to be a first charge. Management explained payable was subjected to pending bill verification and commits to settle the payment in the financial year 2025/2026.

In the circumstances, Management was in the 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 are in compliance, 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. Weak Internal Audit Function

As reported in the previous audit, the County Assembly has an internal audit function with six (6) staff members for reviewing internal controls, risk management, governance mechanisms and overall operations of the County Assembly for transparency and accountability. However, the audit established that despite having an internal audit work plan and a service charter, there were no internal audit reports for the different departments as per the work plan that shows that the finance department would be audited monthly, the procurement department would be audited quarterly, administration and ICT semi-annually. Interview of different department heads established that no audits were carried out. Similarly, the internal audit procedures manual provided for audit had not been approved and the internal audit did not carry out a review of its performance, the departments work plan and strategic plan were not submitted to the audit committee.

In circumstances, the existence of effective internal control, risk management and governance systems could not be confirmed.

2. Ineffective Audit Committee

As reported in the previous audits, the County Assembly had an internal audit committee in place. However, there was no evidence of its activities for the period under review contrary to Regulation 172(1) of the Public Finance Management (County Governments) Regulation, 2015 and Gazette Notice No 40 which provide that

the audit committee shall meet at least once in every three months. Further there was no evidence that the audit committee carried out an annual review of the independence, performance and competency of the internal audit unit contrary to Regulation 159 (2) of the Public Finance Management (County Governments) Regulation, 2015.

In the circumstances, the effectiveness of the audit committee in discharging its mandate and assurance under effectiveness of internal controls, risk management and 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 the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

Those charged with governance are responsible for overseeing the Assembly's financial reporting process, reviewing the effectiveness of how the 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

15 December, 2025

APPENDICES

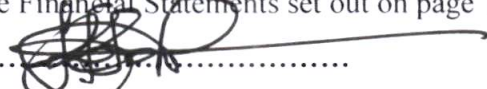
Appendix 1: Unresolved Prior Year Audit Matters

S/No	Financial Year	Audit Issue
1	2023/2024	Undisclosed Amounts in the Trial Balance
2	2023/2024	Unsupported Use of Goods and Services Expenditure
3	2023/2024	Unsupported Basic Wages for Temporary Employees
4	2023/2024	Unsupported Voided IFMIS Transactions
5	2023/2024	Budgetary Control and Performance
6	2023/2024	Pending Bills Not Settled as a First Charge.
7	2023/2024	Unresolved Prior Year Matters
8	2023/2024	County Assembly Preparedness to Transition to Accrual Accounting
9	2023/2024	Non-Adherence to Staff Ethnic Diversity and Gender Balance
10	2023/2024	Staff Over Establishment
11	2023/2024	Irregular Procurement of Legal Services
12	2023/2024	Delayed Construction of the Speaker's Official Residence.
13	2023/2024	Completed Project on Extension of Library, ICT Centre and Procurement Offices not put to use.
14	2023/2024	Stalled Construction of Ward Office in Bogiakumu
15	2023/2024	Incomplete Construction of Reinforced Concrete Underground Water Tank and Elevated Steel Tower.
16	2023/2024	Lack of Monitoring and Evaluation Framework and Reports
17	2023/2024	Non-Compliance with Public Participation in Budgeting Process
18	2023/2024	Irregular Subscriptions to the County Assembly Forum (CAF) and Society of Clerks-at-the-Table (SOCATT)
19	2023/2024	Incomplete Procurement Plan
20	2023/2024	Ineffective Audit Committee
21	2023/2024	Weak Internal Audit Function
22	2023/2024	Lack of Effective Assets Management & Controls

KISII COUNTY ASSEMBLY**Annual Report and Financial Statements for the year ended June 30, 2025.****10. Statement of Financial Performance for the year ended 30 June 2025**

	Notes	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	1,027,411,099
Miscellaneous Revenue	7	
Total		1,027,411,099
Revenue from exchange transactions		
Other income	8	
Total revenue		1,027,411,099
Expenses		
Employee costs	9	653,324,834
Use of goods and services	10	352,076,409
Transfers to other Government Entities	11	1,483,426
Depreciation and amortization expense	12	1,023,412
Other Grants and Subsidies	13	
Finance costs	14	
Social Benefits	15	
Total expenses		1,007,908,081
Gain/(loss) on sale of assets	16	
Gain/Loss on Foreign Exchange	17	
Gain/Loss on fair value of investments	18	
Impairment loss	19	
Surplus/Deficit for the year		19,503,018
Taxation	20	
Net Surplus/Deficit		19,503,018

The Financial Statements set out on page 1 were signed by:



Name: Mr. Jacob M. Onkeo

Clerk of The County Assembly



Name: Ms. Selina Anne Onchangu

Deputy Director Finance and Accounting Services- County Assembly

ICPAK M/No: 32198

KISII COUNTY ASSEMBLY

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	6,147,707	8,702,001
Receivables from Exchange Transactions	22		
Receivables from Non-Exchange Transactions	23		
Inventories	24		
Current portion of investments	25		
Total Current Assets		6,147,707	8,702,001
Non-Current Assets			
Receivables from Exchange Transactions	22(b)		
Non- Current portion of investments	25		
Property, Plant and Equipment	26	25,976,981	
Intangible Assets	27		
Investment Property	28		
Right-of-use assets	29		
Biological Assets	30		
Tangible Natural Resources	31		
Total Non- Current Assets		25,976,981	
Total Assets (A)		32,124,688	8,702,001
Liabilities			
Current Liabilities			
Trade and Other Payables	32	8,200,216	28,555,604
Refundable Deposits and Prepayments	33	5,226,254	8,701,962
Current Provision	34		
Lease Liabilities	35		
Deferred Income	36		
Employee Benefit Obligation	37		

