

REPUBLIC OF KENYA



REPORT

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THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF NAROK

FOR THE YEAR ENDED
30 JUNE, 2025

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Narok County Assembly

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

**Transitional Financial Statements /Prepared in accordance with the Accrual Basis of
Accounting Method Under International Public Sector Accounting Standards (IPSAS)**

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

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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*

2. Key Entity Information and Management

(a) Background information

The Narok County Assembly 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 30 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and 19 Nominated to represent special groups. 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) Principal Activities

(c) Key Management Team

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

No.	Designation	Name
1.	Speaker of the County Assembly	Hon. Davies Solian Dikirr
2.	Clerk of the County Assembly	Joseph Kasaine Lengeny
3.	Deputy Clerk	Justus Sinoyia Yiaile
4.	Principal Finance Officer	CPA Peter Shakamae Tianta
5.	Principal Human Resource Officer	Gedion Langat

(d) 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.	Clerk of the County Assembly	Joseph Kasaine Lengeny
2.	Deputy Clerk	Justus Sinoyia Yiaile
3.	Principal Finance Officer	CPA Peter Shakamae Tianta
4.	Principal Human Resource Officer	Gedion Langat

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

In executing its mandate, the County Assembly has the following oversight committees:

- i. Audit Committee Activities
- ii. Finance Committee Activities
- iii. Public Accounts and Investments Committee
- iv. Budget and Appropriation Committee

i. Audit Committee

The County Assembly has an independent Audit Committee which was constituted in 2022 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

iii. Finance and Economic Planning Committee

The Finance and Economic Planning Committee carries an oversight role through the following functions:

- (a) To investigate, inquire into and report on all matters related to coordination, control and monitoring of the County revenue.
- (b) To investigate all matters relating to oversight of County Government expenditure and all County Funds management.
- (c) To examine Bills related to revenue collection including the Finance Bill.
- (d) To examine all the revenue reports and the revenue estimates and makes recommendations to the County Assembly.
- (e) To evaluate all Economic plans, policies and programs with direct effect on revenue mobilization.

iv. Public, Accounts and Investments Committee

In the Narok County Assembly, the Public Accounts and Investments Committee comprises of five members tabulated below: -

No.	Name	Position
1.	Hon. Elijah Kutingala	Chairperson
2.	Hon. Cynthia Sinte Nchoe	Vice Chairperson
3.	Hon. Erastus Kimiti Lemiso	Member
4.	Hon. Kisotu Salaash Nickson	Member
5.	Hon. Simon Lenguyia Kilonga	Member

Mandate of the Committee

The County Assembly's Public and Investments Committee has the following oversight roles –

- a. The examination of the accounts showing the appropriations of the sum Voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think Fit.
- b. The examination of the reports, accounts and workings of the county public investments;
- c. The examination, in the context of the autonomy and efficiency of the county public investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices:

Provided that the Committee shall not examine any of the following, namely:

- a. Matters of major County or National Government policy as distinct from business or commercial functions of the public investments;
- b. Matters of day-to-day administration; and,
- c. Matters for the consideration of which machinery is established by any special statute under which a particular county public investment is established.

v. Budget and Appropriation Committee

The Budget and Appropriation Committee carries an oversight role through the following functions: -

- a. Investigating and inquiring into and report on all matters related to coordination, control and monitoring of the county budget;
- b. Discussing and reviewing the estimates and make recommendations to the County Assembly;
- c. Examining the County Budget Policy Statement presented to the County Assembly;
- d. Examination of bills related to the County budget, including Appropriations bills; and

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- e. Evaluation of tax estimates, economic and budgetary policies and programmes with direct budget outlays.

(f) Narok County Assembly Headquarters

P.O. Box 19-20500
Narok County Assembly Building,
Mau-Narok Road Narok Town,
NAROK, KENYA

(g) Narok County Assembly Contacts

Telephone: (254) 020688878
E-mail: narokcountyassembly@gmail.com
Website: www.narokassembly.go.ke

(h) Narok County Assembly Bankers

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

(i) Independent Auditor

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

(j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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(k) County Attorney

Narok County Headquarters
P.O. Box 898-20500
Narok.

3. Governance Statement

a) Background and Roles

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

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

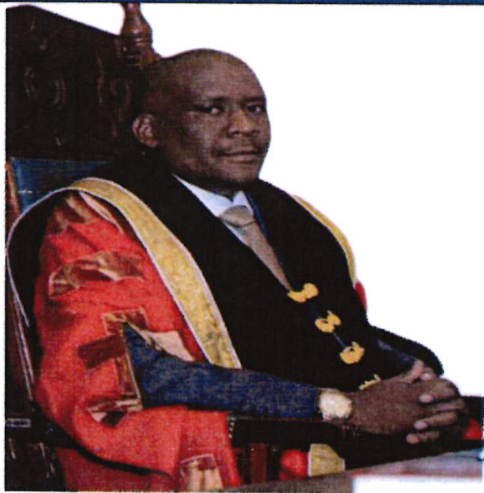
- a) The speaker of the County Assembly.
- b) The leader of the Majority party; and
- c) The leader of the Minority party.



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

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


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

b) Profiles

NAME	POSITION	QUALIFICATIONS
 Hon. Davis Solian Dikirr	Speaker	Born in 1978 in Keyian Ward TransMara Narok County, the Current Third Speaker of the Narok County Assembly and the Chairperson for the Narok County Assembly Service Board. He holds various certifications from the Chartered institute of logistics (CILT-UK). He has over 18 years of experience in the public sector on various roles. He is also the Chairperson for the following Committees at the Narok County Assembly: -House Business, Powers

		<p>and Privileges and Procedure and Rules Committees respectively.</p>
 <p>Hon. Dominic Sonkoi Lemein</p>	<p>Leader of Majority Party</p>	<p>Born in 1983 in ololulunga Ward in Narok and the Current MCA of the Ward. He holds a Bachelor’s degree in Community Development. He is the Current Leader of the Majority Party in the Narok County Assembly and also a Member of the Narok County Assembly Service Board. Like any other member of the Assembly, he belongs to several other Select and Sectoral Committees.</p>
 <p>Hon. Wilson Murguyia</p>	<p>Leader of Minority Party</p>	<p>Born in 1978 in Olorropil Ward, NaroK North Constituency, Narok County. He is the current MCA for Olorropil Ward. He is the Leader of Minority Party in the Narok County Assembly and also a Member of the Narok County Assembly Service Board. He has over 7 years of experience in the public sector having served as an MCA in the same Ward during the Second Assembly (2017-2022) .Like any other member of the Assembly, he belongs to several other Select and Sectoral Committees.</p>

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	Clerk	Born in 1987, Mr. Joseph Kasaine Lengeny is the Clerk of the Narok County Assembly charged with full responsibility of administering the Fund.
Mr. Joseph Kasaine Lengeny		Mr. Lengeny holds a Master's degree in Business Administration, Bachelor's Degree in Human Resource Management and CPA IV with working experience of 15 years in the banking industry as well as the public sector.

c) Select Committees

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

d) 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:

SELECT COMMITTEES

a) Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held four meetings in FY 2024-2025. The committee members during FY 2024-2025 were:

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Member	Designation	Ward
Hon. Davis Solian Dikirr	Chairperson	Speaker
Hon. Dapash Isaac Salau	Vice Chairperson	Melili
Hon. Caroline Nangeya	Member	Nominated
Hon. Mark Mukut	Member	Keyian
Hon. Lilian Mbuthia	Member	Nominated

b) 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. The members who served in the committee during the year were:

Member	Designation	Ward
Hon. Kutingala Elijah Maison	Chairperson	Ildamat
Hon. Cynthia Sintei Nchoe	Vice Chairperson	Nominated
Hon. Kimiti Erastus Lemiso	Member	Keekonyokie
Hon. Kisotu Salaash Nickson	Member	Suswa
Hon. Simon Lenguyia Kilonga,	Member	Nominated

c) 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:

Member	Designation	Ward
Hon. Timothy Mako	Chairperson	Naikarra
Hon. Mercy Resiatio Keiwua	Vice Chairperson	Nominated

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Hon. Dominic Sonkoi Lemein	Member	Ololulunga
Hon. Kennedy Kipsang Mibei	Member	Mogondo
Hon. Supuko Leah Naikanae	Member	Nominated

d) County Assembly Business Committee

The Committee Consider such matters as may from time to time arise in connection with the business of the County Assembly and shall have and perform such powers and functions as are conferred on and ascribed to it by these Standing Orders or from time to time by the County Assembly.

The committee members during FY 2024-2025 were:

Member	Designation	Ward
Hon. Davis Solian Dikirr	Chairperson	Speaker
Hon. Dominic Sonkoi Lemein	Vice Chairperson	Ololulunga
Hon. Dapash Isaac Salau	Member	Melili
Hon. Wilson Mateya Murguyia	Member	Olorropil
Hon. Kipsang Mibei, Kennedy	Member	Mogondo

e) Committee on Selection

The Committee on Selection shall nominate and propose replacements of members to serve in Committees, save for the membership of the County Assembly Business Committee and Committee on Appointments.

The Committee on Selection shall be appointed within ten days on assembly of a new County Assembly.

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The committee members during FY 2024-2025 were:

Member	Designation	Ward
Hon. Dominic Sonkoi Lemein	Chairperson	Ololulunga
Hon. Wilson Mateya Murguyia	Vice Chairperson	Olorropil
Hon. Kipsang Mibei, Kennedy	Member	Mogondo
Hon. Erastus Lemiso Kimiti	Member	Keekonyokie
Hon. Kipronoh Ezekiel Koskey	Member	Ilkerin

f) Committee on Appointments

The Committee on Appointments shall consider, for approval by the County Assembly, appointments under Articles 179(2) (Members for County Executive Committees).

The quorum of the Committee on Appointments shall be half of the Members of the Committee, but the Speaker shall not be counted for the purposes of quorum and shall not vote.

