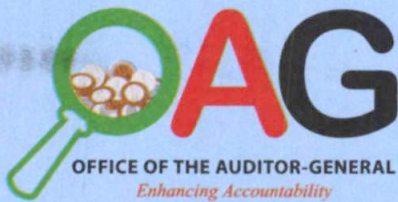




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**REPORT**  
**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**COUNTY ASSEMBLY OF KISUMU**  
**FOR THE YEAR ENDED**  
**30 JUNE, 2025**

PAPERS LAID	
DATE	4/03/2025
TABLED BY	WEDANM OBERINJA
COMMITTEE	
CLERK AT THE TABLE	ABDIRAHMAN

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(KISUMU COUNTY ASSEMBLY)  
(KISUMU COUNTY GOVERNMENT)

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2025.**

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

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

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COUNTY ASSEMBLY OF KISUMU  
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**

Comparative FY      Means the financial year preceding the current financial year.

**2. Key Entity Information and Management**

**a) Background information**

The 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 35 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and 12 nominated MCAs to represent special groups. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

**b) Key Management team**

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

No	Designation	Name
1.	Speaker of the County Assembly	Hon. Elisha Jack Oraro
2.	Clerk of the County Assembly	Mr. Owen Odhiambo Ojuok
3	i. Deputy Director Legislative Procedures and Committee Services	Mr. Peter Odero Anditi – Department of Legislative Procedures and committee services
	ii. Director Finance and Accounting Services	CPA Mark Shiunwa Imbula – Department of Finance and Accounting Services
	iii. Director Supply Chain Management	Mr. Edwin Ouma Kisia – Department of Supply Chain Management
	iv. Director HR and Administration	Mrs. Linet Akoth Ochieng – Department of HR and Administration
	v. Acting Director ICT, Hansard Research and Information Services	Mr. Wycliffe Owade – Department of ICT, Hansard Research and Information Services

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

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**c) Fiduciary Management**

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

No.	Designation	Name
1.	Accounting Officer (Clerk)	Owen Odhiambo Ojuok
2.	Director Finance and Accounting Services	Mark Shiunwa Imbula
3.	Deputy Director Finance and Accounting Services	Felix Okinyi Owuor
4.	Director Supply Chain Management	Edwin Ouma Kisia

**d) Oversight Arrangements**

**Public Accounts and Investment Committee**

Public Accounts and Investment Committee has a fiduciary responsibility to provide oversight on the County's finances. The committee members who served during the FY 2024/2025 were:

Name	Designation	Ward
1.Hon Kennedy Ouko	Chairperson	West Kisumu
2.Hon Tom Onditi	Vice chairperson	Ombeyi
3.Hon Reuben Rakwach	Member	Kolwa East
4.Hon James Omollo	Member	West Nyakach
5.Hon Nancy Matara	Member	Nominated
6.Hon Seth Okumu	Member	East Seme
7.Hon James Were	Member	Nyalenda B
8.Hon Habil Nyasuna	Member	Masogo Nyang'oma
9. Hon Mickey Awour	Member	Nominated

**Audit Committee**

The Audit committee has a fiduciary responsibility to advise the management on institutional risk management and compliance. The committee members during the FY 2024/2025 were:

**From 1<sup>st</sup> July 2024 – 14<sup>th</sup> February 2025**

No	Name	Position
1.	Lucy Mugadukha Anangwe	Chairperson
2.	George Otieno	Member
3.	Dorothy Amondi	Member

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

4.	Felix Okinyi Owuor	Member
----	--------------------	--------

**From 1<sup>st</sup> June – 30<sup>th</sup> June 2025**

No	Name	Position
1.	Lucy Mugadukha Anangwe	Chairperson
2.	Francis Otieno	Member
3.	Douglas Nyangidi	Member
4.	Felix Okinyi Owuor	Member

**Finance Committee**

The finance committee of the County Assembly has a fiduciary responsibility of ensuring public funds are utilised in accordance with the law. The committee members who served during the FY 2024/2025 were:

Name	Designation	Ward
1.Hon Carren Odhiambo	Chairperson	Kaloleni Shaurimoyo
2.Hon Lumumba Owade	Vice chairperson	South East Nyakach
3.Hon Joachim Oketch	Member	Kondele
4.Hon Mildred Ajumbo	Member	Central Seme
5.Hon Pete Oiko	Member	Kabonyo Kanyagwal
6.Hon Benson Adegga	Member	Kajulu
7.Hon George Abaja	Member	West Seme
8. Gard Oilma	Member	South West Nyakach
9. Ratib Boitone	Member	Nyalenda A

**Budget and Appropriation Committee**

This committee has a fiduciary responsibility of appropriating funds to County departments. The committee members who served during the FY 2024/2025 were:

Name	Designation	Ward
1. Hon Joachim Oketch	Chairperson	Kondele
2. Hon Geoffrey Warindu	Vice chairperson	Miwani
3. Hon Nereah Okombo	Member	Manyatta B
4. Hon Kennedy Ooko	Member	Ahero
5. Hon Ratib Boitone	Member	Nyalenda A

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

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6. Hon Moses Ochele	Member	East Kano Wawidhi
7. Hon Seth Kanga	Member	Market Milimani
8. Hon Jennipher Obonyo	Member	South West Kisumu
9. Hon Vincent Jagongo	Member	North West Kisumu
10. Hon Seth Okumu	Member	East Seme
11. Hon George Abaja	Member	West Seme
12. Hon Lumumba Owade	Member	South East Nyakach
13. Hon Carren Odhiambo	Member	Kaloleni Shaurimoyo
14. Hon Reuben Rakwach	Member	Kolwa East
15. Hon Pamela Oyoo	Member	Migosi

**e) County Assembly Headquarters**

P.O. Box 86 - 40100

ADC Building

Uhuru Road

Kisumu, KENYA

**f) County Assembly Contacts**

Telephone: 0207869725

E-mail: [kisumuassembly@gmail.com](mailto:kisumuassembly@gmail.com)

Website: [www.kisumuassembly.go.ke](http://www.kisumuassembly.go.ke)

**g) County Executive/Assembly Bankers**

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

**NAIROBI, KENYA**

2. Kenya Commercial Bank

**KISUMU**

**h) Independent Auditor**

Auditor-General

Office of The Auditor General

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

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Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
**NAIROBI, KENYA**

**i) Principal Legal Adviser**

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

**j) County Attorney/County Assembly Legal Advisor.**

- C OBIERO AND ASSOCIATES ADVOCATES – P.O. BOX 675-40100 KISUMU

### **3. Governance Statement**

#### **a. Background and roles**

County Assembly of Kisumu is constituted by the MCAs of Kisumu 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 Act 2012 provides that a county assembly shall observe the following order of precedence.




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

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

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

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

b. Profiles

Name	Qualification
 <p><b>Hon. Elisha Jack Oraro</b> Speaker of the County Assembly of Kisumu</p>	<p>Currently pursuing a PhD in Strategic Project Planning from the University of Nairobi.</p> <p>Masters in Project Design and Implementation from the University of Nairobi</p> <p>Bsc. in Water and Environment Engineering from Egerton University</p>
 <p><b>Mr. Owen Ojuok</b> Clerk of the Assembly</p>	<p>Advocate of High Court of Kenya and Clerk, County Assembly of Kisumu.</p> <p>Master of Laws (LLM) and a Bachelor of Laws (LLB) from the University of Nairobi. He is an experienced legal drafter and has served as the head of Assembly's legal department.</p>
 <p><b>Hon. Kennedy Ouma Ooko</b> Leader of Majority</p>	<p>A veteran politician and a career entrepreneur. He is a member of Kisumu County Assembly representing Ahero ward. He has a Diploma in County Governance and Management from KCA University</p>

c. Sectoral Committees

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

The County Assembly has the following Select and Sectoral committees:

- i. Committee of Powers and Privileges
- ii. Public Accounts/Investment Committee
- iii. Budget and Appropriations Committee
- iv. House Business Committee
- v. Appointments Committee
- vi. Procedure and Rules Committee
- vii. Implementation Committee
- viii. Delegated County Legislation Committee
- ix. Agriculture, Fisheries, Livestock Development and Irrigation Committee
- x. Medical Services, Public Health and Sanitation Committee
- xi. Sports, Culture, Gender and Youth Affairs Committee
- xii. Land, Housing, Physical Planning and Urban Development Committee

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

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- xiii. Education, Technical Training, Innovation and Social Services Committee
- xiv. Infrastructure, Energy and Public Works Committee
- xv. Finance and ICT Committee
- xvi. Labour and Social Welfare Committee
- xvii. Administration of Law, Justice, Constitutional Affairs, Good Governance and Security Committee
- xviii. Water, Environment, Natural Resources and Climate Change Committee
- xix. Trade, Tourism, Industry and Marketing Committee
- xx. Ward Development Committee
- xxi. Welfare and Equal Opportunities Committee
- xxii. Liaison Committee
- xxiii. General Oversight committee
- xxiv. Selection Committee

**d. Select Committees**

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

**i. Committee of Powers and Privileges**

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held 19 meetings in FY 2024-2025. The committee members during year were:

<b>Name</b>	<b>Designation</b>	<b>Ward</b>
1.Hon Elisha Oraro	Chairperson	Speaker
2.Hon Adeg Benson	Vice chairperson	Kajulu
3.Hon Emily Oginga	Member	Nominated
4.Hon Regina Kizito	Member	Nominated
5.Hon Nancy Matara	Member	Nominated
6.Hon Anne Ochola	Member	Nominated
7.Hon Samwel Onyango	Member	Railways
8.Hon Vitalis K'Omudho	Member	Muhoroni/Koru
9.Hon Kennedy Ouko	Member	West Kisumu

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

**ii. Public Accounts/Investment Committee**

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held 43 extra sittings to deal with arising matters. The members who served in the committee during the year were:

Name	Designation	Ward
1.Hon Kennedy Ouko	Chairperson	West Kisumu
2.Hon Tom Onditi	Vice chairperson	Ombeyi
3.Hon Reuben Rakwach	Member	Kolwa East
4.Hon James Omollo	Member	West Nyakach
5.Hon Nancy Matara	Member	Nominated
6.Hon Seth Okumu	Member	East Seme
7.Hon James Were	Member	Nyalenda B
8.Hon Habil Nyasuna	Member	Masogo Nyang'oma
9. Hon Mickey Awour	Member	Nominated

**iii. Budget and Appropriations Committee**

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

Name	Designation	Ward
1. Hon Joachim Oketch	Chairperson	Kondele
2. Hon Geoffrey Warindu	Vice chairperson	Miwani
3. Hon Nereah Okombo	Member	Manyatta B
4. Hon Kennedy Ooko	Member	Ahero
5. Hon Ratib Boitone	Member	Nyalenda A
6. Hon Moses Ochele	Member	East Kano Wawidhi
7. Hon Seth Kanga	Member	Market Milimani
8. Hon Jennipher Obonyo	Member	South West Kisumu
9. Hon Vincent Jagongo	Member	North West Kisumu
10. Hon Seth Okumu	Member	East Seme
11. Hon George Abaja	Member	West Seme
12. Hon Lumumba Owade	Member	South East Nyakach
13. Hon Carren Odhiambo	Member	Kaloleni/Shaurimoyo
14. Hon Reuben Rakwach	Member	Kolwa East
15. Hon Pamela Oyoo	Member	Migosi

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

**iv. House Business Committee**

The House Business committee schedules committees and house business and programs

<b>Name</b>	<b>Designation</b>	<b>Ward</b>
1.Hon Elisha Jack Oraro	Chairperson	Speaker
2.Hon Nereah Okombo	Vice chairperson	Manyatta B
3. Hon Kennedy Ooko	Member	Ahero
4. Hon Seth Kanga	Member	Market Milimani
5.Hon Seth Okumu	Member	East Seme
6. Hon Lumumba Owade	Member	South East Nyakach
7. Hon Eunice Alando	Member	Nominated
8.Hon Carren Odhiambo	Member	Kaloleni Shaurimoyo
9.Hon Jennipher Obonyo	Member	South West Kisumu

**v. Appointments committee**

The Appointments committee provides guidance for all appointments where the constitution or any other law requires the House to approve

<b>Name</b>	<b>Designation</b>	<b>Ward</b>
1.Hon Elisha Jack Oraro	Chairperson	Speaker
2.Hon Millicent Omuya	Vice chairperson	North Seme
3. Hon Kennedy Ooko	Member	Ahero
4. Hon George Abaja	Member	West Seme
5. Hon Seth Kanga	Member	Market Milimani
6. Hon. Zachary Okoyo	Member	Central Kisumu
7. Hon Nereah Okombo	Member	Manyatta B
8. Hon Eunice Alando	Member	Nominated
9. Hon Carren Odhiambo	Member	Kaloleni/Shaurimoyo

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

**vi. Implementation committee**

The Implementation committee provides guidance and follow up on County Assembly House resolutions.