KISII COUNTY ASSEMBLY

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

	Notes	2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Current Portion of Borrowings	38		
Total Current Liabilities		13,426,470	37,257,566
Non-Current Liabilities			
Non-Current Provisions	34		
Lease Liabilities	35		
Deferred Income	36		
Non-Current Employee Benefit Obligation	37		
Borrowings – Non-Current Portion	38		
Service Concession Liability	39		
Total Non- Current Liabilities			
Total Liabilities (B)		13,426,470	37,257,566
Net Assets(A-B)		18,698,218	(28,555,565)
Represented By:			
Reserves			
Accumulated Surplus		18,698,218	(28,555,565)
Capital Fund			
Net Assets		18,698,218	(28,555,565)

The financial statements set out on pages 2 to 6 were signed by:

Name: Mr. Jacob M. Onkeo
Clerk of The County
Assembly

Name: Ms. Selina Anne Onchangu
Deputy Director Finance and
Accounting Services-
County Assembly
ICPAK M/No: 32198

KISII COUNTY ASSEMBLY**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 30th June 2024 (cash basis)	39			39
Adjustments:				
Recognition of assets				
Recognition of liabilities	(28,555,604)			(28,555,604)
As at July 1, 2024	(28,555,565)			(28,555,565)
Return to CRF	(404,839)			(404,839)
Surplus/ deficit for the year	19,503,018			19,503,018
Other changes (Prior year payables paid during the year)	28,155,604			28,155,604
As at June 30, 2025	18,698,218			18,698,218

Note:

- 1. Accumulated Surplus as at 30th June 2024 was adjusted from Kshs (4,205,859) to Kshs 39. The difference of Kshs 4,205,898 was surplus of FY 22-23 which was refunded to CRF Account in FY 23-24. This understated the surplus of Fy 23-24 since it was cash that was brought forward reflected in statement of position and not revenue in the statement of performance. This was corrected to reflect the true surplus for the Fy 23-24 in the Changes in Net Assets of Kshs 39.*

KISII COUNTY ASSEMBLY

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		1,027,411,099
Miscellaneous Revenue		
Other income		
Total receipts		1,027,411,099
Payments		
Employee costs		647,297,696
Use of goods and services		350,303,331
Transfers to other Government Entities		1,483,426
Other Grants and Subsidies		
Finance costs		
Social Benefits		
Total payments		999,084,453
Net cash flows from/(used in) operating activities		28,326,646
Adjusted for:		
Changes in Retention (Decrease/Increase)		(3,475,708)
Net Cash flows Operating Activities	40	24,850,938
Cash flows from investing activities		
Purchase of PPE		(27,000,393)
Purchase Intangible assets		
Proceeds from sale of PPE		
Proceeds from sale of Biological Assets		
Purchase of investments		
Sale of investments		
Net cash flows from/(used in) investing activities		(27,000,393)
Cash flows from financing activities		
Returns to CRF		(404,839)
Proceeds from borrowings		
Repayment of borrowings		
Net cash flows from financing Activities		
Net increase/(decrease) in cash & Cash equivalents		(2,554,294)

KISII COUNTY ASSEMBLY

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

		2024-2025
	Notes	Kshs
Cash and cash equivalents at 1 July	21	8,702,001
Cash and cash equivalents at 30 June		6,147,707

KISII COUNTY ASSEMBLY

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

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)						
Receipts						
Transfers from the CRF	1,201,360,230	(160,061,059)	1,041,299,171	1,027,411,099	13,888,072	99%
Other receipts						
Total Receipts	1,201,360,230	(160,061,059)	1,041,299,171	1,027,411,099	13,888,072	99%
Payments						
Compensation of employees	651,402,051	(1,911,560)	649,490,491	647,297,696	2,192,795	99%
Use of goods and services	473,235,944	(116,906,890)	356,329,054	350,303,331	6,025,723	98%
Subsidies						
Transfers to other government units				1,888,226	(1,888,226)	
Other grants and transfers						
Social security benefits						
Acquisition of assets	76,722,235	(41,242,609)	35,479,626	27,000,393	8,479,233	76%
Finance costs, including loan interest						
Repayment of principal on borrowings						
Other payments						
Total	1,201,360,230	(160,061,059)	1,041,299,171	1,026,489,646	14,809,525	99%
Surplus				921,453	(921,453)	

KISII COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended June 30, 2025.

Reconciliation table

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	921,453
1	Add Amount held in Deposit Account. (Retention Amount)	5,226,254
2	Reason for differences	
3	Reason for differences	
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	6,147,707

The changes between the original and final budget were as a result of reallocation within the budget.

15. Notes to the Financial Statements

1. General Information

The County Assembly of Kisii is established by and derives its authority and accountability from The Constitution of Kenya 2010. The county assembly of Kisii is domiciled in Kenya and its principal activities are Representation, Legislation and Oversight.

2. Statement of Compliance and Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

These financial statements were authorised for issue by the accounting officer on 21st 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 (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the County Assembly of Kisii. 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 30th June, 2025.

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 Kisii County Assembly 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 Kisii County Assembly 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 Kisii County Assembly policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the Kisii County Assembly'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

KISII COUNTY ASSEMBLY

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

and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 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 Kisii County Assembly 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.