The committee members during FY 2024-2025 were:

Member	Designation	Ward
Hon. Davis Solian Dikirr	Chairperson	Speaker
Hon. Dominic Sonkoi Lemein	Vice Chairperson	Ololulunga
Hon. Wilson Mateya Murguiyia	Member	Olorropil
Hon. Leah Naikanai	Member	Nominated
Hon. Mark Mukut	Member	Keyian

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g) County Assembly Procedure and Rules Committee

The County Assembly Procedure and Rules Committee may propose amendments to these Standing Orders and any such amendments shall upon approval by the County Assembly, take effect at the time appointed by the County Assembly.

The committee members during FY 2024-2025 were:

Member	Designation	Ward
Hon. Davis Solian Dikirr	Chairperson	Speaker
Hon. Margaret Nenkai Yenke	Vice Chairperson	Nominated
Hon. Dapash Isaac Salau	Member	Melili
Hon. Leina Morintat	Member	Kilgoris Central
Hon. Ezekiel Kiprono Koskey	Member	Ilkerin

h) Committee on Implementation

The Committee may propose to the House, sanctions against any County Executive Committee Member who fails to report to the relevant select Committee on implementation status without justifiable reasons.

The committee members during FY 2024-2025 were:

Member	Designation	Ward
Hon. Naimodu James Leparan	Chairperson	Olpusimoru
Hon. Immaculate PISOI SONKOI	Vice Chairperson	Nominated
Hon. Kutingala Elijah Maison	Member	Ildamat
Hon. Alice Chepkirui Kering	Member	Nominated
Hon. Ezekiel Kiprono Koskey	Member	Ilkerin

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i) Committee on Delegated County Legislation

The Committee shall consider in respect of any statutory instrument whether it is in accord with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written law.

The committee members during FY 2024-2025 were:

Member	Designation	Ward
Hon. Leina Morintat	Chairperson	Kilgoris Central
Hon. David Lekuta Sulunye	Vice Chairperson	Melelo
Hon. Grace Nyamalo Liaram	Member	Nominated
Hon. Kennedy Kipsang Mibei	Member	Mogondo
Hon. Moses Olaimeri Yiampoi	Member	Shankoe

j) Audit Committee

The audit committee was constituted in 1st February 2021. Its mandate is to advise the County Assembly on institutional risk management and compliance. The committee held four meetings in FY 2023-2024. The committee members during FY 2024-2025 were:

Member	Designation
Vincent Nkaiwatei	Chairman
Emmanuel Kisimir	Member
Lesityo Koila	Member
Francis Saitoti Naisuaku	Secretary
Mary Kiminta	Member

SECTORAL COMMITTEES

a) Agriculture

The Committee deals with all matters related to agriculture, including crop and animal husbandry, livestock sale yards, county abattoirs, plant and animal disease control and fisheries;

The committee members during FY 2024-2025 were:

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Member	Designation	Ward
Hon. Duncun Bore	Chairperson	Ilmotiok
Hon. Caroline Nayiano Meibuko	Vice Chairperson	Nominated
Hon. Margaret Nenkai Yenke	Member	Nominated
Hon. Mark Mukut	Member	Keyian
Hon. Jefferson Langat Kipkirui	Member	Nominated

b) Environment, water and Natural Resources

The Committee deals with the Implementation of specific national government policies on natural resources and environmental conservation, including soil and water conservation and forestry and control of air pollution, noise pollution, other public nuisances and outdoor advertising.

The committee members during FY 2024-2025 were:

Member	Designation	Ward
Hon. Leah Naikanae	Chairperson	Nominated
Hon. Sangau Ntokoiyuan Wuantai	Vice Chairperson	Kimintet
Hon. David Lekuta Ole Sulunye	Member	Melelo
Hon. Grace Liaram	Member	Nominated
Hon. Dominic Sonkoi Lemein	Member	Ololulunga

c) Health Services

The committee deals with all matters related to county health services, including, in particular county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, veterinary services (excluding regulation of the profession), cemeteries, funeral parlors and crematoria and refuse removal, refuse dumps and solid waste disposal.

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The committee members during FY 2024-2025 were:

Member	Designation	Ward
Hon. Joseph Kibeigo Koech	Chairperson	Angata Barikoi
Hon. Susan Kutingala	Vice Chairperson	Nominated
Hon. Hillary Kipngeno Sitienei	Member	Sogoo
Hon. Caroline Nangeya	Member	Nominated
Hon. Mark Mukut	Member	Keyian

d) Gender, youth, sports and Community services

The Committee deals with all matters related to public entertainment and public amenities, including betting, casinos and other forms of gambling, racing, cinemas, video shows and hiring, libraries, museums, sports and facilities and county parks, beaches and recreation facilities; firefighting services and disaster management, control of drugs and pornography.

The committee members during FY 2024-2025 were:

Member	Designation	Ward
Hon. Jefferson K. Langat	Chairperson	Nominated
Hon. Angela Pererwan	Vice Chairperson	Nominated
Hon. Caroline Meibuko	Member	Nominated
Hon. Sangau Ntokoiyuan	Member	Kimintet
Hon. Duncun Bore	Member	Ilmotiok

e) Transport and Public Works

The Committee deals with all matters related to county transport, including county roads, street lighting, traffic and parking, public road Planning, Trade, Tourism and Cooperatives, transport and ferries and harbors, excluding the regulation of international and national shipping and matters

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related thereto; county public works and services including storm water management systems in built-up areas and water and sanitation services.

The committee members during FY 2024-2025 were:

Member	Designation	Ward
Hon. Eliud Maika Oloigero	Chairperson	Mosiro
Hon. Caroline Nangeya	Vice Chairperson	Nominated
Hon. Moses Olaimer Yiampoi	Member	Shankoe
Hon. Caroline Meibuko	Member	Nominated
Hon. David Lekuta Sulunye	Member	Melelo

f) Early Childhood Education, Children, ICT and Vocational Training

The committee deals with matters related to early childhood education, pre-primary education, village polytechnics, and home craft centers; all matters relating to gender affairs, children's welfare; heritage, public entertainment, public amenities, recreation centers and libraries.

The committee members during FY 2024-2025 were:

Member	Designation	Ward
Hon. Margaret Nenkai Yenko	Chairperson	Nominated
Hon. Stephen Kiprotich Koech	Vice Chairperson	Sagamian
Hon. Caroline Nangeya	Member	Nominated
Hon. Jackson Ng'ok Kipkorir	Member	Kapsasian
Hon. Shuma Manchau Olonoku	Member	Loita

g) Labor and Social Welfare,

The Committee deals with all matters relating to gender, youth, people with disability children's welfare and elderly citizens labor, trade union relations, man power or human resource planning.

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The committee members during FY 2024-2025 were:

Member	Designation	Ward
Hon. Mark Mukut	Chairperson	Keyian
Hon. Jackson Ng'ok Kipkorir	Vice Chairperson	Kapsasian
Hon. Joseph Kibeigo Koech	Member	Angata-Barikoi
Hon. Samwel Towet	Member	Ololmasani
Hon. Moses Olaimeri Yiampoi	Member	Shankoe

h) Justice and Legal Affairs

The Committee deals with the Constitutional affairs, the administration of law and justice, including the elections, ethics, integrity and anti-corruption, human rights and Public Petitions.

The committee members during FY 2024-2025 were:

Member	Designation	Ward
Hon. Kipngeno Chepkwony	Chairperson	Mara
Hon. Lilian Mbuthia	Vice Chairperson	Nominated
Hon. Leina Morintat	Member	Kilgoris Central
Hon. Hillary Kipngeno Sitienei	Member	Sogoo
Hon. Susan Kutingala	Member	Nominated

i) Tourism, wildlife and Culture

The Committee deals with matters relating to Cultural activities, national government policies on tourism, local tourism and wildlife.

The committee members during FY 2024-2025 were:

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Member	Designation	Ward
Hon. Moses ole Sikona	Chairperson	Siana
Hon. Alice Nanana	Vice Chairperson	Nominated
Hon. Mercy Resiato	Member	Nominated
Hon. Shuma Manchau	Member	Loita
Hon. Kipngeno Chepkwony	Member	Mara

j) Finance and Economic Planning

The Committee Investigate, inquire into and report on all matters related to coordination, control and monitoring of the County revenue. Evaluate Economic plans, policies and programs with direct effect on revenue mobilization. Overseeing granting and administration of donations and grants; approving taxation measures including interrogation and approving of Finance Bill; identifying and advising on new revenue streams; monitoring implementation of Finance Bill and Finance raising measures; considering requests for borrowing of loans by County Government including consideration of the relevant regulations.

The committee members during FY 2024-2025 were:

Member	Designation	Ward
Hon. Hillary Kipngeno Sitienei	Chairperson	Sogoo
Hon. Grace Liaram Ntutu	Vice Chairperson	Nominated
Hon. Kennedy Kipsang Mibei	Member	Mogondo
Hon. Moses Sikona	Member	Siana
Hon. David Lekuta Ole Sulunye	Member	Melelo

k) Lands, physical Planning, Trade and Cooperatives development

The committee deals with all matters related to County Planning and Development, including statistics, Land survey and mapping, boundaries and fencing, housing and electricity and gas reticulation and energy regulation.

Trade development and regulation including markets, trade licenses (excluding regulation of professions), and fair-trading practices, and cooperative societies and industrialization.

The committee members during FY 2024-2025 were:

Member	Designation	Ward
Hon. Manchau Shuma	Chairperson	Loita
Hon. Moses Olaimeri Yiampoi	Vice Chairperson	Shankoe
Hon. Leina Morintant	Member	Kilgoris Central
Hon. Alice Nanana	Member	Nominated
Hon. Grace Liaram	Member	Nominated

Communication with all Stakeholders

Narok County Assembly 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 Narok County Assembly held an Annual consultative meeting in 2023 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.

Narok County Assembly subjected bills through public participation.

Risk management

Narok County Assembly has the following in mitigating risks in the organisation:

- Narok County Assembly has developed a formal risk management framework that outlines the process, roles, and responsibilities for risk identification and assessment.
- Narok County Assembly has formed a dedicated committee responsible for monitoring and assessing changes in the internal and external environment.
- Narok County Assembly has provided training to county assembly members and staff on risk analysis techniques and how to interpret and respond to risk assessments.