Name	Designation	Ward
1. Hon James Omollo	Chairperson	West Nyakach
2.Hon. Henrietta Bodo	Vice chairperson	Nominated
3. Hon. Vincent Jagongo	Member	North West Kisumu
4. Hon. Mildred Ajumbo	Member	Central Seme
5.Hon. Ann Ochola	Member	Nominated
6.Hon Mickey Awuor	Member	Nominated
7.Hon Geoffrey Warindu	Member	Miwani
8.Hon Carolyne Opar	Member	Nominated
9.Hon. Tom Nyaoke	Member	North Nyakach

**vii. Procedures and Rules committee**

The Procedures and Rules committee provides guidance for all matters relating to standing order.

Name	Designation	Ward
1. Hon Elisha Oraro	Chairperson	Speaker
2. Hon Gard Olima	Vice chairperson	South West Nyakach
3.Hon Pamela Oyoo	Member	Migosi
4.HonNereah Okombo	Member	Manyatta B
5.Hon Kennedy Ooko	Member	Ahero
6Hon Kennedy Ouko	Member	West Kisumu
7Hon. Vincent Obuya	Member	Central Nyakach
8 Hon Emily Oginga	Member	Nominated
9Hon Kennedy Ajwang'	Member	Nominated

**viii. Delegated county Legislation committee**

The Delegated County Legislation committee provides guidance for all matters related to statutory instruments and if they are in accordance with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written laws.

Name	Designation	Ward
1.Hon Mariam Abeid	Chairperson	Nominated
2.Hon Peter Obaso	Vice chairperson	Nominated

COUNTY ASSEMBLY OF KISUMU

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

3.Hon Moses Ochele	Member	East Kano Wawidhi
4 Hon Carolyne Opar	Member	Nominated
5. Hon Samuel Dede	Member	Kisumu North
6 Hon. Kennedy Ajwang'	Member	Nominated
7. Hon. James Omollo	Member	West Nyakach
8 Hon Habil Nyasuna	Member	Masogo Nyang'oma
9 Hon. Henrietta Bodo	Member	Nominated

**ix. Agriculture, Fisheries, Livestock Development and irrigation scheme committee**

The Agriculture, fisheries, livestock development and irrigation scheme committee provides guidance for all matters relating to agriculture, including crop and animal husbandry, livestock sale yards, County abattoirs, plant and animal disease control, veterinary services (excluding regulation of the profession) and fisheries; animal control and welfare, including licensing of dogs and facilities for their accommodation, care and burial of Animals.

Name	Designation	Ward
1.Hon Eunice Alando	Chairperson	Nominated
2.Hon Bill Oliver	Vice Chairperson	Kobura
3.Hon Samuel Dede	Member	Kisumu North
4.Hon Maurice Ngeta	Member	Awasi Onjiko
5. Hon. Jennipher Obonyo	Member	South West Kisumu
6.Hon Pamela Oyoo	Member	Migosi
7.Hon Vincent Jagongo	Member	North West Kisumu
8.Hon Gard Olima	Member	South West Nyakach
9.Hon Tom Onditi	Member	Ombeyi

**x. Medical Services, Public health and Sanitation committee**

The Medical Services, Public health and Sanitation committee provides guidance for all matters relating to County health services, including, in particular County health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, cemeteries, funeral parlours and crematoria and refuse removal, refuse dumps and solid waste disposal; housing; and sanitation

Name	Designation	Ward
1.Hon. Vincent Jagongo	Chairperson	North West Kisumu

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

2.Hon. Emily Oginga	Vice chairperson	Nominated
3.Hon Joachim Oketch	Member	Kondele
4.Hon Nereah Okombo	Member	Manyatta B
5.Hon Lumumba Owade	Member	South East Nyakach
6.Hon Kennedy Ooko	Member	Ahero
7. Seth Okumu	Member	East Seme
8. Tom Nyaoke	Member	North Nyakach
9. Regina Kizito	Member	Nominated

**xi. Sports, Culture, Gender and Youth Affairs committee**

The Sports, Culture, Gender and Youth Affairs committee provides guidance for all matters relating to cultural activities, public entertainment and public amenities, including betting, casinos and other forms of gambling, racing, liquor licensing, cinemas, video shows and hiring, libraries, museums, sports and cultural activities and facilities and County parks, beaches and recreation facilities; children's welfare; and control of drugs and pornography. National Youth Service and youth affairs.

Name	Designation	Ward
1.Hon Nancy Matara Ochieng	Chairperson	Nominated
2.Hon James Were	Vice Chairperson	Nyalenda B
3.Hon Maurice Ngeta	Member	Awasi Onjiko
4.Hon Zachary Okoyo	Member	Central Kisumu
5.Hon James Omollo	Member	West Nyakach
6.Hon Benson Adegga	Member	Kajulu
7.Hon Mickey Awuor	Member	Nominated
8.Hon Vincet Jagongo	Member	North West Kisumu
9. Hon Pete Oiko	Member	Kabonyo Kanyakwal

**xii. Lands, Housing, Physical planning and Urban Development committee**

The Lands, Housing, Physical planning and urban Development committee provides guidance for all matters relating to land; county planning and development, including statistics, land survey and mapping, boundaries and fencing; housing; urban development.

Name	Designation	Ward
1.Hon Boitone Ratib	Chairperson	Nyalenda A
2.Hon Tom Nyaoke	Vice Chairperson	North Nyakach
3.Hon Seth Kanga	Member	Market Milimani
4.Hon Moses Ochele	Member	East Kano Wawidhi
5.Hon Joachim Oketch	Member	Kondele
6.Hon. Zachary Okoyo	Member	Central Kisumu
7.Hon. George Abaja	Member	West Seme

COUNTY ASSEMBLY OF KISUMU

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

8. Hon Nereah Okombo	Member	Manyatta B
9. Hon James Were	Member	Nyalenda B

**xiii. Education, Technical Training, Innovation and Social Services committee**

The Education, Technical Training, Innovation and Social Services committee provides guidance for all matters relating to pre-primary education, adult education, village polytechnics, home craft centres and childcare.

Name	Designation	Ward
1.Hon. Seth Okumu	Chairperson	East Seme
2.Hon. Habil Nyasuna	Vice Chairperson	Masogo Nyang'oma
3.Hon. Bill Oliver	Member	Kobura
4.Hon. Kennedy Ouko	Member	West Kisumu
5.Hon. Samwel Onyango	Member	Railways
6.Hon. James Omollo	Member	West Nyakach
7.Hon. Benson Adegga	Member	Kajulu
8. Regina Kizito	Member	Nominated
9. Seth Kanga	Member	Market Milimani

**xiv. Infrastructure Energy and Public works committee**

The Infrastructure Energy and Public works committee provides guidance for all matters relating to County transport, including county roads, street lighting, traffic and parking, public road transport and ferries and harbours, excluding the regulation of international and national shipping and matters related thereto; County public works and services including storm water management systems in built-up areas; firefighting services and disaster management.

Name	Designation	Ward
1.Hon Reuben Rakwach	Chairperson	Kolwa East
2.Hon Anne Ochola	Vice chairperson	Nominated
3.Hon Tom Onditi	Member	Ombeyi
4.Hon. George Abaja	Member	West Seme
5.Hon Jennipher Obonyo	Member	South West Kisumu
6.Hon Kennedy Ooko	Member	Ahero
7.Hon. Lumumba Owade	Member	South East Nyakach
8.Hon Kelvin Oraro	Member	Kolwa Central
9. Hon Vitalis K'Omudho	Member	Muhoroni Koru

**xv. Finance and ICT committee**

The Finance and ICT committee provides guidance for all matters relating to finance, financial statements, all matters of Tax estimates; monitor the spread and enhanced use of ICT in the County government to increase transparency and accountability.

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

Name	Designation	Ward
1.Hon Carren Odhiambo	Chairperson	Kaloleni Shaurimoyo
2.Hon Lumumba Owade	Vice chairperson	South East Nyakach
3.Hon Joachim Oketch	Member	Kondele
4.Hon Mildred Ajumbo	Member	Central Seme
5.Hon Pete Oiko	Member	Kabonyo Kanyagwal
6.Hon Benson Adegga	Member	Kajulu
7.Hon George Abaja	Member	West Seme
8. Gard Olima	Member	South West Nyakach
9. Ratib Boitone	Member	Nyalenda A

**xvi. Labour and Social Welfare committee**

The Labour and Social Welfare committee provides guidance for all matters relating to labour, trade union relations, manpower or human resource planning, gender, social welfare National Youth Service.

Name	Designation	Ward
1.Hon Zachary Okoyo	Chairperson	Central Kisumu
2.Hon Pete Oiko	Vice chairperson	Kabonyo Kanyagwal
3.Hon Millicent Omuya	Member	North Seme
4.Hon Alice Wajewa	Member	Nominated
5.Hon Benson Adegga	Member	Kajulu
6.Hon Regina Kizito	Member	Nominated
7.Hon Kelvin Oraro	Member	Kolwa Central
8.Hon Mickey Awuor	Member	Nominated
9.Hon Emily Oginga	Member	Nominated

**xvii. Administration of law, Justice, Constitutional Affairs, Good Governance and Security committee**

The Administration of law, Justice, Constitutional Affairs, Good Governance and Security committee provides guidance for all matters relating and to referendum, further Devolution in the County, issues of Integrity, Ethics and Conflicts of Interests including Anti-corruption and Human Rights; ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations in governance at the local level and assisting communities and locations to develop administrative capacity for the effective exercise of the functions and powers and participation in governance at the local levels; administration of law and justice, including working and collaborating with national government operatives within the County especially on security matters

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Name	Designation	Ward
1.Hon. Moses Ochele	Chairperson	East Kano Wawidhi
2.Hon. Kelvin Oraro	Vice chairperson	Kolwa Central
3.Hon. Samwel Onyango	Member	Railways
4.Hon. Mariam Abeid	Member	Nominated
5.Hon. James Were	Member	Nyalenda B
6.Hon. Anne Ochola	Member	Nominated
7.Hon. Fredrick Odari	Member	Chemelil Tamu
8. Hon Reuben Rakwach	Member	Kolwa East
9. Hon Pete Oiko	Member	Kabonyo Kanyagwal

**xviii. Water, Environment, Natural Resources and Climate Change committee**

The Water, Environment, Natural Resources and Climate Change committee provides guidance for all matters relating to the provision of clean water for Domestic use; 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.

Name	Designation	Ward
1. Hon. Samuel Dede	Chairperson	Kisumu North
2.Hon. Mickey Awuor	Vice chairperson	Nominated
3.Hon. Emily Oginga	Member	Nominated
4.Hon. Peter Obaso	Member	Nominated
5.Hon. Pamela Oyoo	Member	Migosi
6.Hon. Warindu Geofrey	Member	Miwani
7.Hon. Maurice Ngeta	Member	Awasi Onjiko
8.Hon Habil Nyasuna	Member	Masogo Nyang'oma
9.Hon Millicent Omuya	Member	North Seme

**xix. Trade, Tourism, Industry and Marketing committee**

The Trade, Tourism, Industry and Marketing committee provides guidance for all matters relating to industrialization, trade develop and regulations including markets; trade licenses (excluding regulation of profession); fair trading practices, micro finance institutions, empowerment of registered women and youth groups, insurance, proposed loans and advances by the Executive; fair trading practices and; tourism.

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Name	Designation	Ward
1.Hon. Alice Wajewa	Chairperson	Nominated
2.Hon. Kennedy Ajwang'	Vice chairperson	Nominated
3.Hon. Samuel Dede.	Member	Kisumu North
4.Hon. Mildred Ajumbo	Member	Central Seme
5.Hon. Eunice Alando	Member	Nominated
6.Hon. Peter Obaso	Member	Nominated
7.Hon. Bill Oliver	Member	Kobura
8. Hon Fredrick Odari	Member	Chemelil Tamu
9.Hon Vitalis K'Omudho	Member	Muhoroni Koru

**xx. Ward Development committee**

The Ward Development committee provides guidance for all matters relating to allocation and payments of funds; ensure prudent management of funds; receive and discuss the annual reports and returns from the wards; ensure timely submissions to the County Assembly of various returns, reports and information as required under the Act; consider project proposals submitted for various wards in accordance with the Act and make appropriate recommendations to the County Assembly; Continually review, oversee the implementation, policy framework and legislative matters that may arise in relation to the Fund; and perform such other functions as may be provided for in this Act and the membership should not be more than eleven members.

Name	Designation	Ward
1 Hon. Vitalis K'Omudho	Chairperson	Muhoroni/Koru
2.Hon. Samwel Onyango	Vice chairperson	Railways
3.Hon. Alice Wajewa	Member	Nominated
4.Hon. Mariam Abeid	Member	Nominated
5.Hon. Peter Obaso	Member	Nominated
6.Hon. Carolyne Opar	Member	Nominated
7.Hon. Kennedy Ajwang'	Member	Nominated
8.Hon. Bill Oliver	Member	Kobura
9.Hon. Henrietta Bodo	Member	Nominated

**xxi. Welfare and Equal Opportunity committee**

The Welfare and Equal Opportunity committee provides guidance for all matters concerning members' benefits and wellbeing.