KISII COUNTY ASSEMBLY**Annual Reports and Financial Statements for the year ended June 30, 2025.****Notes to the Financial Statements (Continued)****3. Adoption of New and Revised Standards****i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025.**

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></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>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>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>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></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> <p>State the expected impact of the standard to the Entity if relevant</p>

KISII COUNTY ASSEMBLY

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

Standard	Effective date and impact:
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></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>State the expected impact of the standard to the Entity if relevant</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><i>Applicable 1st January 2026</i></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>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></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 public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

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Standard	Effective date and impact:
	State the expected impact of the standard to the Entity if relevant
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></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>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></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>State the expected impact of the standard to the Entity if relevant</p>

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

KISII COUNTY ASSEMBLY

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

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 27th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. The Kisii County Assembly did not have any additional appropriations

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

for the FY 2024/25. The Kisii County Assembly's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

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

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.

e) Investment property

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

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Kisii County Assembly 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

KISHI COUNTY ASSEMBLY

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

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

KISII COUNTY ASSEMBLY

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

Notes to the Financial Statements (Continued)

e) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Kisii County Assembly 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 Kisii County Assembly 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 Kisii County Assembly; the Kisii County Assembly 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 Kisii County Assembly. 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 Kisii County Assembly also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

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.

Notes to the Financial Statements (Continued)

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 Kisii County Assembly 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 Kisii County Assembly does not have any hedge relationships and therefore

KISII COUNTY ASSEMBLY

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

the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

i. Financial assets

Classification of financial assets

The Kisii County Assembly 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 Kisii County Assembly'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 Kisii County Assembly classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

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

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

ii. Financial liabilities

Classification

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

KISII COUNTY ASSEMBLY

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

Notes to the Financial Statements (Continued)

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 Kisii County Assembly.

k) Provisions

Provisions are recognized when the Kisii County Assembly 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 Kisii County Assembly 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 Kisii County Assembly 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.

KISII COUNTY ASSEMBLY

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

Notes to the Financial Statements (Continued)

m) Contingent assets

The Kisii County Assembly 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 Kisii County Assembly 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 Kisii County A creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

The Kisii County Assembly 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 Kisii County Assembly 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.

KISII COUNTY ASSEMBLY

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

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.

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 Kisii County Assembly 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 Kisii County Assembly, or vice versa. Members of key management are regarded as related parties and comprise the Speaker of the county assembly and, Clerk of the county Assembly, Directors and senior managers.

t) Service concession arrangements.

The Kisii County Assembly 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 Kisii County Assembly recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

KISII COUNTY ASSEMBLY

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

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 Kisii County Assembly 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 Kisii County Assembly'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 Kisii County Assembly based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

KISII COUNTY ASSEMBLY

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

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.

(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

KISII COUNTY ASSEMBLY

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

Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance. Kshs	Amount deferred under deferred income. Kshs	Total transfers 2024-2025
			Kshs
Recurrent	1,000,410,705		1,000,410,705
Development	27,000,394		27,000,394
Special purpose transfers			
Total	1,027,411,099		1,027,411,099

7. Miscellaneous Revenue

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

8. Other Incomes

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

KISII COUNTY ASSEMBLY**Annual Reports and Financial Statements for the year ended June 30, 2025.****Notes to the Financial Statements (Continued)****9. Employee Costs**

Description	2024-2025
	Kshs
Basic salaries of permanent employees	242,957,794
Basic wages of temporary employees	78,014,435
Personal allowances – part of salary	234,436,405
Pension and other social security contributions	
Employer contributions to compulsory national social security schemes	81,223,675
Employer contributions to compulsory national health insurance schemes	
Employer contribution to compulsory housing scheme	
Other social benefit schemes	16,692,525
Other personnel costs	
Total Employee costs	653,324,834

10. Use of Goods and Services

Description	2024-2025
	Kshs
Utilities, supplies and services	542,362,
Communication, supplies and services	1,930,505
Domestic travel and subsistence	178,057,900
Foreign travel and subsistence	27,624,083
Printing, advertising, and information supplies & services	3,860,620
Rentals of produced assets	699,624
Training expenses	1,201,908
Hospitality supplies and services	20,341,252
Insurance costs	50,915,819
Specialized materials and services	7,290,760
Other operating expenses <i>including bank Charges</i>	36,466,773
Office and general supplies and services	12,866,264
Fuel Oil and Lubricants	5,887,096
Routine maintenance – vehicles and other transport equipment	2,708,445
Routine maintenance – other assets	1,682,998
Total	352,076,409

KISII COUNTY ASSEMBLY**Annual Reports and Financial Statements for the year ended June 30, 2025.****Notes to the Financial Statements (Continued)****11. Transfers to Other Government Entities**

Description	2024-2025
	Kshs
Transfers to other County Government entities	1,483,426
Transfers to self-reporting projects	
Transfers to car loan and mortgage schemes	
Others (specify)	
Total	1,483,426

12. Depreciation and Amortization Expense

Description	2024-2025
	Kshs
Property, plant and equipment	1,023,412
Intangible assets	
Investment property carried at cost	
Total	1,023,412

13. Other Grants and Subsidies

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

14. Finance Costs

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

KISII COUNTY ASSEMBLY**Annual Reports and Financial Statements for the year ended June 30, 2025.****Notes to the Financial Statements (Continued)****15. Social Benefits**

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

16. Gain/Loss on Sale of Assets

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

17. Gain/Loss on Foreign Exchange

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

18. Gain/Loss on Fair Value Investments

Description	2024-2025
	Kshs
Investments at Fair Value	
Total Gain	

19. Impairment Loss

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

KISII COUNTY ASSEMBLY

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

Notes to the Financial Statements (Continued)**20. Taxation**

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

21. Cash and Cash Equivalents

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Recurrent Account	921,453	36
Development Account		3
Deposits Account	5,226,254	8,701,001
Special Purpose Accounts		
Other operating commercial accounts (<i>Specify</i>)		
Total	6,147,707	8,702,001