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- Narok County Assembly has maintained transparent financial reporting and disclosure of financial information to the public through accessible channels, encouraged public participation in budgetary processes to enhance accountability.
- Narok County Assembly has established a comprehensive internal control framework that includes policies, procedures, and guidelines for financial and operational controls. Ensure segregation of duties to prevent any single individual from having control over a critical process from the start to the end.
- Narok County Assembly has implemented budget controls to track and monitor expenditures against the approved budget. Conduct regular financial audits by internal auditors to detect any irregularities or fraud.

Compliance

The Narok County Assembly identifies the relevant laws and regulations that govern it and discloses its compliance to these laws. The reports emanating from such compliance are prepared and discussed at the relevant levels and other government offices.

4. Foreword by the Clerk of the Assembly

The core mandate of County Assembly is to legislate and ensure good governance through the oversight role of the Assembly. For this to be achieved, budget provision is made to improve capacity for Members of County Assembly to make laws, fully participate in the Budget making process and also improve capacity for staff through capacity building programmes and also leveraging usage of information communication technology. These entails adequate funding to ensure that County Assembly efficiently and effectively fulfils constitutional functions in a representative system of County Government.

(i) Budget performance

The County Assembly was allocated a budget of **Kshs.1,137,909,078** in the **FY 2024/2025** which comprised of **Kshs.987,909,078** for recurrent expenditure and **Kshs.150,000,000** for Development Expenditure respectively.

Out of the sum allocated the County Assembly received from the exchequer Kshs.931,683,159 against an expenditure of Kshs.931,672,770 thus resulting to an absorption rate of 99.99%.

(ii) Operational Performance

The Narok County Assembly budget was approved as required by Law. The original budget was approved by the County Assembly on 26th June 2024 for the period 1st July 2024 to 30 June 2025 as required by law. There were two (2) number of supplementary budgets passed in the year. The supplementary budgets were approved on 12th March 2025 and 25th June 2025 Respectively. A high-level assessment of the Narok County Assembly actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison of budget and actual amounts included in these financial statements.

2.2.1 Laws and Policies Passed during the Financial Year 2024/25

During the financial year 2024/2025, the Narok County Assembly passed the following laws and regulations:

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BILLS & PAPERS CONSIDERED BY THE ASSEMBLY IN THE FINANCIAL YEAR

2024/2025

NO.	DATE PASSED BY THE ASSEMBLY	TITLE OF THE BILL(S) /PAPER	STAGE	REMARKS
1.	26 th June,2024	The Narok County Appropriations Bill for FY 2024/2025	-	<i>Assented to</i>
2.	11 th March,2025	The Narok County Supplementary Appropriations Bill No. (1) of FY 2024/2025	-	<i>Assented to</i>
3.	10 th December,2024	The Narok County Finance Bill 2024/2025	-	<i>Assented to</i>
4.	12 th February,2025	The Narok County Village Units Delineations Bill, 2025	-	<i>Assented to</i>
5.	10 th December,2024	The Narok County Alcoholic Amendments Bill, 2024	-	<i>Assented to</i>
6.	First Reading on 14 th May ,2025	The Narok County Potato Packaging (Marketing) Bill, 2025	<i>Committee Stage</i>	<i>Awaiting Committee Report</i>
7.	First Reading on 14 th May ,2025	The Narok County Public Participations Bill, 2025	<i>Committee Stage</i>	<i>Awaiting Committee Report</i>
8.	December,2024	The Narok County Budget Review and Outlook paper (CBROP) for 2024/2025	-	<i>Assented to</i>
9.	29 th October,2024	The Narok Municipality Integrated Development Plan 2025 – 2030	-	<i>Assented to</i>
10.	29 th October,2024	The Kilgoris Municipality Integrated Development Plan 2025 – 2030	-	<i>Assented to</i>
11.	25 th June ,2025	The Narok County Annual Development Plan (ADP) for FY 2024/2025	-	<i>Assented to</i>
12.	25 th June ,2025	The Narok County Fiscal Strategy Paper (CFSP) for FY 2024/2025	-	<i>Assented to</i>
13.	25 th June ,2025	The Narok County Supplementary	-	<i>Assented to</i>

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		Appropriations Bill No. (2) of FY 2024/2025		
14.	First reading 25 th June, 2025	The Narok County Finance Bill 2025/2026	<i>Committee Stage</i>	<i>Awaiting Committee Report</i>

2.2.2 Narok County Assembly Committees and Mandates

During the financial year 2024/2025, the Narok County Assembly had the following Three (3) highlighted county assembly committees.

S/No.	Name of Committee	Mandate	Successes
1.	Public, Investments and Accounts Committee (PIAC)	(a) Examination of the accounts showing the appropriations of the sum Voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think Fit. (b) Examination of the reports, accounts and workings of the county public investments; (c) Examination, in the context of the autonomy and efficiency of the county public investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices:	Tabling and discussion of Auditor General's Reports
2.	Budget and Appropriations Committee	(a) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget; (b) Discuss and review the estimates and make recommendations to the County Assembly; (c) Examine the County Budget Policy Statement presented to the County Assembly; (d) Examine Bills related to the County budget, including Appropriations Bills; and (e) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.	Appropriation Bill 2024-2025 Finance Bill 2024-2025 Annual Development Plan 2024-2025 County Fiscal Strategy Paper 2024-2025 County review and Outlook Paper Supplementary I Bill 2024-2025

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			Supplementary II Bill 2024-2025
3.	Finance and Economic Planning Committee	(a)To investigate, inquire into and report on all matters related to coordination, control and monitoring of the County revenue. (b)To investigate all matters relating to oversight of County Government expenditure and all County Funds management. (c)To examine Bills related to revenue collection including the Finance Bill. (d) To examine all the revenue reports and the revenue estimates and makes recommendations to the County Assembly. (e)To evaluate all Economic plans, policies and programs with direct effect on revenue mobilization.	Passing of: - Annual Development Plan 2024-2025 County Fiscal Strategy Paper 2024-2025 County review and Outlook Paper

(iii) Performance of key development projects

Narok County Assembly constructed and renovated offices and ward offices for members of the County Assembly as per the approved budget. This offices at the ward level will reduce the cost of hiring offices for members of County Assembly and helps in engaging with key stakeholders at the ward level.

(iv) Comment on value-for-money achievements

The funds were fairly utilized as per the Execution of programmes and sub programmes.

(v) Challenges and Recommended Way Forward

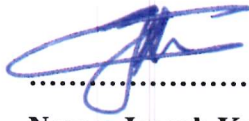
The county assembly still faces the following challenges and constraints in budget implementation

- Delay in disbursement of funds from the National Treasury.
- High public expectations.

The County Assembly will in future ensure that there is good working relationship with the County Executive to enable timely disbursement of funds.

The County Assembly will in future ensure that more bills are passed as per the public expectations.

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.....
Name: Joseph Kasaine Lengeny
Clerk of the Narok County Assembly

Narok County Assembly
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5. Statement of Performance against County Assembly Predetermined Objectives
Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of Narok County Assembly 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 Narok 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.

Summary of the Programme Outputs and Performance Indicators for FY 2024/2025

Programme	Objective	Outcome	Indicator	Performance	Remarks (Explain the reasons underperformance/ Overperformance)
Legislation and Representation					
Legislative Oversight	To provide a tool for monitoring progress of County Assembly programmes/policies and assures accountability, transparency and value for money goods and services.	Bills passed	Number of bills passed in a financial year	In FY. 2024/2025, Narok County Assembly passed 8 bills and County policies	Within the time frame
County Co-ordination	To provide a tool for monitoring progress of County Assembly programmes/policies and assures accountability, transparency and value	Meetings held to involve public in major decision making.	Number of meetings held.	In FY. 2024/2025, county coordination held several meetings.	Within the time frame

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	for money goods and services.				
Research and Policy	To promote of research and policy formulation.	Research and policy proposals financed	Number of research and policy proposals financed in various fields.	During the financial year, research and policy proposals financed.	Within the time frame
General Administration and Planning Services					
Administration	To provide effective and efficient coordination of support services to the attainment of county assembly strategic objectives.	Maintenance of proper accounting records that can enhance accountability and transparency in the management of public resources	The extent to which efficiency and effectiveness is achieved.	The administration services were well done during the financial year 2024/2025	Within the time frame
Legal and Public Affairs	To provide effective and efficient coordination of support services to the attainment of county assembly strategic objectives.	Efficient communication and service delivery.	Improved information and communication technology infrastructure in the County Assembly.	The legal and public affairs services were well done during the financial year 2024/2025	Within the time frame

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Board Management Service	To provide effective and efficient coordination of support services to the attainment of county assembly strategic objectives.	To provide effective and efficient coordination of support services to the attainment of county assembly strategic objectives	County assembly service management policy. Guideline on implementation of past developed and circulated within the assembly.	The County Assembly Service Board services were well done during the financial year 2024/2025	Within the time frame
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6. Environmental and Sustainability Reporting

Narok County Assembly exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on three (3) pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

a) Sustainability strategy and profile -

The County Assembly sustainability is assured through the existence of County Governments Act 2012 that establishes the County Assemblies in Kenya. The top management especially the accounting officer should refer to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

b) Environmental Sustainability

We are dedicated to fostering environmental sustainability through improving in our ecological footprint, conserving natural resources, and promoting responsible resource management through legislation and civic education.

c) Employee welfare

The County Assembly Service Board as an employer is under obligation to provide free medical treatment or make provision for adequate medical care for its employees. The County Assembly Service Board has provided medical cover as per the Salaries and Remuneration Commission advice. The amount of the cover is determined by the County Assembly Service Board from time to time subject to SRC Circular in force.

Training programs comprise both short- and long-term courses in specific professions that are intended to impart required knowledge, skills and attitudes to enhance staff performance.