Name	Designation	Ward
1.Hon Mildred Ajumbo	Chairperson	Central Seme
2.Hon. Maurice Ngeta	Vice chairperson	Awasi Onjiko

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3.Hon. Tom Onditi	Member	Ombeyi
4.Hon. Mariam Abeid	Member	Nominated
5.Hon. Carolyne Opar	Member	Nominated
6.Hon. Geoffrey Warindu	Member	Miwani
7.Hon. Eunice Alando	Member	Nominated
8.Hon. Anne Ochola	Member	Nominated
9.Hon. Fredrick Odari	Member	Chemelil Tamu

**xxii. Liaison committee**

The Liaison committee provides guidance and coordinate all committee operations, polices and mandates.

<b>Name</b>	<b>Designation</b>	<b>Ward</b>
1.Hon Nereah Okombo	Chairperson	Manyatta B
2.Hon. Vincent Jagongo	Vice Chairperson	North West
3.Hon. Elisha jack Oraro	Member	Speaker
4.Hon. Reuben Rakwach	Member	Kolwa East
5.Hon. Boitone Ratib	Member	Nyalenda A
6.Hon. Moses Ochele	Member	East Kano Wawidhi
7.Hon. Alice Wajewa	Member	Nominated
8.Hon. Samuel Dede	Member	Kisumu North
9.Hon. Kennedy Ouko	Member	West Kisumu
10.Hon. Zachary Okoyo	Member	Central Kisumu
11.Hon. Carren Odhiambo	Member	Kaloleni Shaurimoyo
12.Hon. Seth Okumu	Member	East Seme
13.Hon. Eunice Alando	Member	Nominated
14.Hon. Mariam Abeid	Member	Nominated
15.Hon. James Omollo	Member	West Nyakach
16.Hon. Nancy Matara	Member	Nominated
17.Hon. Vitalis K'Omudho	Member	Muhoroni/Koru
18.Hon. Joachim Oketch	Member	Kondele
19.Hon. Kennedy Ooko	Member	Ahero
20.Hon. Mildred Ajumbo	Member	Central Seme
21.Hon. Seth Ochieng	Member	Market Milimani
22.Hon. Lumumba Owade	Member	South East Nyakach
23.Hon. Jennipher Obonyo	Member	South West Kisumu

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24.Hon. Emily Oginga	Member	Nominated
25.Hon. Pamela Oyoo	Member	Migosi
26.Hon. George Abaja	Member	West Seme

**xxiii. General Oversight committee**

The General Oversight committee provides guidance for cross-cutting issues which cannot be a signed to particular committee

Name	Designation	Ward
1.Elisha Jack Oraro	Chairperson	Speaker
2.Hon. Caroline Opar	Vice chairperson	Nominated
3.Hon Nereah Okombo	Member	Manyatta B
4. Hon. Kennedy Ooko	Member	Ahero
5.Hon. Seth Ochieng	Member	Market Milimani
6.Hon. Lumumba Owade	Member	South East Nyakach
7. Hon. Jennipher Obonyo	Member	South West Kisumu
8.Hon. George Abaja	Member	West Seme
9.Hon. Oiko Pete	Member	Kabonyo Kanyagwal
10.Hon. Vincent Jagongo	Member	North West Kisumu
11.Hon. Maurice Ngeta	Member	Awasi Onjiko
12.Hon. Habil Nyasuna	Member	Masogo Nyagoma
13.Hon Gard Olima	Member	South West Nyakach
14.Hon. Joachim Oketch	Member	Kondele
15.Hon. Seth Okumu	Member	East Seme
16.Hon. Samuel Dede	Member	Kisumu North
17.Hon. Moses Ochele	Member	East Kano Wawidhi
18.Hon. Kelvin Oraro	Member	Kolwa Central
19.Hon. James Omollo	Member	West Nyakach
20.Hon. Pamela Oyoo	Member	Migosi
21.Hon. James Were	Member	Nyalenda B
22.Hon. Benson Adegga	Member	Kajulu
23.Hon. Mildred Ajumbo	Member	Central Seme
24.Hon. Bill Oliver	Member	Kobura
25.Hon. Boitone Ratib	Member	Nyalenda A
26.Hon. Vitalis K'Omudho	Member	Muhoroni Koru
27.Hon. Tom Nyaoke	Member	North Nyakach

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28.Hon. Vincent Obuya	Member	Central Nyakach
29.Hon. Fredrick Odari	Member	Chemelil Tamu
30.Hon. Carren Odhiambo	Member	Kaloleni Shaurimoyo
31.Hon. Zachary Okoyo	Member	Central Kisumu
32.Hon. Samwel Onyango	Member	Railways
33.Hon. Millicent Omuya	Member	North Seme
34.Hon. Tom Onditi	Member	Ombeyi
35.Hon. Kennedy Ouko	Member	West Kisumu
36.Hon. Reuben Rakwach	Member	Kolwa East
37.Hon. Geoffrey Warindu	Member	Miwani
38.Hon. Alice Wajewa	Member	Nominated
39.Hon. Anne Ochola	Member	Nominated
40.Hon. Emily Oginga	Member	Nominated
41.Hon. Eunice Alando	Member	Nominated
42.Hon. Henrietta Bodo	Member	Nominated
44.Hon. Mariam Abeid	Member	Nominated
45.Hon. Mickey Awuor	Member	Nominated
46.Hon. Nancy Matara	Member	Nominated
47.Hon. Peter Obaso	Member	Nominated
48.Hon. Regina Kizito	Member	Nominated

**xxiv. Selection committee**

The Selection committee recommends appointments of members to the house committees

<b>Name</b>	<b>Designation</b>	<b>Ward</b>
1 Hon Kennedy Ooko	Chairperson	Ahero
2.Hon Seth Ochieng	Vice chairperson	Market Milimani
3.Hon Fredrick Adonija	Member	Chemelil Tamu
4.Hon Tom Nyaoke	Member	North Nyakach
5.Hon Millicent Omuya	Member	North Seme
6.Hon Jennipher Obonyo	Member	South West Kisumu
7.Hon. Vitalis K'Omudho	Member	Muhoroni Koru
8.Hon Ratib Boitone	Member	Nyalenda A
9.Hon Pamela Oyoo	Member	Migosi

**xxv. Speaker's Panel**

The **Speaker's Panel** provides guidance for all matters to exercise all the powers vested in the Chairperson of Committee of the whole house.

<b>Name</b>	<b>Designation</b>	<b>Ward</b>
1.Hon Seth Okumu	1 <sup>st</sup> Pannelist	East Seme
2.Hon. Carren Ajwang	2 <sup>nd</sup> Pannelist	Kaloleni/Shaurimoyo
3.Hon. Emily Oginga	3 <sup>rd</sup> Panellist	Nominated

**e. Communication with all Stakeholders**

The County is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the County held 7 public participations where the different stakeholders were invited. This communication is important in ensuring that stakeholder expectations are aligned to the County Assembly's service delivery charter.

The County Assembly subjected the following legislation through public participation;

1. The Kisumu County Finance Bill, 2024
2. Kisumu County Annual Development Plan FY 2025/2026
3. Kisumu County Budget Estimates FY 2025/2026
4. Kisumu County Cess bill 2024
5. The Kisumu County Quarry Control Bill 2024
6. The Kisumu County Child protection policy 2024
7. Kisumu County Fiscal Strategy Paper FY 2025-2026

**f. Risk management**

The Assembly underscores the role of risk management and internal control as an integral part of its governance system. Therefore, it has put in place a risk management and internal control policy which helps in identification, understanding and active monitoring of risks by Heads of Department and reported to the County Assembly's service board where applicable. In addition, we have an independent internal audit department and audit committees that helps in strengthening the control and risk environment. In particular, our focus areas have been on:

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1. Developing the relevant guidelines to ensure consistent understanding and implementation of the policy by the users.
2. Documenting and communicating controls, paying close attention to the usability and understandability of the various policies, procedures, etc. Through well-prepared and clear guidelines, we have ensured effectiveness of the implementation of the internal controls decided by the Assembly and in turn allowed appropriate understanding by all users of the risks, the internal controls are supposed to address.
3. Senior management ensuring through active communication and discussion, that risks and the internal controls are developed to address them are understood widely across the organization and applied in practice by employees. In addition, actively engage people, through training and team meetings, in the identification and treatment of the risks that are part of their processes and in the development, implementation and monitoring of the related internal controls.
4. Monitoring the internal controls, in order to assess their efficiency and to detect and remediate, in a timely manner, internal controls that have become deficient, redundant or weak. Therefore, monitoring is done firstly by the individuals that are implementing or executing them in order to check their effectiveness. Secondly by the relevant heads of department and policy owners to identify issues and emerging risks and ensure continuity of the suitability of these controls. In addition, independent monitoring is usually conducted via internal and external audits in order to provide more objective assurance on maintaining the effectiveness of individual controls.

During the period under review institution identified and dealt with Compliance risk attributable to delay in exchequer release of funds- Managed through proactive engagement with the respective stakeholders and recipient organizations

**g. Compliance**

The County Assembly of Kisumu like any other in Kenya draws its mandate to the people of Kisumu County from Article 185 of the Constitution of Kenya of legislation, representation and oversight. In carrying out these functions, the Assembly is guided by the following laws and regulations.

1. The Constitution of Kenya 2010
2. The Public Finance Act 2012 and Regulations 2015
3. The Public Procurement and Disposal Act 2015 and Regulations 2020
4. The Public Audit Act 2015
5. The Public Officer Ethics Act.
6. County Governments Act 2012

The Management has complied with these laws and regulations in the following manner:

1. Involvement of its citizen through effective public participation in order to gather views on any proposed bill and or program before they are enacted in laws or implemented by publishing and publicizing the proposed bills in at least two local newspapers and website and ensuring that active citizen's involvement is undertaken in all the wards within the County.
2. Online streaming of plenary discussions in which all the issues affecting those represented by each and every Member of the County Assembly are canvassed
3. Adherence to the Accounting Cycle and timelines as provided for by the County Government Act 2012 in budget making process, accounting and reporting and over-sighting of all financial resources allocated to the County Government and Assembly of Kisumu.
4. Providing for special interest groups under the AGPO category and ensuring that 30% of all goods and services procured by the Assembly are ring-fenced for this special category of suppliers.
5. Vetting as appropriate, Chief Officers and County Executive Members to ensure those who are approved to hold office are fit to do so based on the guidelines provided by the Constitutions of Kenya specifically with respect to Chapter 6. In addition, all Members of the County Assembly have been trained and signed a public officer's code of conduct and are expected to perform their duties under such conditions.
6. The Assembly through the Committee on Public Investment examine the reports and accounts from County Public Investments such as, Kisumu City, Kisumu Water and Sewerage Company (KIWASCO), Jaramogi Teaching and Referral Hospital and Special Fund Accounts such as Kisumu County Car Loan and Mortgage Fund, Kisumu County Bursary /Education Fund amongst other and have given recommendation on where how or

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what needs to be done to improve efficiency and enhance value for money in offering services.

7. Application of county Assembly's resources in strict adherence to the budget, effectively and in an efficient manner and that there is value for money in procurement of goods and services consumed by the County Assembly.
8. Ensuring that the relevant taxes are deducted and remitted to the Commissioner of Revenue as and when they fall due.

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4. Foreword by the Clerk of the Assembly

2.1 Budget Allocation

In the financial year 2024/25 the county Assembly had a gross budget of KShs. 1,108,619,656 which was made up of KShs. 1,008,619,656 and KShs. 100,000,000 for recurrent and development vote respectively. The County Assembly spent an amount of KShs. 1,009,723,834 under the following six programmes:

Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization
	KShs	KShs	KShs	KShs	KShs
<b>Administration, Planning and</b>	<b>78,801,053</b>	<b>4,519,000</b>	<b>83,320,053</b>	<b>78,817,803</b>	<b>3,599,501</b>
Financial Services	78,801,053	4,519,000	83,320,053	78,817,803	3,599,501
<b>ICT Services</b>	<b>11,078,568</b>	<b>(500,000)</b>	<b>10,578,568</b>	<b>10,536,389</b>	<b>42,179</b>
ICT Services	11,078,568	(500,000)	10,578,568	10,536,389	42,179
<b>General Administration and</b>	<b>535,194,128</b>	<b>(1,021,584)</b>	<b>534,172,544</b>	<b>450,046,626</b>	<b>84,125,918</b>
General Administration	350,137,244	18,803,082	368,940,326	285,140,220	83,800,106
Human Resource development services	185,056,884	(19,824,666)	165,232,218	164,906,406	325,812
<b>Public Financial Management</b>	<b>8,442,346</b>	<b>-</b>	<b>8,442,346</b>	<b>8,338,628</b>	<b>103,718</b>
Budget Formulation & Coordination Services	8,442,346	-	8,442,346	8,338,628	103,718
<b>Legislation &amp; Oversight, services</b>	<b>203,404,747</b>	<b>(1,950,000)</b>	<b>201,454,747</b>	<b>200,782,011</b>	<b>672,736</b>
Legislation & oversight services	156,060,629	(3,700,000)	152,360,629	151,925,030	435,599
Policy Services (Speaker's office)	47,344,118	1,750,000	49,094,118	48,856,981	237,137
<b>County Assembly Service Board</b>	<b>271,698,814</b>	<b>(7,647,400)</b>	<b>264,051,414</b>	<b>261,202,377</b>	<b>2,849,037</b>
SP2 Committee Services	152,517,650	3,292,600	155,810,250	155,669,715	140,535
Representation & Public Participation Services	119,181,164	(10,940,000)	108,241,164	105,532,661	2,708,503
<b>Grand Total</b>	<b>1,108,619,656</b>	<b>(6,599,984)</b>	<b>1,102,019,672</b>	<b>1,009,723,834</b>	<b>92,295,838</b>

Programme 1: Administration, Planning and support services - This programme was allocated KShs 83,320,053 representing 7% of the budget. A total of KShs 78,817,803 was spent under the following sub programmes: a. Sub-programme S.P.1.1: Financial Services.