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

Financial Institution	Account number	2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Recurrent Accounts			
<i>CBK00001</i>	1000241373	921,453	36
Development Accounts			
<i>CBK00002</i>	1000291168		3
Deposits Accounts			
<i>CBK00003</i>	1000387505	5,226,254	8,701,001
<i>Cash on Hand</i>			
Total		6,147,707	8,702,001

KISII COUNTY ASSEMBLY

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

Notes to the Financial Statements (Continued)

22. Receivables from Exchange Transactions

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

i) Ageing analysis for Receivables

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

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

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

KISII COUNTY ASSEMBLY

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

Notes to the Financial Statements (Continued)

23. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Other debtors (non-exchange transactions)				
Less: impairment allowance				
Total receivables from non-exchange transactions				
Ageing Analysis- Receivables from non-exchange transactions	2024	%	Opening	%
	-	of	Balance	of
	2025	the		the
		tota		l
		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	
Additional provisions during the year	
Recovered during the year	
Written off during the year	
At the end of the year	

KISII COUNTY ASSEMBLY**Annual Reports and Financial Statements for the year ended June 30, 2025.****Notes to the Financial Statements (Continued)****24. Inventories**

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

Detailed disclosure on inventories

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

25. Investments

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

KISII COUNTY ASSEMBLY

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

d) Movement of Equity Investments

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

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
Entity A						
Entity B						
Entity C						

KISII COUNTY ASSEMBLY

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

Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	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										
Additions		16,116,866			5,608,600			5,274,927		27,000,393
Disposals										
Transfer/Adjustments										
As At /Jun 2025		16,116,866			5,608,600			5,274,927		27,000,393
Depreciation And Impairment										
Depreciation for the year		322,337			701,075					1,023,412
Disposals										
Impairment										
Transfer/Adjustment										
As At Jun 2025		15,794,529			4,907,525			5,274,927		25,976,981
Net Book Values										
Opening Bal as at 1st July 2024										
As At 30, June, 2025		15,794,529			4,907,525			5,274,927		25,976,981

KISII COUNTY ASSEMBLY**Annual Reports and Financial Statements for the year ended June 30, 2025.****Notes to the Financial Statements (Continued)****27. Intangible Assets**

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

28. Investment Property

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

(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).

KISII COUNTY ASSEMBLY

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

Notes to the Financial Statements (Continued)

29. Right-of-use assets

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

30. Biological Assets

Description	2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Specify		
Specify		
Total		

31. Tangible Natural Resources

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

KISII COUNTY ASSEMBLY

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

Notes to the Financial Statements (Continued)

32. Trade and Other Payables

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	8,200,216		28,555,541	
Payments received in advance				
Employee payables				
Third-party payments				
Other payables				
Total trade and other payables	8,200,216		28,555,541	
Ageing analysis: (Trade and other payables)	Current FY	%	Opening balance	% of the Total
Under one year				
1-2 years				
2-3 years				
Over 3 years				
Total (tie to above total)				

Note: 1. The bal b/f for pending bills was adjusted from Kshs 56,987,124 to Kshs 28,555,541. The difference of Kshs 28,431,583 was amount recognized in civil works as per the contract and not amount certified. This was a correction due to movement to the accrual mode of reporting.

33. Refundable Deposits and Prepayments

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Customer deposits	5,226,254		8,701,962	
Prepayments				
Other deposits				
Total deposits	5,226,254		8,701,962	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Opening Balance	% of the Total
Under one year				
1-2 years				
2-3 years				
Over 3 years				
Total				

KISII COUNTY ASSEMBLY

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

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				
Provision utilised				
Change due to discount and time value for money				
Total provisions year end				
Current Provisions				
Non-Current Provisions				

35. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	
Non- Current	
Total	

KISII COUNTY ASSEMBLY**Annual Reports and Financial Statements for the year ended June 30, 2025.****Notes to the Financial Statements (Continued)****36. Deferred Income**

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

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				
Additions				
Transfers To Capital Fund				
Transfers To Income Statement				
Other Transfers				
Balance Carried Forward				

Analysed as:

Description	Amount
Current	
Non- Current	
Total	

KISII COUNTY ASSEMBLY
Annual Reports and Financial Statements for the year ended June 30, 2025.

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					
Non-Current Benefit Obligation					
Total Employee Benefits Obligation					

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

The Entity operates a defined benefit scheme for all full-time employees from July 1, 2025. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

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

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

KISII COUNTY ASSEMBLY

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

Notes to the Financial Statements (Continued)**Recognition of Retirement Benefit Asset/ Liability**

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

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

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)		
Fair value of plan assets(b)		
Funded status(=a-b)		
Restrictions on asset recognised		
Others		
Net asset or liability arising from defined benefit obligation		

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 360 per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by Lapfund Pension Fund. Employees contribute 12% while employers contribute 15% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

KISII COUNTY ASSEMBLY
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

38. Borrowings

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

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

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

KISII COUNTY ASSEMBLY**Annual Reports and Financial Statements for the year ended June 30, 2025.****Notes to the Financial Statements (Continued)**

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

(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).