County Assembly Service Board design specific in-house training programs as a method of developing training interventions which address identified training needs. In designing training programs HRM&D should ascertain the availability of: -

- Professional qualified and experienced trainers;
- Training programs that are cost-effective; and

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- An effective evaluation and feedback system to assess the impact of training on Performance.

d) Market place practices-

- a) Supply chain and supplier relations is essential for promoting ethical, sustainable, and accountable procurement practices. A responsible supply chain approach ensures that the assembly's purchases and supplier relations align with its commitment to good governance, transparency, and corporate social responsibility.
- b) Ethical practices involve upholding high standards of integrity, transparency, and accountability in all procurement and business activities. These practices are critical for fostering trust among stakeholders, preventing corruption, and ensuring that public resources are used responsibly.
- c) Stewardship of goods and services involve managing public resources efficiently, effectively, and transparently to ensure that the needs of the community are met while upholding principles of accountability, responsibility, and ethical conduct.

e) Community Engagements-

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.

7. Management Discussion and Analysis

1. Key Programs and Projects Implemented or Ongoing

During the financial year under review, the County Assembly undertook Ward public participation forums and Capacity Building for MCAS aimed at enhancing its legislative, oversight, and representation functions.

2. Compliance with Statutory Requirements

The County Assembly complied with all key statutory and regulatory obligations including:

- Timely submission of quarterly and annual reports to the Office of the Auditor-General, Controller of Budget, and National Treasury
- Adherence to provisions of the **Public Finance Management Act (PFMA), 2012**, and the **County Governments Act, 2012**.
- All procurement activities complied with the **Public Procurement and Asset Disposal Act (PPADA), 2015**, with no reported irregularities.

The Assembly also published three critical Bills and conducted mandatory public participation as stipulated by Article 196 of the Constitution.

3. Major Risks Facing the Assembly

The County Assembly remains vigilant to internal and external risks.

4. Material Arrears in Statutory and Financial Obligations

As of 30th June 2025, the Assembly reported the following:

- **Statutory Deductions** (PAYE, SHA, NSSF): Fully compliant, no arrears.
- **Pending Bills**: The County Assembly still struggle in payment of Pending Bills.

5. Review of the Economy and Sector

Legislative Sector Developments

- Increased focus on **climate legislation and county development plans** aligned with Kenya Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA).
- County Assemblies Forum (CAF) continues to support capacity building and inter-county legislative harmonization.

6. Future Developments

The County Assembly is in the process of identifying several initiatives.

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These initiatives aim to deepen public engagement, enhance e-governance, and support informed legislative processes.

7. Other Relevant Information

- The Assembly received **unqualified audit opinion** from the Office of the Auditor-General.
- **Stakeholder feedback** mechanisms were strengthened through an online portal and physical suggestion boxes.
- Collaboration with the **Ethics and Anti-Corruption Commission (EACC)** led to staff sensitization workshops on integrity and good governance.

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 assembly; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the county Assembly; (v) Selecting and applying appropriate accounting policies; and (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

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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 *entity's* financial statements were approved and signed by the Clerk for finance on 16/10/ 2025.



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Clerk of County Assembly

REPUBLIC OF KENYA



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF NAROK 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the 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 of County Assembly of Narok set out on pages 1 to 79, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with

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

In my opinion, except for the 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 respects, the financial position of County Assembly of Narok as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards - Accrual Basis (including the transitional provisions permitted Under IPSAS 33) and comply with the County Governments Act, 2012, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No. 3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccuracies in Financial Statements

The statement of financial position reflects credit reserves balances of Kshs.17,913,548 and Kshs.1,383,590 in respect of reserves and accumulated surplus respectively. However, the statement of changes in net assets reflects credit and debit balances of Kshs.19,309,110 and Kshs.11,972 respectively, resulting in unexplained net variances of Kshs.1,395,562.

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

2. Failure to Disclose Material Uncertainty Related to Sustainability of Services

The statement of financial performance reflects a deficit of Kshs.1,383,590. Further, the statement of financial position reflects current liabilities balance of Kshs.19,307,527 which exceeds the current asset's balance of Kshs.10,389, resulting in a negative working capital of Kshs.19,297,138. The County Assembly is, therefore, technically insolvent and its ability to continue to sustain services is dependent upon support from the County Government and its creditors. Further, this material uncertainty has not been disclosed in the financial statements.

In the circumstances, the material uncertainty casts doubt on the County Assembly's ability to continue as a going concern and the ability to pay debts as and when they fall due.

3. Variances in Payment Amounts in Internet Banking and Integrated Financial Management System

The statement of financial performance reflects total payments amounting to Kshs.933,066,750 which was derived from the Internet Banking (IB) platform. However, review of both IB and IFMIS data for recurrent and development expenditures revealed payments totaling Kshs.61,446,257 that were not captured or recorded in the IFMIS system. Management explained that the amount relates to IFMIS transactions that were processed beyond the normal year-end cut-off date of

30 June, 2025. However, the variance was not reconciled or supported with any verifiable documentation.

In the circumstances, the accuracy and completeness of the total payments amounting to Kshs.933,066,750 could not be confirmed.

4. Undisclosed Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.347,089,814 as disclosed in Note 26 to the financial statements. Available records relating to land held by the County Assembly revealed that valuation of Narok County Assembly Headquarters by County Valuers, Ministry of Lands - Narok County placed the value of the land at a market value of Kshs.135,000,000 for the parcel of land on which the County Assembly is located. However, the land and its value has not been disclosed in the assets register. Further, buildings of an unknown value including the Narok County Assembly Headquarters have not been disclosed in the asset register.

Review of records revealed that the County Assembly is in the process of developing thirty (30) ward offices. Physical verification of the assets revealed that the County Assembly has several ward offices at various completion levels including complete and functional offices in six (6) Wards, built and not complete offices in seven (7) and construction not started in seventeen (17) Wards. However, it was observed that there were no ownership records for the parcels of land on which the ward offices had been or were to be constructed. In addition, the land for these ward offices has not been included in the assets register.

The assets register and other relevant records revealed that the County Assembly owns several vehicles that are either serviceable and in use or others that are not serviceable and not in use. Further, audit inspection revealed that four (4) motor vehicles did not have logbooks as proof of ownership by the County Assembly.

In addition, several motors vehicles that are unserviceable were confirmed to be at various garages since the year 2020 and have remained there since then. It is not clear why Management has not paid for the repairs of the vehicles or boarded them for disposal as required by the law and regulations.

Similarly, Management did not undertake a comprehensive verification and condition assessment of all assets controlled or used by the County Assembly during the financial year under review. The asset register provided for audit verification was not up dated and did not conform to the reporting templates issued by The National Treasury. Further, the register did not record the specific details of all the assets, making it difficult to identify and confirm assets owned by the County Assembly.

In the circumstances, the accuracy, completeness, valuation and existence of the property, plant and equipment balance of Kshs.347,089,814 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 Narok Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I

believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts - recurrent and development reflects final budgeted receipts and actual amount on a comparable basis of Kshs.1,137,909,078 and Kshs.931,683,159 respectively, resulting in an under-funding of Kshs.206,225,919 or 18 % of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior year audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the County Assembly in 2024/2025 revealed that the following sixteen (16) issues remained unresolved as at 30 June, 2025:

S/No.	Audit Issue
1.	VariANCES Between Financial Statements and Bank Statement Transactions
2.	Misclassification of Expenses
3.	Payment in Internet Banking not in IFMIS
4.	Voided Transactions-Payments
5.	Irregular Maintenance of Manual Payroll
6.	Legal Fess
7.	Pending Accounts Payables
8.	Budgetary Performance and Control
9.	Non-Compliance with Number of Members
10.	Irregular Payments of Transport Allowance
11.	Regularity of Procurement and Award of Contract
12.	Noncompliance with One Third Rule on Basic Salary Rule
13.	Noncompliance with the Law on Settlement of Accounts Payables
14.	Non-Remittance of Statutory Deductions
15.	Noncompliance with Law on Non-Current Assets
16.	Ward Expenses

Other Information

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

In connection with my audit on the County 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. Irregular Payment of Transport Allowance

The statement financial performance reflects use of goods and services amount of Kshs.367,855,976 as disclosed in Note 10 to the financial statements. Included in the expenditure is domestic travel and subsistence amount of Kshs.290,131,504. During the year under review, the County Assembly Management paid transport allowances amounting to Kshs.2,470,000 to Members of the County Assembly (MCAs) and staff. The payments were made at rates of Kshs.20,000 for MCAs and Kshs.10,000 for staff. However, the review of records revealed that this transport allowance was not supported by any approval or circular from the Salaries and Remuneration Commission (SRC) and Section 68(1)(b) of the Public Finance Management Act, 2012, which requires that Accounting Officers ensure that all expenditures be lawful and properly authorized.

This was contrary to Section 149 (1) of the Public Finance Management Act, 2015 which states that an Accounting Officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is - lawful and authorized.

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

2. Non-Compliance with Law on Affirmative Action for Persons with Disabilities

Review of human resources records revealed that the County Assembly had a total of one hundred and twenty-four (124) employees. However, only five (5) staff members, representing 4% of the workforce, were persons living with disabilities (PWDs). This was contrary to Article 54(2) of the Constitution of Kenya which provides that the State shall ensure that at least five percent of members of the public in elective and appointive bodies are persons with disabilities.

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

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

Review of the County Assembly's payroll revealed that out of a total of one hundred and twenty-four (124) employees, ninety-eight (98) staff members (or 79%) were from one ethnic community. This was contrary to Section 7 (1) and (2) of the National Cohesion and Integration Act, 2008 which stipulate that all public establishments shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community.

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

4. Non-Adherence to the One Third of Basic Salary Rule

Review of the County Assembly's permanent and contractual employees' payroll data from the Integrated Personnel and Payroll Database (IPPD) system and the Human Resource Information System (HRIS) for the financial year 2024/2025 revealed non-compliance with statutory regulations governing employee salary deductions. During the period from July 2024 to April 2025, a significant number of employees received net salaries that were less than one-third of their basic salaries. Management did not provide any explanation for this unsatisfactory situation. This was contrary to Section 19(3) of the Employment Act, 2007, which requires that net pay shall not be less than one-third of the employee's basic salary after all deductions.