Programme 2: General Administration and Planning Services. -This programme was allocated KShs 535,194,128 representing 48% of the budget. A total of KShs 450,046,626 was spent under the following sub programmes: a. Sub-programme S.P.1.1: General Administration. b. Sub-programme S.P.1.2: Human Resource development services.

Programme 3: Public Financial Management. -This programme was allocated KShs 8,442,346 representing 1% of the budget. A total of KShs 8,338,628 was spent under the following sub programmes: a. Sub-programme S.P.1.1: Budget Formulation & Coordination Services.

Programme 4: Legislation & Oversight services -This programme was allocated KShs 203,404,747 representing 18% of the budget. A total of KShs 200,782,011 was spent under the following sub

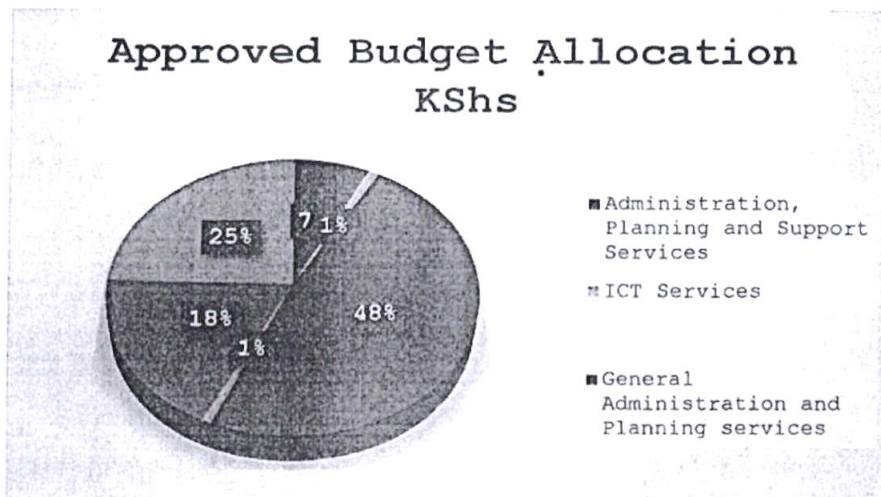
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programmes: a. Sub-programme S.P.1.1: Legislation & oversight services b. Sub-programme S.P.1.2: Policy Services

Programme 5: County Assembly Service Board-This programme was allocated KShs 271,698,814 representing 25% of the budget. A total of KShs 261,202,377 was spent under the following sub programmes: a. Sub-programme S.P.1.1: Committee Service's b. Sub-programme S.P.1.2: Representation & Public Participation Services.

Programme 6: ICT Services -This programme was allocated KShs 11,078,568 representing 1% of the budget. A total of KShs 10,536,389 was spent under the following sub programmes: a. Sub-programme S.P.1.1: ICT Services.



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Actual Performance against Budget for Year to 30<sup>th</sup> June 2025

Revenue/ex pense item	Original budget	Adjustment s	Final budget	Actual on comparable basis	Budget utilization difference	% of utiliza tion
	A	B	C=(a+b)	D	E=(c-d)	F=d/c *100
Total revenues	1,108,619,65 6	(6,599,984)	1,102,019,67 2	1,015,692,62 0	86,327,05 2	92%
Total Expenses	1,108,619,65 6	(6,599,984)	1,102,019,67 2	1,009,723,83 4	92,295,83 8	92%

Actual revenue by the County Assembly stood at 8% below budget while actual payments were 8% below budget. This is attributable to underutilization of budget allocation for some vote lines occasioned by delay in disbursement of funds from National Treasury.

**Budget Utilisation**

The County Assembly spent KShs. 1,009,723,834 against an approved budget of KShs. 1,102,019,672 representing absorption of 92%. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the Table herein:

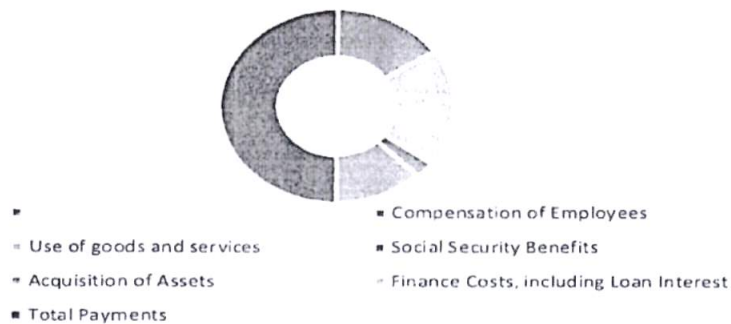
**Budget utilization as per economic items**

	Approved Budget Allocation	Actual Payments	Variance
Compensation of Employees	373,944,513	371,298,006	2,646,507
Use of goods and services	525,555,663	499,100,350	26,455,313
Social Security Benefits	36,106,646	36,106,626	20
Transfers to other Government Entities	15,000,000	15,000,000	-
Acquisition of Assets	140,412,850	82,431,808	57,981,042
Finance Costs, including Loan Interest	11,000,000	5,787,044	5,212,956
<b>Total Payments</b>	<b>1,102,019,672</b>	<b>1,009,723,834</b>	<b>92,295,838</b>

COUNTY ASSEMBLY OF KISUMU  
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Actual Payments



**(i) Operational Performance**

**a) Laws and policies passed by the Members of the Assembly during the period under review;**

1. The Kisumu County Finance Act, 2024 – Provide for various taxes, fees and charges for services and for the other revenue raising measures by the county government.
2. Kisumu County Annual Development Plan FY 2025-2026– provide framework that guided the implementation of the programs and projects in the Financial Year 2025/2026, with a view of enhancing transparency and accountability to facilitate the realization of the planned county development aspirations as envisaged in the CIDP 2024-2027
3. Kisumu County Fiscal Strategy paper FY 2025/2026 - It sets out the county priority programs to be implemented during the financial year 2025/2026 and over the MTEF period. It outlines the current state of the economy, provides fiscal outlook over the medium term and specifies the set strategic priorities and policy goals together with a summary of the Government spending plans, as a basis of the FY 2025/26 budget
4. 1<sup>st</sup> Kisumu County Supplementary Appropriation Act, 2025 – Authorizes the issue of certain sum of money out of the County Revenue Fund and their application towards the services for the year in question.
5. The Kisumu County Appropriation Act, 2025 – Authorizes the issue of certain sum of money out of the County Revenue Fund and their application towards the services for the year in question.

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6. The Kisumu County Cess Act, 2025 – It gives effect to section 101 of the PFM Act 2012 and to provide for imposition of cess to agricultural produce.
7. The Kisumu County Child protection Act, 2025 - The aim of this Policy is to shift the focus from service delivery systems that focus on single issues or problems, to approaches that identify and address root causes of vulnerability and risk, build resilience, recognize individual strengths, and empower children and families. This requires a systems’ strengthening approach which involves enhancing the capacities of institutions and systems to protect and safeguard the rights of children; effective understanding of roles and responsibilities within the system, and coordination and communication across sectors and services.

**b) The dates that the county budget was passed including the supplementary budgets;**

- Kisumu County Budget for the FY 2024/2025 - 26<sup>th</sup> June, 2024
- 1<sup>st</sup> Supplementary Budget FY 2024/2025 - 9<sup>th</sup> April 2025

**c) Assembly committees and their mandates;**

Assembly Committees		
Name	Mandates	Successes over the Period under Review
<b>County Assembly House Business Committee</b>	<p>The Committee shall –</p> <ol style="list-style-type: none"> <li>a). Prepare and, if necessary, from time to time adjust the County Assembly Calendar with the approval of the County Assembly;</li> <li>b). Monitor and oversee the implementation of the County Assembly Business and programs.</li> <li>c). Implement the Standing Orders respecting the scheduling or programming of the business of the County Assembly and the functioning of the Committees of the County Assembly;</li> <li>d). Determine the order in which the reports of Committees shall be debated in the County Assembly;</li> <li>e). May take decisions and issue directives and guidelines to prioritize or postpone any business of the County Assembly acting with the concurrence of the Leader of the Majority Party or the Leader of the Minority Party, as the case may be.</li> </ol> <p>Consider such matters as may from time to time arise in connection with the business of the County</p>	

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	Assembly and shall have and perform such powers and functions as are conferred on and ascribed to it by the Standing Orders or from time to time by the County Assembly.	
<b>County Assembly Committee on Selection</b>	The Committee shall – Nominate members to serve in Committees, save for the membership of the County Assembly Business Committee and Committee on Appointments	1.Report on realignment of the committee membership
<b>County Assembly Committee on Appointments</b>	The committee shall consider, for approval by the county Assembly, appointments under Articles 179(2) of the constitution.	<p>1.Report on the suitability of Mr. Fredrick Mariwa for appointment to the position of the CEC member, Water, Environment, Natural resources and climate change.</p> <p>2.Report on the vetting of nominees for appointment to the city board.</p> <p>3.Report on the suitability of Mr. Nashon Aluoka Ogolla for appointment to the position of the County Attorney.</p> <p>4.Report on the suitability of Dr. Joyce Okayo for the appointment to the position of CEC member, Water, Environment, Natural resources and Climate change.</p> <p>5.Report on the suitability of Dr. Rose Olayo : Nominee for the appointment to the city board.</p> <p>6.Report on the suitability of Mr. Hesbon Owuor Hongo; Nominee to the position of county secretary.</p>

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<p><b>Budget and Appropriations</b></p>	<p>Matters relating to coordination, control and monitoring of the County budget, discuss and review the estimates and make recommendations to the County Assembly; examine the County Fiscal Strategy Paper presented to the County Assembly; examine Bills related to the national budget, including Appropriations Bills; and evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.</p>	<ol style="list-style-type: none"> <li>1. Report on consideration of the proposed Kisumu County Annual Development Plan FY 2025/2026</li> <li>2. Report on consideration of the proposed Kisumu County Fiscal Strategy Paper FY 2025/2026</li> <li>3. Report on consideration of the proposed Kisumu County Finance Bill, 2024</li> <li>4. Report on consideration of the proposed Kisumu County Supplementary Budget Estimates FY 2024/2025</li> <li>5. Processing and approval of the Kisumu County Supplementary Appropriations Bill, 2024</li> <li>5. Report on consideration of the proposed Kisumu County Annual Development Plan FY 2025/2026</li> <li>6. Report on consideration of the proposed Kisumu County Budget Estimates FY 2025/2026</li> <li>7. Processing and approval of the Appropriations Bill, 2025</li> </ol>
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COUNTY ASSEMBLY OF KISUMU

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

<p><b>County Assembly Public Investment and Accounts Committee</b></p>	<p>The Committee shall - Consider Matters relating to County finance, planning and development including;</p> <ol style="list-style-type: none"> <li>1. 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;</li> <li>2. The examination of the reports, accounts and workings of the County public investments;</li> </ol> <p>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</p>	<ol style="list-style-type: none"> <li>1. PICPAC report on the examination of the Ag Report on the Financial Statements of Kisumu County Executive for the Year ended 30th June 2021 and 30th June 2023</li> <li>2. PICPAC report on the examination of the Ag Report on the Financial Statements of Kisumu County Car Loan and Mortgage Scheme Fund for the Year ended 30th June 2023 and 30th June 2024</li> <li>3. PICPAC report on the examination of the Ag Report on the Financial Statements of KIWASCO for the Year ended 30th June 2023 and 30th June 2024</li> <li>4. PICPAC report on the examination of the Ag Report on the Financial Statements of Kisumu County Social Health Insurance Fund for the Year ended 30th June 2021, 2022, 2023, and 2024</li> <li>5. PICPAC report on the examination of the Ag Report on the Financial Statements of JOOTRH for the Year ended 30th June 2023 and 30th June 2024</li> <li>6. PICPAC report on the examination of the Ag</li> </ol>
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		<p>Report on the Financial Statements of Kisumu County Education Fund for the Year ended 30th June 2023 and 30th June 2024</p> <p>7. PICPAC report on the examination of the Ag Report on the Financial Statements of Lumumba Sub County Hospital for the Year ended 30th June 2023 and 30th June 2024</p> <p>8. PICPAC report on the examination of the Ag Report on the Financial Statements of Migosi Sub County Hospital for the Year ended 30th June 2022, 2023, and 2024</p> <p>9. PICPAC report on the examination of the Auditor General's report on the financial statements of Kisumu Urban Project's Cash Expenditure Account and Project Advance Account for the Financial Year 2022/2023 and 2023/2024</p> <p>10. PICPAC report on the examination of the Ag Report on the Financial Statements of Kisumu County Referral Hospital for the Year ended 30th June 2023 and 30th June 2024</p> <p>11. PICPAC report on the examination of the Ag</p>
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COUNTY ASSEMBLY OF KISUMU