39. Service Concession Arrangements Liability

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

40. Cash Generated from Operations

	2024-2025
	Kshs
Surplus for the year before tax	19,397,519
Adjusted for:	
Depreciation	1,128,911
Non-cash grants received	
Contributed assets	
Impairment	
Gains and losses on disposal of assets	
Contribution to provisions	
Contribution to impairment allowance	
Working capital adjustments	
Increase in inventory	
Increase in receivables	
Increase in deferred income	

KISII COUNTY ASSEMBLY**Annual Reports and Financial Statements for the year ended June 30, 2025.**

	2024-2025
	Kshs
Increase in payables	7,800,216
Increase in payments received in advance	
Decrease in retentions	(3,475,708)
Net cash flow from operating activities	24,850,938

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

Notes to the Financial Statements (Continued)**41. Financial Risk Management**

The Kisii County Assembly's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Kisii County Assembly'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 Kisii County Assembly's financial risk management objectives and policies are detailed below:

i) Credit risk

The Kisii County Assembly 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 Kisii County Assembly'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 Kisii County Assembly's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

KISII COUNTY ASSEMBLY**Annual Reports and Financial Statements for the year ended June 30, 2025.**

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2024				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				

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

KISII COUNTY ASSEMBLY**Annual Reports and Financial Statements for the year ended June 30, 2025.****Notes to the Financial Statements (Continued)****Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Kisii County Assembly has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Kisii County Assembly has no concentration of credit risk. The board of directors sets the Kisii County Assembly'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 Kisii County Assembly's short, medium and long-term funding and liquidity management requirements. The Kisii County Assembly 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				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total				

KISII COUNTY ASSEMBLY
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

The Kisii County Assembly has put in place an internal audit function to assist it in assessing the risk faced by the Kisii County Assembly 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 Kisii County Assembly'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 Kisii County Assembly'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 Kisii County Assembly's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The Kisii County Assembly 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 Kisii County Assembly 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.

KISII COUNTY ASSEMBLY
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Financial Risk Management

The carrying amount of the 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			
Financial Assets			
Investments			
Cash			
Debtors			
Total Financial Assets			
Financial Liabilities			
Trade And Other Payables			
Borrowings			
Total Financial Liabilities			
Net Foreign Currency Asset/(Liability)			

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
20xx			
Euro	10%		
USD	10%		
20xx-1			
Euro	10%		
USD	10%		

Notes to the Financial Statements (Continued)

b) Interest rate risk

Interest rate risk is the risk that the Kisii County Assembly's financial condition may be adversely affected as a result of changes in interest rate levels. The Kisii County Assembly'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 Kisii County Assembly 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 xxx (20xx: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (20xx – KShs xxx)

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 Kisii County Assembly'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.

KISII COUNTY ASSEMBLY

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

- 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 Kisii County Assembly 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 2024				
Financial Assets				
Quoted Equity Investments				
Non- Financial Assets				
Investment Property				
Land And Buildings				

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

iv) Capital Risk Management

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

	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings		
Capital Reserve		
Total Funds		

KISII COUNTY ASSEMBLY
Annual Reports and Financial Statements for the year ended June 30, 2025.

Total Borrowings		
Less: Cash And Bank Balances		
Net Debt/(Excess Cash And Cash Equivalentents)		
Gearing		

KISII COUNTY ASSEMBLY
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Notes to the Financial Statements (Continued)

42. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the Kisii County Assembly 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 Kisii County Assembly, holding 100% of the Kisii County Assembly equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

Other related parties include:

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

	2024-2025
	Kshs
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	

KISII COUNTY ASSEMBLY**Annual Reports and Financial Statements for the year ended June 30, 2025.**

	2024-2025
	Kshs
Compensation to key management	
Total	

43. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Entity to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments)

44. Contingent Assets and Contingent Liabilities**Contingent Assets**

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

(Give details)

Contingent Liabilities

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

(Give details)

45. Capital Commitments

Capital Commitments	2024-2025
	Kshs
Authorised for	

KISII COUNTY ASSEMBLY

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Authorised and contracted for	
Total	

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

KISII COUNTY ASSEMBLY
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

46. Program for Results (PforR) Disclosure

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

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

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).

KISII COUNTY ASSEMBLY

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

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: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
1.	REPORT ON FINANCIAL STATEMENTS Undisclosed Amounts in the Trial Balance.	Item Code and Description	Amount (Kshs.)	REASON		
		4110000 Domestic Lending and On-lending	100,000,000	This is included in the financial statement under note 7 (Mortgage and car loan fund).		
		6580000 Cash in Hand	6,873,600,698	This is included in the financial statement in the financial position. The amount is different due to challenges in performing the cash Auto bank reconciliation in the Ifmis system. Cash books and bank reconciliations were performed through the year and were provided during the Audit to confirm the cash balances.	Unresolved	
		6710000 Domestic Debtors & Advances	426,666	These are system balances that need to be cleared. They don't affect the current financial year and we		

KISHI COUNTY ASSEMBLY
Annual Reports and Financial Statements for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																	
		<table border="1"> <tr> <td data-bbox="359 750 438 862">6740000 Debtors payments</td> <td data-bbox="359 750 438 862">Other & Pre-</td> <td data-bbox="359 750 438 862">2,079,056</td> <td data-bbox="359 750 438 862" rowspan="5">seeking technical assistance from National Treasury to clear them before transitioning to Accrual. Most are caused from the challenge of performing Auto reconciliation and delayed exchequer releases.</td> <td data-bbox="359 750 438 862" rowspan="5"></td> </tr> <tr> <td data-bbox="359 862 438 929">6760000 Government Imprests</td> <td data-bbox="359 862 438 929"></td> <td data-bbox="359 862 438 929">83,371,380</td> </tr> <tr> <td data-bbox="359 929 438 996">7320000 Liabilities</td> <td data-bbox="359 929 438 996">Other</td> <td data-bbox="359 929 438 996">102,575,429</td> </tr> <tr> <td data-bbox="359 996 438 1064">7390000 Required A/cs</td> <td data-bbox="359 996 438 1064">System Liabilities</td> <td data-bbox="359 996 438 1064">2,500</td> </tr> <tr> <td data-bbox="359 1064 438 1153">9990000 Balance Reserves</td> <td data-bbox="359 1064 438 1153">Opening</td> <td data-bbox="359 1064 438 1153">7,516,845,468</td> </tr> </table>	6740000 Debtors payments	Other & Pre-	2,079,056	seeking technical assistance from National Treasury to clear them before transitioning to Accrual. Most are caused from the challenge of performing Auto reconciliation and delayed exchequer releases.		6760000 Government Imprests		83,371,380	7320000 Liabilities	Other	102,575,429	7390000 Required A/cs	System Liabilities	2,500	9990000 Balance Reserves	Opening	7,516,845,468		
6740000 Debtors payments	Other & Pre-	2,079,056	seeking technical assistance from National Treasury to clear them before transitioning to Accrual. Most are caused from the challenge of performing Auto reconciliation and delayed exchequer releases.																		
6760000 Government Imprests		83,371,380																			
7320000 Liabilities	Other	102,575,429																			
7390000 Required A/cs	System Liabilities	2,500																			
9990000 Balance Reserves	Opening	7,516,845,468																			
2.	Unsupported Use of Goods		Unresolved																		