In the circumstances, staff earning salaries less than a third of their basic salaries may be exposed to pecuniary embarrassment.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with

the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Irregular Maintenance of Manual Payroll

Review of expenditure records on employee's compensation for the year under review, revealed that the County Assembly operated two (2) parallel payroll systems, including a manual payroll system (Excel-based) and the Integrated Payroll and Personnel Database (IPPD) in conjunction with the Human Resource Information System (HRIS) Kenya. Available payroll records indicated that gross salary payments totaling Kshs.5,297,719 were made to employees through the manual payroll system. This was contrary to Section 6.3 of the County Financial Accounting and Reporting Manual, which indicates that the salaries, allowances and/or arrears of County Government employees are to be processed on Integrated Personal Payroll Data (IPPD) or Human Resource Information System Kenya (HRIS).

In the circumstances, operating parallel payroll systems outside the approved IPPD/HRIS platforms exposes the County Assembly to significant risks, including inaccurate payroll reporting, potential existence of ghost workers, unauthorized salary payments, manipulation of payroll data, loss of audit trail, and overall weak internal controls over salary administration.

2. Long Outstanding Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.19,307,527 as disclosed in Note 32 to the financial statements. Review of records revealed that the amount includes a balance of Kshs.17,913,548 which relates to trade and other payables balance brought forward from financial year 2023/2024 and earlier years. However, Management has not provided any evidence to support the County Assembly's efforts to settle these long outstanding bills. This was contrary to Regulation 41 (2) of the Public Finance Management (County Governments) Regulations, 2015.

In the circumstances, the County Assembly may incur additional and avoidable costs of interest and penalties for the failure to settle the long outstanding payables.

3. Weaknesses in Management of Temporary Imprests

Review of records revealed that imprests issued to staff and MCAs between April and July, 2024 amounting to Kshs.109,045,140 were not recorded in the imprest register and this made it impossible to confirm if the imprest was duly surrendered contrary to Regulation 93(4)(c) of the Public Finance Management (County Governments) Regulations, 2015. The Regulation provides that before issuing temporary imprests the Accounting Officer shall ensure that the applicant's imprest has been recorded in the imprest register, including the amount applied for.

In the circumstances, the effectiveness of internal controls in relation to management of imprests could not be confirmed.

4. Lack of an Approved Strategic Plan

During the year under review, it was observed that the County Assembly operated without an approved strategic plan to guide its operations, programs, and resource allocation. Strategic plan is a critical tool for aligning institutional objectives with available resources and for ensuring long-term planning, performance monitoring, and accountability.

In the circumstances, the absence of a strategic plan indicates a lack of formal direction and weakens institutional governance and decision-making frameworks for the County Assembly.

5. Failure to Clear Backlog in the Consideration of Audit Reports of the County Assembly

Review of Committee records revealed that the Public Accounts and Investment Committee (PAIC) County Assembly had not deliberated on the Auditor-General's reports for the financial years 2020/2021, 2021/2022, 2022/2023, and 2023/2024. This was contrary to Section 50 (2) of the Public Audit Act, 2015, which requires that Parliament or the relevant County Assembly shall debate, consider, and take appropriate action on audit reports within three (3) months of receipt.

In the circumstances, the effectiveness of oversight by the County Assembly 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

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial

statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the County Assembly's ability to continue as 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 terminate the County Assembly or to cease operations.

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

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

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


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and 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

16 December, 2025

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

	Notes	FY 2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	931,683,159
Miscellaneous Revenue	7	-
Total		931,683,159
Revenue from exchange transactions		
Other income	8	-
Total revenue		931,683,159
Expenses		
Employee costs	9	565,210,774
Use of goods and services	10	367,855,976
Transfers to other Government Entities	11	-
Depreciation and amortization expense	12	-
Other Grants and Subsidies	13	-
Finance costs	14	-
Social Benefits	15	-
Total expenses		933,066,750
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		(1,383,591)
Taxation	20	-
Net Surplus/Deficit		(1,383,591)

The Financial Statements set out on pages 1 to 53 were signed by:

.....
 Name **Joseph Kasaine Lengeny**

Clerk of The County Assembly

.....
 Name **Peter Shakamae Tianta**
Principal Finance Officer
ICPAK M/No 21251

11. Statement of Financial Position as at 30 June 2025

	Notes	FY 2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	21	10,389	1,583
Receivables from Exchange Transactions	22	-	-
Receivables from Non-Exchange Transactions	23	-	-
Inventories	24	-	-
Current portion of investments	25	-	-
Total Current Assets		10,389	1,583
Non-Current Assets			
Receivables from Exchange Transactions	22(b)	-	-
Non- Current portion of investments	25	-	-
Property, Plant and Equipment	26	347,089,814	-
Intangible Assets	27	-	-
Investment Property	28	-	-
Right-of-use assets	29	-	-
Biological Assets	30	-	-
Tangible Natural Resources	31	-	-
Total Non- Current Assets		347,089,814	-
Total Assets (A)		347,100,203	1,583
Liabilities			
Current Liabilities			
Trade and Other Payables	32	19,307,527	17,915,131
Refundable Deposits and Prepayments	33	-	-
Current Provision	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Employee Benefit Obligation	37	-	-

Narok County Assembly

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

	Notes	<i>FY 2024-2025</i>	<i>Opening Statement</i> <i>1st July 2024</i>
		Kshs	Kshs
Current Portion of Borrowings	38	-	-
Total Current Liabilities		19,307,527	17,915,131
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)		19,307,527	17,915,131
Net Assets(A-B)		327,792,676	(17,913,548)
Represented By:			
Reserves		(17,913,548)	(17,915,131)
Accumulated Surplus		(1,383,590)	1,583
Capital Fund		347,089,814	-
Net Assets		327,792,676	(17,913,548)

The financial statements set out on pages 1 to 53 were signed by:



.....
Name: Joseph Kasaine
Lengeny
Clerk of The County
Assembly



.....
Name Peter Shakamae Tianta
Principal Finance Officer
ICPAK M/No 21251

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)	1,583			1,583
Adjustments: Pending Bills		(19,309,110)		(19,309,110)
Recognition of assets	-			
Recognition of liabilities	-			
As at July 1, 2024	1,583	(19,309,110)		(19,307,527)
Return to CRF	-			-
Surplus/ deficit for the year	10,389			10,389
Capital Fund		-	347,089,814	347,089,814
As at June 30, 2025	11,972	(19,309,110)	347,089,814	327,792,676

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

		<i>FY 2024-2025</i>
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		931,683,159
Miscellaneous Revenue		-
Other income		-
Total receipts		931,683,159
Payments		
Employee costs		563,816,795
Use of goods and services		367,855,976
Transfers to other Government Entities		-
Other Grants and Subsidies		-
Finance costs		-
Social Benefits		-
Total payments		931,672,771
Net cash flows from/(used in) operating activities	40	10,388
Cash flows from investing activities		
Purchase of PPE		(-)
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		-
Cash flows from financing activities		
Returns to CRF		(-)
Proceeds from borrowings		-
Repayment of borrowings		(-)
Net cash flows from financing Activities		-
Net increase/(decrease) in cash & Cash equivalents		8,805
Cash and cash equivalents at 1 July 2024	21	1,583
Cash and cash equivalents at 30 June 2025	21	10,388

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	1,061,000,000	76,909,078	1,137,909,078	931,683,159	206,225,919	0.8
Other receipts	-	-	-	-	-	-
Total Receipts	1,061,000,000	76,909,078	1,137,909,078	931,683,159	206,225,919	0.8
Payments						
Compensation of employees	541,850,866	76,909,078	618,759,944	563,816,795	54,943,149	0.9
Use of goods and services	369,149,134	-	369,149,134	367,855,976	1,293,158	1.0
Subsidies	-	-	-	-	-	-
Transfers to other government units	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets	-	-	-	-	-	-
Finance costs, including loan interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
Total Recurrent Expenses	911,000,000	76,909,078	987,909,078	931,672,771	56,236,307	0.9
Capital Items						

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

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 %
Acquisition of PPE						
Acquisition of Intangible Assets	150,000,000		150,000,000	-	-	-
Purchase of Investment						
Total Expenses Development	150,000,000		150,000,000	-	150,000,000	-
Total Expenses	1,061,000,000	76,909,078	1,137,909,078	931,672,771	206,236,307	0.8
Surplus/Deficit	-	-	-	10,388	(10,388)	

Reconciliation table

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	10,388
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	10,388

- During the year, budgetary item achieved a utilization rate of 90% on transfers from the CRF
- No Transfers to other Government entities for Car and Mortgages during the year.
- No. Acquisition of Assets during the year.

Notes to the Financial Statements

1. General Information

Narok County Assembly is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are xxx.

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 xxx

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 Entity. The accounting policies adopted have been consistently applied to all the years presented.

Reporting period

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

Purpose and nature of financial instruments

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

Climate change obligations

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

Physical assets

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><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>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
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>
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>

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

Standard	Effective date and impact:
	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</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>
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>
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>

Standard	Effective date and impact:
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.

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.)*

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 Narok County Assembly budget was approved as required by Law. The original budget was approved by the County Assembly on 26th June 2024 for the period 1st July 2024 to 30 June 2025 as required by law. There were two (2) number of supplementary budgets passed in the year. The supplementary budgets were approved on 12th March 2025 and 25th June 2025 Respectively. A high-level assessment of the Narok County Assembly actual performance against the comparable

budget for the financial year under review has been included in the Statement of Comparison of budget and actual amounts included in these financial statements.

Notes to the Financial Statements (Continued)

Budget information (continued)

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

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over 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 Entity

recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All 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

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 entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

f) Tangible Natural Resources

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

Leases

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

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

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 Entity can demonstrate:

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge

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

Notes to the Financial Statements (Continued)

i. Financial assets

Classification of financial assets

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

Subsequent measurement

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

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.