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

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		<p>Report on the Financial Statements of Nyahera Sub County Hospital for the Year ended 30th June 2022 and 30th June 2023</p> <p>12. PICPAC report on the examination of the Ag Report on the Financial Statements of Rabuor Sub County Hospital for the Year ended 30th June 2022 and 30th June 2023</p> <p>13. PICPAC report on the examination of the Ag Report on the Financial Statements of Sondu Sub County Hospital for the Year ended 30th June 2022 and 30th June 2023</p> <p>14. PICPAC report on the examination of the Ag Report on the Financial Statements of Miranga Sub County Hospital for the Year ended 30th June 2022 and 30th June 2023</p> <p>15. PICPAC report on the examination of the Ag Report on the Financial Statements of Kisumu County Emergency Fund for the Year ended 30th June 2024</p> <p>16. PICPAC report on the examination of the Ag Report on the Financial Statements of Nyakach County Level IV Hospital for the Year</p>
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COUNTY ASSEMBLY OF KISUMU  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

		ended 30th June 2023 and - 30 <sup>th</sup> June 2024.
<b>County Assembly Powers and Privileges Committee</b>	<p>The Committee;</p> <p>a). Shall, either on its own motion or as a result of a complaint made by any person, enquire into any alleged breach of the Assembly code of conduct or any conduct of any member within the Precincts of the Assembly (Other than the Chamber) which is likely to reflect adversely on the dignity or integrity of the Assembly or any member thereof.</p> <p>b). Shall inquire into any breach of privileges of the Assembly and its members as provided for under the Kenyan National Assembly (Powers and privileges) Act, Cap 6 Laws of Kenya. Shall, after inquiry as referred to in (a) and (b), report its findings to the Assembly together with its recommendations.</p>	
<b>County Sectorial Committee on Medical Services, Public Health and Sanitation</b>	<p>Matters related to County health services 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</p>	<p>1.Report on the status of Rata Health Centre and Arito Langi Dispensary in Seme Sub County.</p> <p>2.Report on the status of Kuoyo Health Centre, Nyalunya Health Centre and Orongo Dispensary in Kisumu East Sub County.</p> <p>3.Report on the inquiry into the matter of mosquito invasion in Kisumu County as sought by Hon Reuben Rakwach.</p> <p>4.Report on the Inquiry into the matter of growing mental health challenges within Kisumu County,as sought by Hon Regina Kizito.</p> <p>5.Report on the status of Nyalenda Health and Wellness Centre.</p>

COUNTY ASSEMBLY OF KISUMU

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<p><b>County Sectorial Committee on Infrastructure, energy and public works</b></p>	<p>Matters related to County transport, including County roads, street lighting, traffic and parking, public transport, ferries and harbors, excluding the regulation of international and national shipping and matters related thereto; County public works and services including storm water management systems in built up areas ;firefighting services and disaster management</p>	<p>1. Report on the matter of machine based program in Kisumu County.</p> <p>2. Report on the matter of construction of Ongoi bridge along Chemelil – Oduwo- Muhoroni road in Chemelil/Tamu ward.</p> <p>3. Report on the matter of perennial accidents at Nyamasaria overpass and other hotspot areas within the county.</p> <p>4. Report on the matter of construction of Akodhe Loth road in Chemelil/Tamu ward.</p>
<p><b>County Sectorial Committee on Administration of law, Justice, Constitutional affair, Good Governance and Security</b></p>	<p>Ensuring and coordinating participation of communities and wards in governance at local level, assisting communities and locations to develop administrative capacity for the effective exercise of the functions and powers and public participation in governance at the local levels</p>	<p>1. Report on the Huduma Mashinani Programme.</p> <p>2. Report on the petition to the County Assembly on the need for volunteerism Policy.</p>
<p><b>County Sectorial Committee on Trade Tourism, Marketing industry.</b></p>	<p>All matters relating to industrialization ,trade development and regulation including markets ;trade licenses(excluding regulation of profession),fair trading practices ,micro finance institutions ,empowerment of registered women and youth groups ,insurance ,proposed loans and advances by the county executive ,fair trading practices and tourism</p>	<p>1. Proposed market management and administrative bill sponsored by the committee</p> <p>2. Proposed Small and Medium Micro Enterprise bill 2025</p>
<p><b>County Sectorial Committee on Agriculture,</b></p>	<p>Matters related to agriculture, including crop and animal husbandry, livestock sale yards, County abattoirs, plant and animal disease control and fisheries; implementation of specific national</p>	<p>1. Report on Site Visitation to evaluate the</p>

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<b>Fisheries, Livestock development and irrigation</b>	government policies on natural resources and environmental conservation, including soil and water conservation and forestry, control of air pollution, noise pollution, other public nuisances and outdoor advertising	Operational Status of County Agricultural Facilities  2. Report on consideration of Kisumu County Cess Bill, 2024
<b>County Sectorial Committee on Lands, Physical Planning and Urban Development</b>	All matters relating to county planning and development including statistics ,land survey and mapping ,boundary and fencing ;ensuring and development and location of industries and industrialization policies are well planned and properly executed; and monitor the spread and enhance use of ICT in the county government operation to increase transparency and accountability.	1. Report on the deplorable state of Mamboleo Market in Kajulu Ward
<b>County Assembly Liaison Committee</b>	<p>The Committee shall;</p> <p>a. Guide and co-ordinate the operations, policies and mandates of all Committees;</p> <p>b. Deliberate on and apportion the annual operating budget among the Committees;</p> <p>c. Consider the programs of all Committees, including their need to travel and sit away from the precincts of County Assembly;</p> <p>d. Ensure that Committees submit reports as required by the Standing Orders;</p> <p>e. Determine, whenever necessary, the committee or committees to deliberate on any matter; and</p> <p>f. Give such advice relating to the work and mandate of select committees as it may consider necessary;</p> <p>The Liaison Committee shall consider reports of Committee that have not been deliberated by the County Assembly and shall report to the County Assembly on the consideration of such reports</p>	<p>1. Report on the consideration of Half year reports of committees for the period ended 30<sup>th</sup> June 2024</p> <p>2. Report on the apportionment of the committees operating Budgets for the FY 2024/2025</p> <p>3. Report on the consideration of Half Year Reports of committees for the period ended 31<sup>st</sup> December 2024.</p> <p>4. Report on the Kisumu County Assembly Inaugural open day held on Friday 5<sup>th</sup> July 2024.</p>
<b>County Assembly Committee on Implementation</b>	The Committee shall scrutinize the resolutions of the County Assembly (including Implementation of adopted committee reports), County Assembly of Kisumu 49 Strategic Plan 2018-2022 Implementation petitions and the undertakings given by the County Executive Committee and examine – a. Whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been	1. Report of on the House Resolution on the report by Medical Services, Public Health and Sanitation Committee on the status of Sub Counties.

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

	implemented; and whether such implementation has taken place within the minimum time necessary; and b. Whether or not legislation passed by the County Assembly has been operationalized and where operationalized, the extent to which such operationalization has taken place within the minimum time necessary. 2) The Committee may propose to the County Assembly, sanctions against any member of the County Executive Committee who fails to report to the relevant select Committee on implementation status without justifiable reasons	<p>2. Report on Projects approved in the Fiscal Year 2022/2023.</p> <p>3. Report on Projects approved in the Fiscal Year 2022/2023.</p> <p>4. Report on the implementation status of House Resolutions on the report by the Committee on Lands, Physical Planning, Housing and Urban development on the representation of the County in the Lands Control Board.</p>
<b>Speaker's Panel</b>	All matters to exercise all the powers vested in the Chairperson of Committees of the whole house.	
<b>County Sectoral Committee on Water, Environment, Natural resources and Climate change.</b>	All matters related to water provision for domestic, commercial and industrial use and irrigation of farm land	1. Report on the Cleanliness and Storm Water Management at Ahero and Sondu Markets
<b>County Sectoral Committee on Education, Technical Training, Innovation and Social Services.</b>	Matters related to pre-primary education, vocational training and social services.	1. Report on the inquiry onto the state of early childhood education program in Kisumu County.
<b>Committee on Delegated County legislation</b>	The Committee shall – Consider all matters related to statutory instruments and if they are in accordance with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written laws.	<p>1. Report on the pending regulations</p> <p>2. Regulation on bursaries</p>

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<p><b>Finance and ICT committee</b></p>	<p>All matters relating to finance, financial statements, tax estimates; monitor the spread and enhanced use of ICT in the County government to increase transparency and accountability</p>	<p>1. Report on consideration of Kisumu County Executive Quarterly report and Financial Statements for the period ended 31<sup>st</sup> March, 2025</p> <p>2. Report on consideration of Kisumu County Revenue Fund Quarterly report and Financial Statements for the period ended 31<sup>st</sup> March, 2025</p> <p>3. Report on consideration of Kisumu County Cess Bill, 2024</p>
<p><b>Procedure and Rules</b></p>	<p>All matters relating to standing order</p>	<p>1. Report on the amendments to the Standing Orders.</p>
<p><b>Sports, Culture, Gender and Youth Affairs</b></p>	<p>All matters relating to sports, cultural activities, local heritage and gender issues; public entertainment, including cinemas, video shows and hiring; control of drugs and pornography; National Youth Service and youth affairs</p>	<p>1. Report on the status of various cultural sites and football pitches within the County.</p> <p>2. Report on the status of various cultural sites and football pitches within the County.</p> <p>3. Report on the benchmarking exercise at Uasin-Gishu County Assembly.</p>
<p><b>Welfare and equal opportunities</b></p>	<p>1. Receiving and considering views of members on the services and facilities provided for their benefits and well being</p> <p>2. 2. Advising and reporting on all matters connected to the services and facilities provided for members</p>	
<p><b>General Oversight</b></p>	<p>1. Pursuant to the provisions of Article 183(3) of the Constitution, a County Executive Committee Member shall attend before the Committee on General Oversight to answer any question concerning a matter for which</p>	

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

	<p>the County Executive Committee Member is responsible.</p> <ol style="list-style-type: none"> <li>2. Paragraph (1) does not preclude any other Committee of the Assembly from requiring the attendance of a County Executive Member before it, but not for the purposes of answering questions as provided for under this Part.</li> <li>3. The Clerk shall notify the County Executive Committee Member on the Questions intended to be addressed, at least seven days before the day of the meeting, but the Speaker may certify a Question to be urgent, in which case it may be replied to as soon as the Speaker may recommend in accordance with standing order no 201 (questions by private notice).</li> <li>4. The Committee may invite more than one Executive Committee Member so as to allow the County Executive Committee Member to answer matters relating to more than one County Department in one sitting of the Committee, but not more than three Executive Committee Members may be required to appear before the Committee at such meeting.</li> <li>5. The Committee on General Oversight shall invite the Member who had been given a notice of the Questions to be replied to in the Committee.</li> <li>6. Notwithstanding the above provisions, nothing shall preclude the committee from inviting any other officer or person from attending before it to answer any question concerning a matter to which the said officer/person is responsible.</li> <li>7. Pursuant to an invitation to such officer or person, paragraph 3,4 and 5 shall apply accordingly</li> </ol>	
<p><b>Labour and social Welfare</b></p>	<p>All matters relating to labour, trade union relations, manpower or human resource planning, gender, social welfare National Youth Service</p>	

<b>Ward Development</b>	<p>All matters relating to allocation and payments of funds; ensure prudent management of funds; receive and discuss the annual reports and returns from the wards; ensure timely submissions to the County Assembly of various returns, reports and information as required under the Act; consider project proposals submitted for various wards in accordance with the Act and make appropriate recommendations to the County Assembly; Continually review, oversee the implementation, policy framework and legislative matters that may arise in relation to the Fund; and perform such other functions as may be provided for in this Act and the membership should not be more than eleven members.</p>	
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**d) Oversight role of the County Assembly**

- To vet and approve nominees for appointment to county public offices
- To approve the budget and expenditure of the County government
- To approve the borrowing by the county government
- To approve County development planning

**(ii) Performance of key development projects**

The County Assembly in the year 2024/2025 budgeted for the construction of Ultra-Modern Assembly – The County Assembly continues with the construction of the Ultra-modern Kisumu County Assembly Chambers and offices, which started in 2021.