KISII COUNTY ASSEMBLY
Annual Reports and Financial Statements for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	and Services Expenditure.	signed by the receiving officer. At the same time a counter receipt note, S13 is issued to the supplier. An Inspection and Acceptance committee duly appointed by the Accounting Officer inspects and accepts or rejects the delivered goods. On acceptance, a payment voucher is then prepared and signed by the Head of Supply Chain Management Services which ultimately finalizes taking charge of goods. Once a user department officer goes for the goods in the store, he/she signs S11 and the issuing officer records such issuance in S13.		
3.	Unsupported Basic Wages for Temporary Employees	The amount of Kshs. 78,576,274 included in the basic wages to temporal employees is salary paid to ward office staff who are hired for a contract period of five years. A payroll extract is hereby attached for audit verification. We also wish to clarify that the Assembly does not have any manual payroll for the financial period ended 30 th June 2024. All payments for personal emoluments are processed through IPPD and IFMIS.	Unresolved	

KISII COUNTY ASSEMBLY

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
4.	Unsupported Voided IFMIS Transactions	Through the Financial Year under review the Assembly voided transactions due to different reasons as summarized in the schedule attached for verification. During the end of the financial year the national treasury activates the voiding function to allow clearing of those transactions which were not paid due to different reasons. This is the point most transactions were cleared. The Voided imprests and Vouchers are hereby attached for your review.	Unresolved	
1.	EMPHASIS OF MATTER. Budgetary Control and Performance	The underfunding and under-expenditure of the budget was due delays of release of funds from the exchequer which affected the County Assembly's overall budget absorption. The management is however engaging the relevant stakeholders to ensure that its budget is fully executed through timely releases of funds from the exchequer.	Unresolved	

KISII COUNTY ASSEMBLY

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)												
2.	Pending Bills Not Settled as a First Charge.	<p>The county assembly had a pending bill balance of Ksh. 54,674,587 as at 30th June 2023. A total of Ksh. 24,490,880 was paid during the year leaving a balance of Ksh. 30, 183,707 as at 30th June 2024. The reasons for non-payment of most of the pending bills have been summarized under the comments section of table (ii) below;</p> <p><i>Table (ii); Kisii County Assembly – Project Implementation Fy 2023/2024</i></p> <table border="1" data-bbox="603 1098 1709 1244"> <thead> <tr> <th data-bbox="603 1098 776 1244">Payee</th> <th data-bbox="776 1098 968 1244">Date of invoice/contracted</th> <th data-bbox="968 1098 1223 1244">Particulars</th> <th data-bbox="1223 1098 1411 1244">Balances as at 30/6/23 (Kshs)</th> <th data-bbox="1411 1098 1599 1244">Paid during the year (Kshs)</th> <th data-bbox="1599 1098 1709 1244">Balance 30/6/24 (Kshs.)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Payee	Date of invoice/contracted	Particulars	Balances as at 30/6/23 (Kshs)	Paid during the year (Kshs)	Balance 30/6/24 (Kshs.)							Unresolved	
Payee	Date of invoice/contracted	Particulars	Balances as at 30/6/23 (Kshs)	Paid during the year (Kshs)	Balance 30/6/24 (Kshs.)											

KISII COUNTY ASSEMBLY

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments						Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		JN Investments	28/03/2023	Renovation of Kisii County assembly block A	1,778,418	0	1,778,418	<i>Retention (defect liability period not lapsed)</i>	
		Sputter International	07/12/2021	Supply of ICT Equipment	400,000	0	400,000	<i>To be paid by 30th Nov 2024</i>	
		The Standard Group Limited	2/03/2021	Provision of advertisement space	99,970	0	99,970	<i>To be paid by 30th Nov 2024</i>	

KISII COUNTY ASSEMBLY
Annual Reports and Financial Statements for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments						Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		The Standard Group Limited	14/09/2021	Provision of advertisement space	133,400	0	133,400	<i>To be paid by 30th 2024</i>	<i>Nov</i>
		Grand Total			54,674,587	24,490,880	30,183,707		
	KEY AUDIT MATTERS								

KISII COUNTY ASSEMBLY

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Unresolved Prior Year Matters	The County Assembly is committed to ensuring that recommendations contained in the reports by the Auditor General are implemented. The management has ensured that audit reports are submitted to the County Public Accounts & Investment Committees of both the Senate and the County Assembly. Every effort shall be employed to get the adopted recommendations from the Senate and County Assembly committees for implementation and subsequent review in the next audit.	Unresolved	
2.	County Assembly Preparedness to Transition to Accrual Accounting	On 7 th March 2024, the cabinet approved the transition from cash to accrual basis of accounting with effect from 1 st July 2024. The transition period is to be undertaken over a three year period. The County Assembly in collaboration with the Public Sector Accounting Standards Board (PSASB) and the National treasury prioritized training of key officers (staff) who are expected to spearhead the transition process. Two officers attended a training organized by PSASB on 12 th April 2024 in Naivasha and eight more staff were trained by the National Treasury as Kenya School of Government on the transition process on 13 th May 2024.	Unresolved	