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

ii. Financial liabilities

Classification

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

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 *Entity*.

k) Provisions

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

l) Contingent liabilities

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

Notes to the Financial Statements (Continued)

m) Contingent assets

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the

exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

Notes to the Financial Statements (Continued)

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements.

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

u) Cash and cash equivalents

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

Notes to the Financial Statements (Continued)

v) Comparative figures

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

w) Subsequent events

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

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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 FY 2024-2025
			Kshs
Recurrent	931,683,159	-	931,683,159
Development	-	-	-
Special purpose transfers	-	-	-
Total	931,683,159	-	931,683,159

7. Miscellaneous Revenue

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

8. Other Incomes

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

Notes to the Financial Statements (Continued)

9. Employee Costs

Description	FY 2024-2025
	Kshs
Basic salaries of permanent employees	270,668,421
Basic wages of temporary employees	10,178,504
Personal allowances – part of salary	228,602,833
Pension and other social security contributions	21,355,247
Employer contributions to compulsory national social security schemes	4,341,240
Employer contributions to compulsory national health insurance schemes	-
Employer contribution to compulsory housing scheme	7,491,218
Other social benefit schemes -Gratuity	21,179,332
Other personnel costs	-
Total Employee costs	563,816,795

10. Use of Goods and Services

Description	FY 2024-2025
	Kshs
Utilities, supplies and services	-
Communication, supplies and services	-
Domestic travel and subsistence	290,131,504
Foreign travel and subsistence	-
Printing, advertising, and information supplies & services	-
Rentals of produced assets	-
Training expenses	-
Hospitality supplies and services	14,014,378
Insurance costs	29,992,134
Specialized materials and services	6,667,357
Other operating expenses <i>including bank Charges</i>	19,632,107
Office and general supplies and services	400,000
Fuel Oil and Lubricants	-
Contracted Professional Services	1,577,600
Routine maintenance – other assets	5,440,897
Total	367,855,976

Notes to the Financial Statements (Continued)

11. Transfers to Other Government Entities

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

12. Depreciation and Amortization Expense

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

13. Other Grants and Subsidies

Description	FY 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	FY 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	-

Notes to the Financial Statements (Continued)

15. Social Benefits

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

16. Gain/Loss on Sale of Assets

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

19. Impairment Loss

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

Notes to the Financial Statements (Continued)

20. Taxation

Description	FY 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	FY 2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Recurrent Account	10,388	1,583
Development Account	-	-
Deposits Account	-	-
Special Purpose Accounts	-	-
Other operating commercial accounts (<i>Specify</i>)	-	-
Total	10,388	1,583

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

			FY 2024-2025	Opening Statement 1 st July 2024
Financial Institution		Account number	Kshs	Kshs
Recurrent Accounts				
Narok County Assembly	Recurrent Account	1000198467	10,388	1,583
Development Accounts				
Narok County Assembly	Development Account	1000286601	-	-
Total			10,388	1,583

Notes to the Financial Statements (Continued)

22. Receivables from Exchange Transactions

Description	FY 2024-2025	Opening Statement
	Kshs	1 st July 2025 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	FY 2024-2025		Opening Statement	
	Kshs		1 st July 2024 Kshs	
	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	FY 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	-

Notes to the Financial Statements (Continued)

23. Receivables from Non-Exchange Transactions

Description	FY 2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Other debtors (non-exchange transactions)	-		-	
Less: impairment allowance	-		-	
Total receivables from non-exchange transactions	-		-	
	FY 2024	% of the total	Opening Balance	% of the total
Ageing Analysis- Receivables from non-exchange transactions	- 2025	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	FY 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	-

Notes to the Financial Statements (Continued)

24. Inventories

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

Detailed disclosure on inventories

	FY 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	FY 2024-2025	Opening Statement 1 st 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	-	-

d) Movement of Equity Investments

	FY 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	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrast ructure assets	Furniture and fittings	Computer s & ICT Equipme nt	Heri tage asset s	Wo rk in pro gres s	Service concessi on assets	Total
Depreciation Rate		2-10%	10-16.67%	2-20%	12.5%	33.3%	x%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Ksh s	Ksh s	Kshs	Kshs
Opening Bal as 1st July 2024	135,000,000	158,216,401	17,840,000	-	27,050,863	8,982,550	-	-	-	347,089,814
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	-	(-)	-	-	(-)	(-)	(-)	(-)
Transfer/Adjustments	(-)	(-)	-	-	-	(-)	(-)	-	-	(-)
As At /Jun 2025	135,000,000	158,216,401	17,840,000	-	27,050,863	8,982,550	-	-	-	347,089,814
Depreciation And Impairment										
Depreciation for the year	-	(-)	(-)	(-)	(-)	(-)	(-)	-	-	(-)
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	(-)	(-)	(-)	-	-	(-)	-	-	(-)
Transfer/Adjustment	-		(-)	(-)	(-)	-	(-)	-	-	-
As At Jun 2025	135,000,000	158,216,401	17,840,000	-	27,050,863	8,982,550	-	-	-	347,089,814
Net Book Values	135,000,000	158,216,401	17,840,000	-	27,050,863	8,982,550	-	-	-	347,089,814

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	Land	Buildings	Motor vehicles	Infrast ructure assets	Furniture and fittings	Computer s & ICT Equipme nt	Heri tage asset s	Wo rk in pro gres s	Service concessi on assets	Total
Depreciation Rate		2-10%	10-16.67%	2-20%	12.5%	33.3%	x%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Ksh s	Ksh s	Kshs	Kshs
Opening Bal as at 1st July 2024	135,000,000	158,216,401	17,840,000	-	27,050,863	8,982,550	-	-	-	347,089,814
As At Jun, 2025	135,000,000	158,216,401	17,840,000	-	27,050,863	8,982,550	-	-	-	347,089,814

Notes to the Financial Statements (Continued)

27. Intangible Assets

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

Notes to the Financial Statements (Continued)

29. Right-of-use assets

	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Plant and equipment</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 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

<i>Description</i>	<i>FY 2024-2025</i>	<i>Opening Statement</i>
	Kshs	1 st July 2024
	Kshs	Kshs
Specify	-	-
Specify	-	-
Total	-	-

31. Tangible Natural Resources

	<i>Sub- soil assets</i>	<i>Water</i>	<i>Wildlife</i>	<i>Total</i>
	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	-	-	-	-

Notes to the Financial Statements (Continued)

32. Trade and Other Payables

Description	FY 2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	17,913,548		17,915,131	
Payments received in advance	-		-	
Employee payables	1,393,979		-	
Third-party payments	-		-	
Other payables	-		-	
Total trade and other payables	19,307,527		17,915,131	
Ageing analysis: (Trade and other payables)	FY 2024-2025	%	Opening balance	% of the Total
Under one year	1,393,979	%	-	%
1-2 years	-	%	-	-
2-3 years	-	%	17,915,131	%
Over 3 years	17,913,548	%	-	%
Total (tie to above total)	19,307,527		17,915,131	

33. Refundable Deposits and Prepayments

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

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	FY 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	-

Notes to the Financial Statements (Continued)

36. Deferred Income

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

The deferred income movement is as follows:

	National government	International funders	Public contributions 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	-

Notes to the Financial Statements (Continued)

37. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	FY 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, 2024. The scheme is administered by the Clerk while Lap fund and Lap trust are the custodians of the scheme. The scheme is based on 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:

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

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:

	FY 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

	FY 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. 200 per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by Lap trust and Lap fund 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.

Notes to the Financial Statements (Continued)

38. Borrowings

Description	FY 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:

	FY 2024-2025	<i>Opening Statement 1st July 2024</i>
	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	-	-

Notes to the Financial Statements (Continued)

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

39. Service Concession Arrangements Liability

Description	FY 2024- 2025	Opening Statement 1 st 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

	FY 2024-2025
	Kshs
Surplus for the year before tax	10,388
Adjusted for:	
Depreciation	-
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	-
Increase in payables	-
Increase in payments received in advance	-
Net cash flow from operating activities	10,388

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

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

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

i) Credit risk

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

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

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

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 Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

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

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

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

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

a) Foreign currency risk

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

Notes to the Financial Statements (Continued)

Financial Risk Management

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

FY 2024-2025

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 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 *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

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

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

Notes to the Financial Statements (Continued)

Financial Risk Management

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

	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Financial Assets				
Quoted Equity Investments	-	-	-	-
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:

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

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Total Borrowings	-	-
Less: Cash And Bank Balances	(-)	(-)
Net Debt/(Excess Cash And Cash Equivalentents)	-	-
Gearing	0%	0%

Notes to the Financial Statements (Continued)**42. Related Party Disclosures****Nature of related party relationships**

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

Government of Kenya

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

Other related parties include:

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

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

	FY 2024-2025
	Kshs
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

	FY 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	-

Contingent Liabilities

	FY 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	-

45. Capital Commitments

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

Notes to the Financial Statements (Continued)

46. Program for Results (PforR) Disclosure

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

Name of PforR:		Name of Financing Partners:				
Expenditure Details*	Opening Cumulative for Previous FYs		FY 2024-2025		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	-	-	-	-	-	-

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).