**Value-for-money Achievements**

- i. The ultra-modern Assembly is expected to offer adequate space and a more conducive working environment. The building will further have a cafeteria, gymnasium, Members Lounge and a playing ground for indoor games.

**Outlook of the County Assembly development plans as laid out in the strategic plan;**

- Construction of Ultra-Modern Assembly to provide a conducive working environment (Chambers and offices for staff and MCAs)
- Modernized assembly, equipped with required tools and equipment for service delivery

COUNTY ASSEMBLY OF KISUMU

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

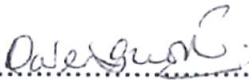
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- Enhanced human resource and administration for efficiency, through internal placement and recruitment, established performance management system, mainstream HR planning and strengthened financial management systems.
- Enhanced staff capacity building to meet current and future workloads and challenges through training of staff and MCAs.

**(iii) Challenges and recommended way forward**

Despite the notable achievements, we have experienced some challenges during the year. These include;

- We experienced a number of IFMIS challenges while doing auto bank reconciliation hence we couldn't run the FO 30 from the system. However, we have petitioned the national treasury to provide training to mitigate the problem in future.
- Delay in exchequer releases affected the budget absorption rate since some planned projects could not be fully implemented on time. However, discussion has been held between the assembly and county treasury regarding timely release of funds to avert such incidences.



**Sign**

Name: Owen Odhiambo Ojuok

Clerk of the County Assembly

**5. Statement of Performance against Predetermined Objectives**

**Introduction**

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

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

Below were the expected outputs of the assembly in FY 24/25

<b>Program 1</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Legislation, oversight and representation	Enhanced professional development of MCAs - MCAs were trained/benchmarked with a number of County Assemblies including the Senate on how they can effectively deliver on their three mandates i.e legislations, representation and oversight.	Increased ability of MCA in legislation	7 bills were passed in the County Assembly during the Financial Year; 1. The Kisumu County Finance Bill, 2024 2. The 1 <sup>st</sup> Kisumu County Supplementary Appropriation bill, 2025 3. The Kisumu County Appropriation Bill 2025-2026 4. Kisumu County Annual Development Plan FY 2025-2026 5. Kisumu County Fiscal Strategy paper FY 2025/2026 6. The Kisumu County Cess Act, 2025 7. The Kisumu County Child protection Policy, 2025	In the Financial year under review, MCAs were trained on Legislative procedures and public participation procedures.

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General Administration and Planning services	To enhance effective and efficient running of the organization	Service delivery Construction of speaker's residence	Annual work plan developed  Policies developed	Preparation of policies
County Assembly Service Board	To establish a robust organization structure, enhance staff capacity and sustain high quality performance and service delivery	Review organization structure	Public participation realized  Assembly Constituted procedures, rules, regulations, the constitution and county government act adhered to	Trained on ethical leadership, risk assessment and monitoring, knowledge management and innovation
Public Finance Management	To ensure timely development review and submission of Assembly budget estimates	Submission of the budget estimates to the County Treasury by 30 <sup>th</sup> April  Prudent Financial Management	Budget Analysed	The budget officers were trained on budget preparation and capturing of pending bills in the budget
Administration, Planning and Support Services	Developing and implementing financial policies	Capacities build for key public financial offices and the staff	Timely submission of Quarterly and Annual Financial Reports  Adherence to procurement act and regulation  Procurement plan implemented	Training on Financial reporting by National Treasury

## **6. Environmental and Sustainability Reporting**

The County Assembly of Kisumu is the Legislative arm of the County Government of Kisumu responsible for the formulation of laws that regulate the conduct and activities within the county and provide oversight

The Assembly undertook the following during the Financial Year:

### **a) Sustainability strategy and profile -**

The Assembly has a working Service Board, chaired by the Speaker, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 35 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards.

Good governance and accountability are at the heart of the Board to ensure that Assembly enacts good legislation, effective oversight and representation with zero tolerance to corruption practices, payment of outstanding pending bills and reduction of Audit queries.

### **b) Environmental performance**

The Assembly has facilitated the formulation of the Kisumu County Climate Change Action Plan whose purpose is to mitigate climate change and promote environmental Protection. Consequently, the Kisumu County Climate Change Act, 2020 further stipulates the mandates of various county departments on the role of environmental protection.

### **c) Employee welfare**

The County Assembly recognizes the need for training and development of all Hon. Members and staff. Each financial year Assembly prioritized a considerable budget to facilitate the activity: However, the Assembly is yet to operationalize a structured training where return on investment can be evidenced by a number of trainings undertaken in a financial year. Recruitment is a key component in the Assembly Human Resource Manual. The manual incorporate provisions of the constitution, new labour law and other legislation among other set standards, principles and values in hiring. Stakeholders' engagement is evidenced from the initial stages of declaring interests where Heads of Departments are invited: External stakeholders are engaged at the advertisement level through at least two newspapers of a wide circulation. The external technical officers are also captured at the selection and interview of the staff for a more responsive outcome.

The Assembly developed and implemented employee welfare and wellness programmes in the work place which included:

- i.) Medical camps for the staff;
- ii.) Voluntary counselling and testing for the staff;

**d) Market place practices-**

The county assembly of Kisumu maintains good business practises with the suppliers by informing them about our processes during tendering/ registration i.e. from advertisement to debriefing stage. Advertisement is usually done via at least two newspapers dailies with wide national circulation particularly for open tenders. We also involve the tenderers in competitive bidding by giving quotation to at least three bidders when procuring items with the threshold of quotation method. When notification of award is issued to the winning bidder, the unsuccessful bidders are also notified via regret letters where reasons for failure are stated and they are informed of who won that particular tender and the reasons thereof. Just like we like timely actions on our sides, suppliers also like prompt payments on their side.

**e) Community Engagements**

County Assembly of Kisumu continues to engage members of the community and ensuring that they are part of the decisions and developments in the Assembly through the Assembly live broadcasts in various social media platforms through the Assembly Broadcasting Unit which has ensured openness in the Assembly.

## 7. Management Discussion and Analysis

During the year ending 30<sup>th</sup> June 2025, Kisumu County Assembly focused on several strategic initiatives aimed at strengthening governance, improving public service delivery, and ensuring economic growth. Key projects include:

- **Public Participation Initiative:** We launched a robust public participation program to increase citizen engagement in the legislative process. This initiative involved setting up forums across the county to gather feedback on proposed laws and policies.
- **Infrastructure Development:** The Assembly prioritized infrastructure improvements, key project here is the construction of ultra-modern chambers and offices for the assembly, refurbishment of office spaces and upgrading of ICT systems to facilitate smoother legislative processes and enhance operational efficiency.
- **Legislative Review Program:** A comprehensive review of outdated laws and regulations was commenced. This is expected to modernize the legislative framework and ensure it aligns with current socio-economic needs.

### 2. Compliance with Statutory Requirements

- **Public Finance Management Act:** The Assembly adhered to budgetary guidelines and timelines, with financial records maintained in accordance with established regulations.
- **Procurement and Asset Disposal Act:** All procurement processes have been conducted transparently, with contracts awarded based on competitive bidding and adherence to procurement laws.
- **Human Resource Compliance:** The Assembly complied with statutory requirements related to employee benefits, payroll remittances (e.g., PAYE, NSSF, NHIF), and workplace safety standards.

### 3. Major Risks Facing the Organization

- -Limited public awareness on the role of the Assembly
- Inadequate capacity of Members and technical staff to make laws and exercise oversight and representation
- Weak public participation/Civic education
- Weak engagement mechanisms between the Assembly and stakeholders
- **Revenue Shortfall:** Dependence on national government allocations poses a risk due to delayed disbursements. This affects the Assembly's ability to fund ongoing projects and meet operational expenses.
- **Political and Policy Changes:** Frequent shifts in political priorities at both county and national levels can lead to interruptions in project funding and execution.

### 4. Material Arrears in Statutory and Other Financial Obligations

The Assembly has encountered some arrears in statutory payments:

- **Pension and Payroll Remittances:** There are minor delays in remitting pension contributions and statutory payroll deductions due to cash flow issues caused by delayed allocations. Efforts are underway to settle these obligations promptly.

#### 5. Review of the Economy and Sector

- Inflationary Pressures: Kenya has experienced increased inflation rates, affecting both operational costs and the disposable income of constituents.
- Devolution and Revenue Allocation: County governments, including Kisumu, have received relatively stable but delayed allocations, impacting budget execution.
- Sector Performance: The legislative sector has seen a push for digital transformation, and the Assembly is aligning itself with this trend to enhance public access and legislative efficiency.

#### 6. Future Developments

- Digital Transformation: Plans are underway to digitize legislative processes, including electronic voting and digital documentation, to improve transparency and efficiency.
- Expansion of Public Participation: We aim to expand our public participation framework further, engaging citizens through both physical and digital forums to ensure inclusive decision-making. This will include having citizens' engagements forums upto the village level.
- Capacity Building: Continuous training for Assembly members and staff is planned to improve governance skills, with a focus on legislative drafting, project management, and public administration.
- Environmental and Sustainability Projects: In alignment with national goals, we are exploring initiatives focused on sustainable development, including waste management and green energy projects within Kisumu.

#### 7. Other Relevant Information

The Assembly has also focused on enhancing stakeholder engagement and transparency:

- Annual Reporting and Accountability: We have strengthened our reporting practices to include quarterly financial and operational performance reports accessible to stakeholders and the public.
- Enhanced Community Outreach: In addition to public forums, the Assembly has implemented social media engagement strategies to keep constituents informed on legislative matters, helping to increase transparency and trust in our work.
- Corporate Social Responsibility: The county assembly has engaged with Public entities with a view of giving support through donations of old furniture and other items that are in good condition but not being utilized.

#### **8. Statement of Management Responsibilities**

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly financial statements, which give a true and fair view of the state of affairs of the County Assembly for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county Executive/assembly; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the county Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

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

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

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

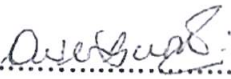
COUNTY ASSEMBLY OF KISUMU  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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

**Approval of the financial statements**

The County Assembly of Kisumu financial statements were approved and signed by the Clerk on 15<sup>th</sup> August 2025.

  
.....

**Sign**

Name: Owen Odhiambo Ojuok  
Clerk of the County Assembly

# REPUBLIC OF KENYA

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



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

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

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### **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 Kisumu set out on pages 1 to 42, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

statement of net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 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 Kisumu 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. Non-Compliance with Transitional IPSAS Reporting Template**

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

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

#### **2. Unsupported Additions on Work in Progress**

The statement of financial position and as at disclosed in Note 14 to the financial statements reflects balance of Kshs.350,936,259 in respect of property, plant and equipment. This amount Includes additions during the year of Kshs.70,836,833 in respect of work in progress. Review of the payment records in respect of certified works revealed that the Management paid for two (2) certificates (Certificate 5A and 5B) amount of Kshs.36,205,426.70 and Kshs.34,631,406 respectively.

However, the payments for the certified works were not supported with a bill of quantities quantifying works done in relation to the original bill of quantities as well as tabulation of total cost incurred. Although the Contractor requested for price adjustments and negotiations were done on 10 April, 2025, Management did not provided adjusted rates and the new total cost of the project in relation to the original bill of quantities.

Further, the statement of financial position reflect a balance of Kshs.350,936,259 in respect of property, plant and equipment. However, Note 14 to the financial statements reflect a balance of Kshs.350,942,040 resulting to unreconciled variance of Kshs.5,781.

In the circumstances, the accuracy and completeness of additions on the work in progress amount of Kshs.70,836,833 as at 30 June, 2025 could not be confirmed

### **3. Variances in Transfers between County Assembly and County Revenue Fund**

The statement of financial performance and as disclosed in Note 6 to financial statements reflect an amount of Kshs.1,074,231,922 in respect of transfers from County Revenue Fund. However, review of the statement of financial performance for County Revenue Fund reflect an amount of Kshs.1,015,692,620 in respect of transfers to County Assembly resulting to unexplained variance of Kshs.58,539,302.

In the circumstances, the accuracy and completeness of the transfers from County Revenue Fund amounting to Kshs.1,074,231,922 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 Kisumu 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 and actual amounts (Recurrent and Development Combined) reflects final receipts budget and actual on comparable basis of Kshs.1,102,019,672 and Kshs.1,015,692,620 respectively, resulting in an under-funding of Kshs.86,327,052 or 8% of the budget.

The under-funding affected the planned activities and may have impacted negatively on service delivery to the residents of Kisumu 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, I have determined that there are no other key audit matters to communicate in my report.

#### **Other Matters**

##### **Unresolved Prior Year Issues**

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the College in 2024/2025 revealed that the following eight (8) issues remained unresolved as at 30 June, 2025.