KISII COUNTY ASSEMBLY

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		The Assembly has also provided funds in the current budget (FY 2024/25) to facilitate valuation of its assets and liabilities. The Assembly is also working closely with the National Treasury through the Directorate of IFMIS to ensure compatibility and compliance.		
1.	<p>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</p> <p>•</p> <p>Regularity of Human Resource</p>			

KISII COUNTY ASSEMBLY
Annual Reports and Financial Statements for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	<p>Management Practices</p> <p>Non Adherence to Staff Ethnic Diversity and Gender Balance</p>	<p>The Management acknowledges that the Kisii County Assembly staff composition is made up of members of the dominant ethnic community in the County. However, out of the 431 employees, 71 are Members of the County Assembly, the speaker and two (2) external board members. While 208 are ward office staff on contract and are usually recruited from their wards of origin by the Members of the County Assembly and six (6) are partisan staff attached to the speaker. The remaining 143 employees were recruited by the County Assembly service Board. Some of the staff members were inherited from the defunct Municipal Council while nearly all applicants for jobs when devolved governance was established were from the local community.</p> <p>However, the Management has taken note of the auditor’s recommendation and shall endeavor to correct the situation in future appointments.</p> <p>The Management also acknowledges the Auditor General’s finding on the Kisii County Assembly staff Composition on gender. Kisii County Assembly Ward staff comprises 208, out of which 162 (76%) are males while the females are 46 (24%). Members of County Assembly are 71 in total. Out the 71 MCAs, 47 (66%) are males and 24 (33%) are females. The Board</p>	Unresolved	

KISII COUNTY ASSEMBLY

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		recruited 143 County Assembly Staff. Out of the 143 employees, 89 (62%) are males and 54 (38%) are females, which meets the threshold of 30% rule.		
1.2	Staff Over Establishment	The County Assembly Service Board recruitment was done in the years 2013 through to 2015 before the Commission on Revenue Allocation (CRA) released the required Staff establishment guideline in 2018, ref (Commission for Revenue Allocation Circular No. CRA/FA/01 VOL 11 (22), dated 28 June 2018). The Kisii County Assembly is placed at category 3 with a staff ceiling of one hundred and eighteen (118). The Management however has taken note of the Auditor's recommendation and shall correct the variation in future recruitments/appointments.	Unresolved	
2.	Regularity of Procurements and Award of Contracts			

KISII COUNTY ASSEMBLY

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
2.1	Irregular Procurement of Legal Services	The county assembly incurred legal expenses amounting to Kshs. 2,786,472 including a fee of Kshs. 1, 800,000 paid to external lawyers. The external legal firm was engaged through the frame-work method of procurement with an agreement period of three years. The use of internal legal staff was not possible due to conflict of interest arising out of matters involving a senior member of staff (the suspended clerk) and the speaker of the county assembly.	Unresolved	