15. Appendix

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>The financial statements reflect amounts that differ with Internet Banking .</p> <p>In the circumstance, the accuracy of the financial statements for the year ended 30 June 2024 could not be verified.</p>	<p>We acknowledge the observation made by the Auditor General on the audited Financial Statements figures and the IFMIS balances during the time of audit, however we can now report that the balances have now been reconciled as shown in the attached schedules.</p> <p>(Appendix 24-1 IFMIS generated statement of receipts and payments extract, IFMIS trial balance and IFMIS generated Notes to the Financial Statements</p>	Resolved	2023-2024
2	<p>Review of various components of the financial statements against Integrated Financial Management Information System records, Ledgers provided and Internet Banking records showed that various items were charged to incorrect accounts.</p>	<p>Management acknowledges the identified misclassification of expenditure items as highlighted in the audited financial statements by the Auditor general. However, the management has since conducted a thorough reconciliation and made the necessary adjustments to ensure that</p>	Resolved	2023-2024

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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>In the circumstance, the accuracy and completeness of the financial statements could not be ascertained.</p>	<p>all expenditures are charged to the correct accounts.</p> <p>The management has also implemented corrective measures to prevent recurrence, including a review mechanism to ensure that expenditures are accurately classified at the point of posting, refresher training for staff on expenditure classification, and monthly reconciliations to ensure continued accuracy in the financial records.</p> <p>(Appendix 24-2 Ledgers)</p>		
3	<p>The statement of receipts and payments for the year ended 30 June 2024 shows total payments amounting to Kshs 865,032,013 resulting from payments recorded in the internet banking (IB). Review of both IB payments and Integrated Financial Management Information System (IFMIS) for</p>	<p>We acknowledge the observation made by the Auditor General on the audited Financial Statements regarding the payments in Internet Banking but not in the IFMIS system. The management wishes to clarify that the payments of Ksh 47,586,875 were in the IFMIS system for the financial year 2022-</p>	Resolved	2023-2024

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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>both recurrent and development expenditure revealed that payments amounting to Kshs 47,586,875 could not be traced in the IFMIS. The variances have not been explained nor reconciled. In the circumstances, the accuracy and completeness of the financial statements could not be ascertained.</p>	<p>2023 but Internet banking (IB) payments were made in the financial year 2023-2024. The schedule of payments made and sample of payment vouchers are attached herein for your perusal.</p> <p>(Appendix 24-3 Sample of payment vouchers and List of payment made)</p>		
4	<p>The statement of receipts and payments for the year ended 30 June 2024 shows total payments amounting to Kshs 865,032,013 from payments recorded in the internet banking (IB). Review of total payments in the Integrated Financial Management Information System (IFMIS) for both recurrent and development expenditure revealed that payments amounted to Kshs 1,073,938,841 resulting to voided transactions amounting to Kshs 208,906,828. The management has not reconciled or explained the</p>	<p>We appreciate the Auditor General's observations regarding the voided transactions in the audited Financial Statements. The voided transactions amounting to Kshs 208,906,828 occurred due to the following reasons:</p> <ol style="list-style-type: none"> Incorrect Details: Some transactions were voided due to incorrect details, such as wrong account numbers, amounts, or payees. These errors were identified during the processing and reconciliations, prompting 	Resolved	2023-2024

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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>circumstances leading to the occurrence of voided transactions of such magnitude.</p>	<p>the reversal of these transactions.</p> <p>2. Budget constraints: Certain transactions were voided due to budgetary limitations. These transactions were flagged during the review process and voided to maintain compliance with approved budget allocations.</p> <p>3. System clean up exercise: The voided transactions also resulted from the advice of the National treasury that there should be a clean-up of all data that has not been paid in the system for that particular period.</p>		
5	<p>A review of expenditure on employees for the FY 2023/2024 revealed that the County Assembly operated two payroll systems namely the manual payroll system (Excel) and the Integrated Payroll and Personnel</p>	<p>Management acknowledges the observation made regarding the two payroll systems. During the year under review, all ward-based and temporary employees were paid through the manual payroll system</p>	Resolved	2023-2024

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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>Database (IPPD). Monthly gross salary payments totaling to Kshs. 70,326,172 were made to employees through manual payroll.</p> <p>In the circumstances, the accuracy and validity of manual payroll of Kshs. 70,326,172 could not be ascertained.</p>	<p>(Excel) due to delays in the issuance of IPPD payroll numbers.</p> <p>Management is pleased to report that all affected employees have since been issued with IPPD payroll numbers. As of the current financial period, all ward and temporary employees have been fully integrated into the IPPD payroll system.</p> <p>Management assures the Auditor General that the issue has been fully addressed. All employees are now under the IPPD payroll system, and future payroll processes will align with statutory and financial management regulations. Attached herein is the payroll by product showing all the employees have been issued with the IPPD numbers.</p> <p>(Appendix 24 – 4 Copy of Payroll by product)</p>		
6	Review of records in support of legal expenses showed that	Management acknowledges the Auditor General's observations	Resolved	2023-2024

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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>payments totaling to Kshs. 5,220,800 were paid to Leonida and associates advocates for provision of legal professional services (preparation of applications to Land control board to charge, obtaining charges, lodging charge documents, registration of charge documents and stamp duty charges for loans issued MCAs, Clerk and speaker under the Narok County Assembly Mortgage fund. No explanation on why the charges were incurred by the county assembly yet they belong to the Narok County Assembly Mortgage fund. The payment was not supported by relevant procurement documents such as a signed contract and itemized fee notes.</p>	<p>regarding the payment of Kshs. 5,220,800 to Leonida and Associates Advocates for legal professional services under the Narok County Assembly Mortgage Fund.</p> <p>At the time of the audit, certain procurement documents, including the signed contract and itemized fee notes were not available. However, management has since retrieved the necessary documentation, and all relevant records are now complete and available for audit verification.</p> <p>Management also clarifies that the legal expenses incurred were directly associated with the Narok County Assembly Mortgage Fund. These expenses will be refunded to the Assembly by the Mortgage Fund, ensuring that the financial responsibility aligns with the designated purpose of the fund.</p>		

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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)
		(Appendix 24-5 Letter of instruction, Itemized fee note and a duly signed contract)		
7	Other disclosure Notes to the financial statements reflects pending accounts payable Balance of Kshs.17,915,131.However, review of records revealed that the County Assembly owed the Local Authority Provident Fund (LAPFUND) contributions in arrears (Principal amount and interest) of Kshs.103,647,243 out of which Kshs.34,843,561 was paid leaving a balance of Kshs 68,803,682 which was not disclosed in the financial Statements. Further, contributions due to Local Authorities Pensions Trust (LAPTRUST) of Kshs. 11,104,350 were not remitted and had accrued interest amounting to	The non-disclosure was due to ongoing reconciliation processes and the lack of consensus on the accrued interest at the time of reporting. Efforts are underway to finalize the reconciliations and agree on the accrued amounts, which will be disclosed in subsequent financial statements. Management acknowledges the audit observations regarding the consultancy fees of Kshs. 4,500,000 payable to a consultancy firm. We would like to clarify that this amount does not pertain to legal fees but rather to consultancy services rendered. Initially, the fee notes provided lacked sufficient details on the nature	Resolved	2023-2024

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)
	<p>Kshs 70,678,826 as at 30 June, 2024. The amount was similarly not disclosed in the Financial statements submitted for audit.</p> <p>In addition, accounts payable balance includes suppliers of services amount Kshs.28,880, 255 which further includes Kshs.4,500,000 payable to a law firm for legal Services. However, the fee notes for the legal services did not indicate the nature of Services offered. Further, procurement records and signed contract for the provision of the legal services were not provided for audit. It was therefore not possible to confirm Whether the legal fees commitment was as per the rates prescribed by the Law Society Of Kenya.</p>	<p>of services rendered. However, management has since addressed this concern by obtaining and providing detailed fee notes indicating the services rendered. Additionally, procurement records and a signed contract for the provision of these services are available for audit verification. These documents confirm compliance with procurement process and adherence to the applicable rates and regulations.</p> <p>(Appendix 24-6 Osano & Associates fee notes, Letter of award, signed contract, LSO, LAPTRUST letter and a letter of unremitted contributions by county assembly of Narok from LAPFUND)</p>		

Narok 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)
8	<p>The statement of comparison of budget and actual amounts - recurrent and development reflects final budgeted receipts and actual amount on a comparable basis of Kshs.961,000,000 and Kshs.864,968,019 respectively, resulting in an underfunding of Kshs.96,031,981 or 10 % of the budget.</p> <p>Similarly, the statement also reflects total expenditure budget of Kshs.961,000,000 against an actual expenditure of Kshs.865,032,015 resulting in overall under-expenditure of Kshs 95,967,985.52 or 10% of the approved budget.</p> <p>My opinion is not modified in respect of this matter.</p>	<p>The County Assembly did not receive full share of its budgetary allocation as per the approved budget thus affecting implementation of some planned activities hence leading to under expenditure as compared to approved budget.</p>	Resolved	2023-2024
9	<p>Review of the records revealed that the County Assembly had 49 MCAs (30 elected and</p>	<p>The circular referenced (CRA/CSO/CMG//9/VOLV/59) relates to the 2017-2022 term, during</p>	Resolved	2023-2024

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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>19 Nominated against the set limit of 47 MCAS as per circular number CRA/CSO/CMGI/9/NOLVI59 dated 21 October, 2020 on Advisory of Ward Offices Operation Costs from the Commission on Revenue Allocation resulting in excess expenditure forward operation expenses by Kshs.2,839,998.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>which there were 47 MCAs. However, following the general elections and reconstitution of county assemblies for the new term (2022-2027), the number of MCAs increased from 47 to 49. This change was officially communicated through gazette notices VOL. CXXIV-NO.170 and VOL. CXXIV-NO.186, particularly gazette notices no. 9952 and 10712, which detail the updated composition of the assembly, as attached in the provided documentation.</p> <p>(Appendix 24-7 Gazette Notices VOL. CXXIV-NO.170 and VOL. CXXIV-NO.186 Extracts)</p>		
10	<p>During the year under review, the Narok County Assembly paid Transport allowance to Members of County Assembly and Senior County Assembly staffs at the rate of Kshs 20,000 other County Assembly staff employees were paid at the rate of Kshs 10,000.</p>	<p>We acknowledged that during the financial year under review, Members of the County Assembly (MCAs) and staff attending official functions were paid transport allowances in cases where no Assembly vehicle was available. These allowances were issued in</p>	Resolved	2023-2024