S/No.	Financial Year	Audit Issue
1	2023/2024	Misclassified Payments on Reimbursement to Members of County Assembly
2	2023/2024	Unconfirmed Other Pending Payables
3	2023/2024	Non-Compliance with the One Third of Basic Salary Rule
		Delays in Remittance of Statutory Deductions
4	2023/2024	Non-Compliance with Law on Ethnic Composition
5	2023/2024	Delays in Remittance of Statutory Deductions
	2023/2024	Delayed Completion of the Proposed Ultra-Modern Assembly Chambers Office and Associated Works
6	2023/2024	Foreign Travel and Subsistence 8.1. Foreign Travel and Subsistence-Multipurpose Visit to Amarillo, Texas USA 8.2. Facilitation of Study Tour Visit of Public Health Committee in Uganda 8.3. Facilitation on Invitation to Familiarization Tour of Uganda Chamber of Commerce

### Other Information

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

In connection with my audit on the County 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. Non-Compliance with Law on Ethnic Composition**

Review of payroll records revealed that the total number of employees on the County Assembly's payroll were 85 out of which 74 or 87.1% of the total number were members of the dominant ethnic community in the geographical area. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in the 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.

### **2. Failure to Deduct Capacity Levy on Contracts Issued**

The Public Procurement Regulatory Authority (PPRA) gave guidelines to all procuring entities to deduct 0.03% levy on all contracts entered into after 1 September 2024, as well as any contract extensions, renewals and or variations made from 1 September, 2024. Review of payment vouchers and procurement files revealed assembly paid Kshs.57,190,972. However, Management did not deduct 0.03% capacity levy amounting to Kshs.17,157 contrary to Paragraph 3 (1) of the Public Procurement Capacity Building Levy Order, 2023 states that there shall be paid a Levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

In the circumstances, the Assembly was in breach of the Public Procurement Capacity Building Levy Order, 2023.

### **3. Failure to Submit Reports to Public Procurement Regulatory Authority**

Review of procurement records revealed that the Assembly did not submit mandatory reports including direct procurements of a value exceeding Kshs.500,000, disposal of public asset(s) to employee, quarterly reports on contracts awards, quarterly reports on contracts amendments and variations, report on seeking approval for use of Alternative Selection Method for Consultancy services and six (6) Months report on preferences and reservation of contracts awarded to Youth, Women and Persons with Disability.

In the circumstances, the Assembly was in breach of the Public Procurement Regulatory Authority Circular No.01/2016

### **4. Non-Compliance with Remittance of Statutory Deductions**

The statement of financial performance reflects compensation of employees amount of Kshs.369,565,089 as disclosed in Note 7 to the financial statements. Review of payment vouchers and other records provided for audit review revealed that management did not comply with deadlines for remittance of statutory deductions

amounting to Kshs.74,421,455 comprising of Pay As You Earn (PAYE) Kshs.41,560,064, pension deductions Kshs.7,609,037 and car loan and mortgage deductions of Kshs.23,516.878 to the relevant authorities. This was Regulation 23(2)(a) of the Public Finance Management (National Government) Regulations, 2015, which requires Accounting Officers to comply with all tax obligations, levies, duties, pension commitments, and audit requirements as stipulated by legislation.

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

#### **5. Lack of Approval for Opening Bank Accounts**

Review of bank records revealed that the Assembly operates four (4) bank accounts. However, the Management did not provide for audit verification approval from the County Treasury to open and operate three (3) banks accounts in accordance with Section 119 of the Public Finance Management Act, 2012 which states that the County Treasury is responsible for authorizing the opening, operating and closing of bank accounts for the county government and its entities, except as otherwise provided by other legislation and in accordance with regulations made under this Act.

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

#### **6. Irregular Payments from Retention Account**

Review of retention account transactions revealed that payments amounting to Kshs.1,494,982 were paid to a Company for certificate No.1 for the construction of Speakers Residence on 8 April, 2024. The amount was made out of the retention bank account contrary to Regulation 53(1) of the Public Finance Management (County Governments) Regulations, 2015 that provides that 'except as provided for in the Act and these Regulations, an Accounting Officer of an entity may not authorize payment to be made out of funds earmarked for specific activities for purposes other than those activities (2) A public officer who makes a payment contrary to paragraph (1) commits an offence under the Act.

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

#### **7. Delayed Completion of Ultra-Modern Assembly Chambers Office and Associated Works**

The construction of ultra-modern County Assembly of Kisumu chambers and offices and associated works started on 18 January, 2022. The contract agreement was signed on 19 January, 2022 and this was the contract start date which was to run till 18 January, 2024 at a contract sum of Kshs.418,356,349. As at the time of audit, a total of Kshs.223,498,967 had been paid to the contractor as follows; Kshs.72,340,498 for certificate no 1, Kshs.40,150,737 for certificate number 2, Kshs.24,363,147 for certificate number 3, Kshs.50,439,158 for certificate number 4, certificate 5 Kshs.36,205,426.71 and certificate 6 Kshs.34,631,406.29.

The contractor engaged in an assignment and handed over the site to the new assignee on 7 January, 2025 at the same contract price. The assignee was to complete the works by 8 September, 2025. However, the progress report as at 30 June, 2025 showed that overall progress on works done was at 65%. As at the time of the inspection on the project was still incomplete and the following observations were made:

- i. The audit was not able to confirm percentage of work done by the initial contractor as at the time of handing over the site to the new assignee on 7 January, 2025.
- ii. It was also observed that other than the lift, there were no other provisions within the building that were meant to cater for Persons with Disability and thus the building was not PWD friendly.
- iii. Review of the work plan of the assignee and progress report by clerk of works report showed that there was a delay in the works to be completed as indicated below.

<b>Works to be done</b>	<b>Original Plan</b>	<b>Clerk of Works Progress Report</b>
2-4 <sup>th</sup> Floor Droppings on embedded cable pathways	To end on 13 June, 2025	As at 30 June, 2025 works were at 85%
5 <sup>th</sup> Floor. Embedded cable pathways -	To end on 29 June, 2025	As at 30 June, 2025 works were at 70 %
Casting and Masonry Works on the drivers' pool area as part of internal walling partitions and external walling plastering	To end 20 April, 2025	As at 95 %

As a result of the delay, service delivery to the public may have been adversely affected and the public may not get value for the money spent.

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

#### Non-Implementation of Internal Audit Work Plan for the Year 2024/2025

Review of audit committee minutes provided during audit revealed that no internal audit report was discussed and approved by the audit committee in the last four quarters of the financial year 2024/2025 contrary to Regulations 166 (1) & (2) of the

Public Finance Management (County Governments) Regulations, 2015 which requires that, each head of internal audit unit shall prepare a quarterly internal audit report which shall cover areas provided for in guidelines which shall be submitted within 14 days of the end of the quarter to the Accounting Officer of the concerned entity, the Audit Committee and the County Treasury.

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

### **1. Inadequate Internal Audit Coverage**

Review of the 2024/2025 internal audit work plan revealed that the internal audit function targeted four (4) audit areas which included; financial report 4<sup>th</sup> Quarter 2023/2024, 1<sup>st</sup> Quarter 2024/2025, 2<sup>nd</sup> Quarter 2024/2025 and 3<sup>rd</sup> Quarter 2024/2025. However, it was noted that the audit covered only one (1) area financial audit 1<sup>st</sup> Quarter 2024/2025, this was attributed to understaffing in the department with two (2) staff against the staff establishment of three (3). The work of the Internal Audit may have been curtailed by lack of staff and resources. The understaffing constitutes a breach of Regulation 155 (2) (a) of the Public Finance Management (County Governments) Regulations, 2015. The Regulation mandates that Accounting Officers ensure their internal audit unit's organizational structure enables the entity to fulfill its internal audit obligations effectively.

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

### **2. Non-Compliance with Two Thirds of Basic Salary Rule**

Review of the payrolls revealed that between July and November, 2024, sixty-four (64) employees earned net salaries of less than a third of the basic salary. This was contrary to Section 19(3) of the Employment Act, 2007, which states that the total amount of deduction of the wages of an employee shall not exceed two-thirds (2/3) of such wages.

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

### **3. Bank Overdraft not Supported with Approval**

Review of contract documents relating to bank overdrafts revealed that in the year 2023/2024, the County Assembly of Kisumu signed a contract with a local commercial bank through the department of Finance and Economic Planning for the provision of bank overdrafts for Payroll Processing purposes to ensure effective and timely payment of salaries to its employees on the 28<sup>th</sup> of every month. The following documents were not provided to support the approval of the bank overdraft, approval of the County Assembly as required by Article 212 of the Constitution of Kenya 2010, quarterly and annual reports by the County treasury on loans to the County Assembly as required by Section 122(5) of the Public Finance Management Act 2012. In addition, the Hansard report provided for audit review to support approval did not give details of the ceiling for overdraft limits.

In the circumstances, the approval for the overdrafts taken could not be confirmed and the Assembly was in breach of the laws.

### **3. Failure to Tag Assets**

The statement of financial position reflects property, plant and equipment balance of Kshs.350,936,259 as disclosed in Note 14 to the financial statements. Review of Assembly's fixed assets register revealed that the assets were not tagged and thus not possible to reconcile the fixed assets register against the physical assets.

Further, the Assembly did not disclose the cost of the land where the County Assembly's Ultra - Modern Assembly is under Construction, or provide ownership documents such as the title deed for the land.

In the circumstances, proper management and control on usage of fixed assets by the Management could not be confirmed.

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

#### **Responsibilities of the Management and those Charged with Governance**

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

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

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

17 December, 2025

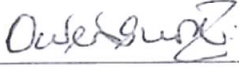
COUNTY ASSEMBLY OF KISUMU  
**Annual Report and Financial Statements for the year ended June 30, 2025.**


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

Description	Notes	Period ended June 2025
		<b>Kshs</b>
<b>Revenue from non-exchange transactions</b>		
Transfers from CRF	6	1,074,231,922
<b>Total revenue</b>		<b>1,074,231,922</b>
<b>Expenses</b>		
Employee costs	7	369,565,089
Use of goods and services	8	427,793,634
Depreciation and amortization expense	9	4,785,399
Finance costs	10	5,787,044
<b>Total expenses</b>		<b>807,931,165</b>
<b>Surplus/Deficit for the year</b>		<b>266,300,756</b>
<b>Net Surplus/Deficit</b>		<b>266,300,756</b>

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

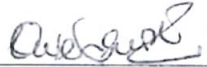
  
 \_\_\_\_\_  
 Clerk of the Assembly  
 Name: Owen Odhiambo Ojuok

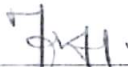
  
 \_\_\_\_\_  
 Director Finance and Accounting  
 Name: Mark Shiunwa Imbula  
 ICPAK Member Number: 32717

11. Statement of Financial Position as at 30 June 2025

Description	Notes	Period ended June 2025	Opening Statement
			1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	11	32,069,383	21,929,795
Prepayments	12	23,946,310	-
Receivables from Non-Exchange Transactions	13	58,539,302	-
<b>Total Current Assets</b>		<b>114,554,995</b>	<b>21,929,795</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	14	350,936,259	283,202,699
<b>Total Non- Current Assets</b>		<b>350,936,259</b>	<b>283,202,699</b>
<b>Total Assets (A)</b>		<b>465,491,254</b>	<b>305,132,494</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	15	49,385,844	155,327,829
<b>Total Current Liabilities</b>		<b>49,385,844</b>	<b>155,327,829</b>
<b>Total Non- Current Liabilities</b>			
<b>Total Liabilities (B)</b>		<b>49,385,844</b>	<b>155,327,829</b>
<b>Net Assets (A-B)</b>		<b>416,105,409</b>	<b>149,804,666</b>
<b>Represented by:</b>			
Accumulated Surplus		416,105,409	149,804,666
<b>Net Assets</b>		<b>416,105,409</b>	<b>149,804,666</b>

The financial statements set out on page 2 were signed by:

  
Clerk of the Assembly  
Name: Owen Odhiambo Ojuok

  
Director Finance and Accounting  
Name: Mark Shiunwa Imbula  
ICPAK Member Number:32717

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

	Accumulated Surplus	Total
As at 30 <sup>th</sup> June 2024 (cash basis)	532	532
Adjustments:		149,804,134
Recognition of assets	283,202,699	-
Recognition of liabilities	(133,398,566)	-
<b>As at July 1, 2024</b>	<b>149,804,666</b>	<b>149,804,666</b>
Return to CRF	(13)	(13)
Surplus/ deficit for the year	266,300,756	266,300,756
<b>As at June 30, 2025</b>	<b>416,105,409</b>	<b>416,105,409</b>

Note: Prior year adjustment relates to recurrent bank balances swept to the CRF.