KISII COUNTY ASSEMBLY

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.2 2.2.1	Acquisition of Assets Delayed Construction of the Speaker's Official Residence.	The county assembly awarded a tender for construction of the official residence of the Hon. Speaker to M/s Dreamtech Enterprises Ltd at a total contract sum of Kshs. 32, 970,110 . During the financial ended 30 th June, 2023 the contractor was paid an accumulative amount of Kshs. 24,490,878 approved by the inspection committee for works done. By the time of audit on 29/08/2024 the project was incomplete with doors, windows and floor tiles, ceiling finishes, electrical and mechanical works yet to be done. On the day of inspection, there were workers on site. There was a delay in commencement of works at the inception of the project due to a dispute on the land on which the project was earmarked. Further, the contractor had applied for extension of time to November, 2024 citing a lag in the commencement of works and other reasons.	Unresolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.2.2	Completed Project on Extension of Library, ICT Centre and Procurement Offices not put to use.	<p>The management contracted M/s Abmo Links Ltd for construction of Library ICT center and Procurement offices to host members of the county assembly at a cost of Ksh. 195,000,000. The full contract amount was paid upon total completion and handover of the project on 1st August, 2022. The scope under this contract entailed construction and provision of the spaces, electrical and mechanical services which was done.</p> <p>To operationalize the Library and ICT hub, the management of the county assembly shall factor in funds in the budget in order to purchase the equipment necessary, furnish it and go meeting the objective. This is a different scope and contract completely.</p>	Unresolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
2.2.3	Stalled Construction of Ward Office in Bogiakumu	<p>The contract agreement for the tender awarded to M/s Wordmax Holdings (K) Limited towards the construction of Bogiakumu ward office at a contract sum of Ksh. 7,350,465 was executed on 24th January, 2019. The original contract was a multiyear agreement for the construction of forty five (45) ward offices. This was the fifth ward office to be constructed and the site handing over was done on 2nd September, 2021. The project had a completion date of 2nd February 2022. The contractor did not deliver the completion of the project on time citing the effects of the containment measures by the Ministry of Health aimed at controlling the spread of Covid 19 pandemic at the time.</p> <p>However, despite several consultations the contractor vacated the site in the year 2022 citing nonpayment and proceeded to court.</p>	Unresolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.2.4	Incomplete Construction of Reinforced Concrete Underground Water Tank and Elevated Steel Tower.	<p>The management contracted M/S Jebrive Investments Ltd to construct a reinforced concrete underground water tank and elevated steel tower at Kisii County Assembly at a contract sum of Kshs.10, 578,848 on 29th June, 2023. The management concurs with the auditor's observations that at the time of audit an amount of Kshs.6,301,854 out of a contract sum of Kshs.10,578,848 had been paid to the contractor. It is important to note that this was an interim payment translating to 59.5 per cent of the works executed on site.</p> <p>With regards to provisional sums of Kshs.872,083 for piping, pump installation and associated mechanical works, the amount shall be adjusted professionally and in accordance to laid down procedures and approvals as spelt out in section 139(2)(c) of the Public Procurement and Assets Disposal Act, 2015.</p> <p>Further, contingency fee of Kshs.1,000,000 shall only be spent under special instructions for what shall be either deemed extra scope, alterations, modifications, necessary omissions or additions in line with section 139(2)(c) of the PPADA,2015, within contract clauses to avert any cost overrun.</p> <p>We state that through the contract implementation team, all correct measures shall be effected and ensure that the project meets its intended purpose/objective of serving Blocks A and B Offices of the MCAs' abluitions.</p>	Unresolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
2.2.5	Lack of Monitoring and Evaluation Framework and Reports	The county assembly prepares and submits projects implementation status reports to the county treasury for consolidation on a quarterly and annual basis. However the management has taken note of the auditor’s recommendations and shall develop a monitoring and evaluation policy framework in consultation with the County Executive Member in charge of Finance and Planning.	Unresolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
3.	Non-Compliance with Public Participation in Budgeting Process	<p>The County Assembly carried Public Participation activities for the finance bill in September, 2023 and on the budget estimate in June, 2023. Due to budgetary constraints the County Assembly drew one new newspaper advert for each activity. The information contained in the adverts, including relevant support documents were uploaded on the County Assembly website. The County Assembly also engaged ward office employees in circulating the adverts and notices to the general public at ward level. Members of the public were also encouraged to do submissions through written memoranda. The views were captured in form of minutes and recorded in audio-visual formats. The submitted views were linked to the budget estimates through the reports which were prepared by sector committees and forwarded to the Budget and Appropriations committee for consideration and tabling in the county assembly.</p>	Unresolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.	Irregular Subscriptions to the County Assembly Forum (CAF) and Society of Clerks-at-the-Table (SOCATT)	<p>The County Assemblies Forum (CAF) was formed in 2013, expanding the membership of its predecessor, the County Assemblies Speakers' Forum (CASF), to include members of County Assemblies. CAF is a coordinating body of the forty-seven (47) County Assemblies established by the Constitution of Kenya, 2010 under Article 176. CAF is registered as a Society under the Societies Act, Laws of Kenya. The mandate of CAF is to support the County Assemblies perform their three core functions: law making, oversight and representation.</p> <p>While Society of Clerks At-The-Table (SOCATT) is registered under the Societies Act Cap 108 of the Laws of Kenya. Its main objective is to harmonize the County Assemblies operations, capacity development of both Members and Staff of the County Assemblies.</p>	Unresolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p>REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE. Incomplete Procurement Plan</p>	<p>Regulation 50(2) of the Public Finance Management (county Governments) Regulation 2015 that expenditure commitments for goods and services shall be controlled against spending and procurement plans are approved by the responsible Accounting Officers. During the year under review, the county assembly of Kisii prepared a procurement plan with details of activities classified together in accordance with the unique item code. Officers involved in procurement</p>	Unresolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>planning, must stick to the budget and the provided line item codes. No item is purchased outside the procurement plan. The supplementary budget did not affect development projects and supply of goods and services to the assembly. This is the reason why the procurement plan was not revised in the financial year 2023/2024.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
2.	Ineffective Audit Committee	The process of recruiting new members of the Audit Committee ended in August 2023. The newly recruited members held one meeting during the year and a raised concerns regarding the need for the County Assembly to allocate resources for their training and adequate remunerations. Lack of structured capacity building and resources to support the committee's operations and remunerations have been the greatest challenges that hinder proper discharge of the committees' mandate.	Unresolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.	Weak Internal Audit Function	The internal audit function has prepared a draft internal audit service charter awaiting review and approval by the audit committee. A Copy of the internal audit work plan has been attached for audit.	Unresolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.	Lack of Effective Assets Management & Controls	<p>The premises hosting the Assembly were inherited from the defunct Kisii Municipal and gazette as Kisii County Assembly by the National Government in 2013. As such, the title and other documents of transfer or ownership are in the custody of the County Executive. However, the County assembly management is following up this matter with the relevant department in the County Executive with a view of obtaining the ownership documents.</p> <p>The management of the county assembly has developed an Assets Management Policy which provides a framework to guide and inform on management of assets and liabilities in the assembly. An expenditure allocation for assets valuation and tagging has been provided in the budget for financial year of 2024/2025.</p>	Unresolved	

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;

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- (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.


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Accounting Officer

Date: 21st August 2025.

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Appendix II: Projects implemented by (The Entity)

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

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 Cost	Total project date	Completion % to date	Budget	Actual	Sources of funds

KISII COUNTY ASSEMBLY

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Appendix IV: Transfers from Other Government Entities

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

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Appendix VI: Reporting of Climate Relevant Expenditures

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



KISII COUNTY ASSEMBLY

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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	464,768,816	16,116,866			470,043,743
Transport equipment	66,520,190				66,520,190
Office equipment, furniture and fittings	83,267,865				83,267,865
ICT Equipment	28,169,107				28,169,107
Machinery and Equipment	46,169,786	5,608,600			51,778,386
Biological assets					
Infrastructure Assets- Roads, Rails					
Heritage and cultural assets					
Intangible assets					
Work in Progress		5,274,927			5,274,927
Total	688,895,764	27,000,393			715,896,157