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)
	<p>This allowance was not back by any SRC Circular or ratification. In the circumstances, the expenditure of kshs. 9,845,000 as transport allowance was contrary to the law.</p>	<p>accordance with the provisions of the Narok County Assembly Transport Policy, 2017, which allows the Clerk to facilitate transport allowances as per the policy's existing rates:</p> <ul style="list-style-type: none"> • Mombasa: Kshs 20,000 • Nairobi: Kshs 20,000 • Other County Headquarters: Kshs 20,000 • Other Towns (above 70 km): Kshs 6,000 <p>For short distances (less than 50 km) where taxis are used for official duties, the policy also provides for reimbursement upon production of valid receipts. The surrender procedure for taxis has been strictly adhered to, ensuring accountability and compliance with the policy.</p> <p>(Appendix 24-8 Narok County Assembly Transport Policy)</p>		

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)
11	<p>During the year under review, it was also observed that the Insurance Services of Kshs 25,846,362.30 were procured outside the e-procurement system thus contradicting Regulation 49(2) of the Public Procurement and Assets Disposal Act Regulations 2020.</p> <p>In the circumstances, Management was in breach of law.</p>	<p>Management acknowledges the observation made by the Auditor that insurance services amounting to Kshs 25,846,362.30 were procured outside the e-procurement system, contrary to Regulation 49(2) of the Public Procurement and Asset Disposal Act Regulations, 2020. The deviation occurred due to exceptional circumstances during the procurement period, which necessitated the adoption of alternative procurement methods to ensure continuity of service and compliance with operational requirements. To address this issue, procurement staff have undergone training to enhance their proficiency in using the e-procurement system. Management is also progressively integrating all procurement activities into the e-procurement system to ensure full compliance with the regulatory framework and affirms its commitment to resolving the issue comprehensively.</p>	Resolved	2023-2024

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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)
12	<p>During the year ended 30 June, 2024, one hundred and seventy-seven (177) employee earned a net salary of less than a third (1/3) of the basic salary. This is contrary to Section D22 (2) of the County Public Service Human Resource Manual and Section 19(3) of the Employment Act, 2007 which requires that the total amount of deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of the basic pay. The Management has not given explanation for failure to comply with the law.</p> <p>In the circumstances, Management was in breach of law.</p>	<p>During the fiscal year ended 30th June 2023, one hundred and seventy-seven (177) employees were found to have earned a net salary of less than one-third (1/3) of their basic salary, which is in violation of the aforementioned regulations. The audit rightly points out the potential exposure to pecuniary embarrassment for the staff due to this breach of law. However, it's essential to consider the exceptional circumstances that prevailed during this period, notably the impact of the Covid-19 pandemic on the economic landscape of the country. In response to the pandemic, the government issued Emergency and Economic measures, as per Kenya gazette No. 56 Act No 2, which included provisions such as 100% Tax Relief for individuals earning gross monthly income of up to Ksh 24,000 and a reduction of the</p>	Resolved	2023-2024

Narok 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>
		<p>Income Tax Rate Pay As You Earn from 30% to 25%.</p> <p>It's worth noting that during the implementation of these measures, some of our staff opted to take advantage of the increased net pay resulting from the government's relief measures to top up their loans. However, as the grace period of these Covid measures expired, there was a subsequent reduction in their net pay, leading to a breach of the one-third rule outlined in the regulations.</p> <p>It is also important to note that the non-compliance was occasioned by an implementation of an EACC and SRC circulars on stoppage of payment of extraneous allowances to the staff of County Assembly which lowered the gross pay for all of county assembly.</p> <p>(Appendix 24-9 Kenya Gazette Supplement No. 56 Act No. 2 and copies of EACC and SRC circulars)</p>		

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)
13	<p>Annex 1 to the financial statements reflects analysis of pending accounts payable of Kshs.17,915,131 relating to 2020/2021 and earlier years. However, Management has not provided any explanation for failure to settle the bills as first charge in compliance with Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015 which prioritize debt payments as a first charge. Further, the documentary evidence in support of pending accounts payables were not provided for audit.</p> <p>In the circumstances, County Assembly was in breach of the Law.</p>	<p>We acknowledge that the pending accounts payable of Kshs. 17,915,131 relating to 2020/2021 and earlier years were not settled as the first charge, as required by Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015. We are pleased to report that a robust system is now in place to prioritize and settle pending bills in compliance with the regulations. Additionally, all necessary documentation supporting the pending accounts payable is now documented and available for review. (Appendix 24-10 Copies of documents supporting accounts payable)</p>	Resolved	2023-2024
14	Review of documents provided for audit revealed that the Assembly deducted pension totaling Kshs 10,973,499 for Local Authorities Pensions Trust.	We acknowledge the observation raised regarding the pension contributions deducted by the County Assembly amounting to Kshs. 10,973,499 for the Local	Resolved	2023-2024

Narok 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)
	<p>However, no documentary evidence was provided to support of remittance of the deductions. In addition, contributions to Local Authorities Pensions Trust Fund (LAPTRUST) of Kshs 24,272,287 as at 30 June 2014. The amount has been attracting interest of 3% amounting to Kshs 70,678,826 as at 30 June, 2024. The amount has not been disclosed as pending bill payable.</p> <p>In the circumstances, the accuracy of the pending bills payable as at 30 June, 2024 could not be ascertained.</p>	<p>Authorities Pensions Trust (LAPTRUST). Upon review of our records and further reconciliations, we have attached the statement of account from LAPTRUST which clearly indicates the correct outstanding amount.</p> <p>Additionally, non-disclosure of kshs. 10,973,499 as pending bill payable was due to ongoing reconciliation processes and the lack of consensus on the accrued interest at the time of reporting. Efforts are underway to finalize the reconciliations and agree on the accrued amounts, which will be disclosed in subsequent financial statements.</p>		
15	Annex 4- summary of non-current asset register to the financial statements reflects the asset balance of Kshs 347,089,814 The balance includes land, buildings and structures of Kshs 293,216,401. However, the value	At the time of audit for the prior years, the certificate of lease in favor of Narok County Assembly measuring 2.993 Hectares dated 1 st April 2022 was not yet at our disposal. We followed up with the Narok County Government	Resolved	2023-2024

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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>of land on which the buildings and structures stand has not been disclosed. This is contrary to Regulation 136(2) of the Public Finance Management (County Governments) Regulations, 2015 which requires Counties to record each parcel of land and each building and the terms on which they are held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms and maintenance contracts. Further, the title of the land was not provided for audit.</p> <p>Further, included in the summary of non-current asset balances is transport equipment valued at Kshs.17,840,000 which were grounded for which Management has not indicated plans for their repairs and putting into use.</p>	<p>department of lands and the certificate is now available for verification. The land on which the buildings and structures stand on has been valued as per the attached documents and has been the disclosed under Annex 4 summary of non-current asset register to the financial statements for the year under review.</p> <p>Further, the management has since developed a work plan detailing the steps for the repair and restoration of these assets, supported by pre-inspection reports to guide the process.</p> <p>(Appendix 24-11 Copy of the Certificate of Lease, Request letter for valuation, Valuation report, Work plan and pre inspection reports)</p>		

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)
	In ne circumstances, value for money on expenditure on non-current assets could not be confirmed.			
16	<p>The statement of receipts and payments reflects expenditure on use of goods and services totaling Kshs. 264,574,185, which includes Ward Operation expenses of Kshs 17,818,681.00. However, review of the imprest surrender vouchers revealed the following: -</p> <p>i. Ward office cashbooks, bank statements and analysis of the memorandum cash books for all wards and nominated Members of County Assembly showing receipt and utilization of funds were not provided for audit contrary to Regulation 93(15) of the Public</p>	<p>We acknowledge the observation regarding the ward office cashbooks, bank statements, and analysis of the memorandum cash books for all wards and nominated Members of the County Assembly. We want to emphasize that these documents, which show the receipt and utilization of funds, are readily available for audit verification.</p> <p>Additionally, we would like to clarify that all procurement activities in the wards adhere to the guidelines set forth in the Commission on Revenue Allocation (CRA) circular Ref. CRA/CSO/CMG/9/VOLV/59 dated 21st October 2020 and also ward office operation and partisan staff management policy. These two outlines the appropriate procurement</p>	Resolved	2023-2024

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)
	<p>Finance and Management (County Governments) Regulation, 2015, which states that when the imprest holder needs to have his or her funds replenished, he or she shall send an abstract and analysis of his or her memorandum cash book, plus originals of the supporting payment vouchers to accounts division.</p> <p>ii. There was no structure for procurement of most of the common user items in these wards. As a result, the wards had uncontrolled and unguided spending on these items, each sourcing directly for the items.</p>	<p>processes to be followed, ensuring that all spending is conducted within the framework of established regulations.</p> <p>We also acknowledge the observation regarding the receipts used for the surrender of funds. We wish to clarify that the receipts in question were indeed serialized, bore the appropriate dates, included the official details of the merchants, and were accompanied by delivery notes. We confirm that all documentation is well documented, complete, and has been attached for audit verification. We have ensured that the records comply with all relevant financial and tax regulations, demonstrating that the goods were properly received by the wards and taken on charge.</p>		

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>
	<p>iii. Some of the receipts used for surrender of the funds were not serialized, did not bear the dates, did not bear the official details of the merchants from whom the wards procured items and they did not bear the tax registration details of the merchants and were not accompanied by delivery notes, thereby possibly denying the government tax revenue and casting doubt whether the goods were received by the wards and taken on charge.</p> <p>In circumstances, existence of effective internal controls on ward offices expenses could not be confirmed.</p>			

Guidance Notes:

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

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

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Accounting Officer

Date 16/10/25

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

Appendix II: Projects implemented by *Narok County Assembly*

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

Status of Projects completion

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

Appendix IV: Transfers from Other Government Entities

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

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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		

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

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) 2024-2025
Land	135,000,000				135,000,000
Buildings and structures	158,216,401				158,216,401
Transport equipment	17,840,000				17,840,000
Office equipment, furniture and fittings	27,050,863				27,050,863
ICT Equipment	8,982,550				8,982,550
Machinery and Equipment					
Biological assets					
Infrastructure Assets- Roads, Rails					
Heritage and cultural assets					
Intangible assets					
Work in Progress					
Total	347,089,814				347,089,814