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

Description	Notes	Period ended June 2025
		<b>Kshs</b>
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from CRF		1,015,692,620
<b>Total receipts</b>		<b>1,015,692,620</b>
<b>Payments</b>		
Employee costs		407,404,632
Use of goods and services		504,842,385
Transfers to other Government Entities		15,000,000
Finance costs		5,787,044
<b>Total payments</b>		<b>933,034,061</b>
<b>Net cash flows from/(used in) operating activities</b>	16	<b>82,658,558</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE		(72,518,958)
<b>Net cash flows from/(used in) investing activities</b>		<b>(72,518,958)</b>
<b>Cash flows from financing activities</b>		
Returns to CRF		(13)
<b>Net cash flows from financing Activities</b>		<b>(13)</b>
<b>Net increase/(decrease) in cash &amp;</b>		<b>10,139,587</b>
<b>Cash equivalents</b>		
Cash and cash equivalents as at Period Start	11	21,929,795
<b>Cash and cash equivalents as at Period End</b>	<b>11</b>	<b>32,069,382</b>

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

*\*Refer to reconciliation worksheet APPENDIX III*

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

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

Recurrent and Development Budgets Combined

Revenue/expense 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 *100
<b>Revenues</b>						
Transfers from CRF	1,108,619,656	(6,599,984)	1,102,019,672	1,015,692,620	86,327,052	92%
<b>Total revenues</b>	<b>1,108,619,656</b>	<b>(6,599,984)</b>	<b>1,102,019,672</b>	<b>1,015,692,620</b>	<b>86,327,052</b>	<b>92%</b>
<b>Expenses</b>						
Employee costs	417,007,829	(43,063,316)	373,944,513	371,298,006	2,646,507	99%
Use of goods and services	487,073,351	38,482,312	525,555,663	499,100,350	26,455,313	95%
Transfers to other Government Entities	15,000,000	-	15,000,000	15,000,000	-	100%
Social Security Benefits	36,106,646	-	36,106,646	36,106,626	20	100%
Finance costs	11,000,000		11,000,000	5,787,044	5,212,956	53%
<b>Total</b>	<b>966,187,826</b>	<b>(4,581,004)</b>	<b>961,606,822</b>	<b>927,292,026</b>	<b>34,314,796</b>	<b>96%</b>
<b>Capital items</b>						
Acquisition of PPE	142,431,830	(2,018,980)	140,412,850	82,431,808	57,981,042	59%
<b>Total expenses Development</b>	<b>142,431,830</b>	<b>(2,018,980)</b>	<b>140,412,850</b>	<b>82,431,808</b>	<b>57,981,042</b>	<b>59%</b>
<b>Total Expenses</b>	<b>1,108,619,656</b>	<b>(6,599,984)</b>	<b>1,102,019,672</b>	<b>1,009,723,834</b>	<b>92,295,838</b>	<b>92%</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,968,786</b>	<b>(5,968,786)</b>	

Reconciliation table

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	5,968,786
1	Basis difference	4,170,814
2	Timing differences	21,929,795
3	Classification differences	(13)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	32,069,382

Budget Notes

1. The change of kshs. (6,599,984) between original and final budget was due to changes in the supplementary budget. (IPSAS 24.29)
2. Underutilization of 59% under Acquisition of assets was due delay in the release of exchequer

## **15. Notes to the Financial Statements**

### **1. General Information**

County Assembly of Kisumu 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; legislation, oversight and representation.

### **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 1<sup>st</sup> 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 30<sup>th</sup> June 2025.*

#### **Basis of Preparation**

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the 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 30<sup>th</sup> 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 MtCO<sub>2</sub>eq. 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.

COUNTY ASSEMBLY OF KISUMU

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><b>These changes have been assessed and the County Assembly of Kisumu assets will be impacted upon application of this standard.</b></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><b>These changes have been assessed and at the moment they have no effect on the operations of the County Assembly of Kisumu.</b></p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1<sup>st</sup> 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>

COUNTY ASSEMBLY OF KISUMU

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

Standard	Effective date and impact:
	These changes have been assessed and the County Assembly of Kisumu assets will be impacted upon application of this standard.
IPSAS 46 Measurement	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b>These changes have been assessed and the County Assembly of Kisumu assets and liabilities will be impacted upon application of this standard.</b></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 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b>These changes have been assessed and the County Assembly of Kisumu revenue will be impacted upon application of this standard and reported as per the requirements of the standard.</b></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1<sup>st</sup> 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,</p>

COUNTY ASSEMBLY OF KISUMU

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Standard	Effective date and impact:
	<p>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> <p><b>Management has assessed the new standard, and it has no impact to the entity</b></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><b>Management has assessed the new standard, and it has no impact to the entity</b></p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><i>Applicable 1<sup>st</sup> 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"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.  <ul style="list-style-type: none"> <li>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.</li> </ul> </li> <li>ii. 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.</li> </ul> <p><b>Management has assessed the new standard, and it has no impact to the entity</b></p>

*iii) Early adoption of standards*

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

**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 fulfilment of the set conditions.

**ii) Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2024/25 was approved by the County Assembly on 26<sup>th</sup> June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of *Kshs. 6,599,984* on the 2024/25 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

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

**Budget information (continued)**

The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial cash flows has been presented on page 5 (Reconciliation table) 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 years as will determined by the policy. 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

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All Assets recognised in the Financial statement will be depreciated in line with NALM guidelines as follows

Building – 2%-10%

Furniture and Fittings - 12.5%

Computers and ICT Equipment – 33.30%

**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

Notes to the Financial Statements (Continued)

are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**i) Financial instruments**

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

**i. Financial assets**

**Classification of financial assets**

The 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 cash flows 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.

**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).

**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. (*None*).

**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 Speaker of the county assembly and, Clerk of the county Assembly and Directors.*

**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.

**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

COUNTY ASSEMBLY OF KISUMU

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

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

**Provisions**

There were provisions raised. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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

COUNTY ASSEMBLY OF KISUMU

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Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance. Kshs	Amount deferred under deferred income. Kshs	Total transfers 2024-2025
			Kshs
Recurrent	1,002,019,672	-	1,002,019,672
Development	72,212,250	-	72,212,250
<b>Total</b>	<b>1,074,231,922</b>	<b>-</b>	<b>1,074,231,922</b>

7. Employee Costs

Description	Period ended
	Jun-25
	Kshs
Basic salaries of permanent employees	167,886,329
Personal Allowances paid as Reimbursements	5,012,996
Personal allowances – part of salary	141,970,882
Employer contributions to compulsory national health insurance schemes	13,902,818
Other social benefit schemes	36,106,626
Social Benefit Schemes Outside Government	4,685,438
<b>Employee costs</b>	<b>369,565,089</b>

8. Use of Goods and Services

Description	Period ended
	Jun-25
	Kshs
Utilities, supplies and services	857,717
Communication, supplies and services	4,635,190
Domestic travel and subsistence	201,836,173
Foreign travel and subsistence	41,247,732
Printing, advertising, and information supplies & services	9,610,388
Rentals of produced assets	12,862,622
Training expenses	31,708,398
Hospitality supplies and services	13,339,220
Insurance costs	24,645,228
Specialized materials and services	4,489,900
Other operating expenses including bank Charges	59,950,727
Office and general supplies and services	13,294,439
Fuel Oil and Lubricants	4,345,182
Routine maintenance – vehicles and other transport equipment	4,280,569
Routine maintenance – other assets	690,150
<b>Total</b>	<b>427,793,634</b>

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

9. Depreciation and Amortization Expense

Description	2024-2025
	Kshs
Property, plant and equipment	4,785,399
<b>Total</b>	<b>4,785,399</b>

10. Finance Costs

Description	2024-2025
	Kshs
Interest on bank overdrafts	5,787,044
<b>Total finance costs</b>	<b>5,787,044</b>

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

11. Cash and Cash Equivalents

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Recurrent Account	5,967,792	13
Development Account	-	-
Deposits Account	26,100,077	21,929,263
KCB operating commercial accounts	1,513	519
<b>Total</b>	<b>32,069,383</b>	<b>21,929,795</b>

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

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

Financial Institution	Account number	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
Recurrent Accounts			
CBK00001	1000194747	5,967,792	13
Development Accounts			
CBK00002	1000184758	-	-
Deposits Accounts			
CBK00003	10000451618	26,100,077	21,929,263
KCB operating commercial accounts	114204197	1,513	519
<b>Total</b>		<b>32,069,383</b>	<b>21,929,795</b>

**12. Prepayments**

Description	Period ended	Opening Statement
	Jun-25	1 <sup>st</sup> July 2024
	Kshs	Kshs
Insurance prepayments	23,690,886	-
Fuel prepayments	255,424	-
<b>Total prepayments</b>	<b>23,946,310</b>	<b>-</b>

**13. Receivables from Non-Exchange Transactions**

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Exchequer releases receivable)	58,539,302		-	
<b>Total receivables from non- exchange transactions</b>	<b>58,539,302</b>		<b>-</b>	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	2024-2025	% of the total	Opening Balance	% of the total
	Between 1-2 years	100%	-	%
	<b>Total</b>	<b>100%</b>	<b>-</b>	<b>%</b>

COUNTY ASSEMBLY OF KISUMU  
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Notes to the Financial Statements (Continued)

14. Property, Plant and Equipment

	Buildings	Furniture and fittings	Computers & ICT Equipment	Work in progress	Total
Depreciation Rate	2-10%	12.50%	33.30%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 <sup>st</sup> July 2024	31,999,091	9,397,052	515,798	241,296,539	283,208,480
Additions	1,375,417	-	306,708	70,836,833	72,518,958
As At 30th Jun 2025	33,374,508	9,397,052	822,506	312,133,372	355,727,438
<b>Depreciation And Impairment</b>					
Depreciation	3,336,873	1,174,632	273,894	-	4,785,399
As At 30th Jun 2025	3,336,873	1,174,632	273,894	-	4,785,399
<b>Net Book Values</b>					
Opening Bal as 1 <sup>st</sup> July 2024	31,999,091	9,397,052	515,798	241,296,539	283,208,480
As At 30th Jun 2025	30,037,635	8,222,421	548,612	312,133,372	350,942,040

*This work in progress relates to the Construction of Ultra-Modern Assembly, which is currently 65% complete.*

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Notes to the Financial Statements (Continued)

15. Trade and Other Payables

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Trade payables	23,285,767		133,398,566	
Third-party payments	26,100,077		21,929,263	
<b>Total trade and other payables</b>	<b>49,385,844</b>		<b>155,327,829</b>	
<b>Ageing analysis: (Trade and other payables)</b>	2024-2025	%	Opening balance	% of the Total
Under one year	14,746,471.00	30%	114,133,349.00	73%
1-2 years	-	0%	10,433,959.00	7%
2-3 years	18,878,852.00	38%	-	0%
Over 3 years	15,760,521.00	32%	30,760,521.00	20%
<b>Total (tie to above total)</b>	<b>49,385,844.00</b>		<b>155,327,829.00</b>	

16. Cash Generated from Operations

	2024-2025
	Kshs
Surplus for the year before tax	265,810,328
Adjusted for:	
Depreciation	4,785,399
Working capital adjustments	
Increase in receivables	(81,995,184)
Increase in payables	(105,941,984)
<b>Net cash flow from operating activities</b>	<b>82,658,559</b>

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

COUNTY ASSEMBLY OF KISUMU  
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**Notes to the Financial Statements (Continued)**

**17. 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:

	<b>Total amount</b>	<b>Fully performing</b>	<b>Past due</b>	<b>Impaired</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>As at 30 June 2025</b>				
Receivables from non-exchange transactions	58,539,302	58,539,302	-	-
Bank balances	32,069,383	32,069,383	-	-
<b>Total</b>	<b>90,608,685</b>	<b>90,608,685</b>	-	-

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

**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. 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
<b>As at 30 June 2025</b>				
Trade payables	-	-	49,385,844	49,385,844
<b>Total</b>	-	-	<b>49,385,844</b>	<b>49,385,844</b>

**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:

Current FY

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30 June 2025</b>			
<b>Financial Assets</b>	58,539,302	-	58,539,302
Debtors	58,539,302	-	58,539,302
<b>Total Financial Assets</b>	<b>58,539,302</b>	-	<b>58,539,302</b>
<b>Financial Liabilities</b>			
Trade And Other Payables	49,385,844	-	49,385,844
<b>Total Financial Liabilities</b>	<b>49,385,844</b>	-	<b>49,385,844</b>
<b>Net Foreign Currency Asset/(Liability)</b>	<b>9,153,458</b>	-	<b>9,153,458</b>

## 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
<b>20xx</b>			
Euro	10%	-	-
USD	10%	-	-
<b>20xx-1</b>			
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.

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

- 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.

**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
<b>As at 30 June 2025</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	
<b>Non- Financial Assets</b>				
Investment Property	-	-	-	
Land And Buildings	-	-	-	

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

**iv) Capital Risk Management**

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

	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Retained Earnings	416,105,409	149,804,666
<b>Total Funds</b>	<b>416,105,409</b>	<b>149,804,666</b>
Less: Cash And Bank Balances	(32,069,383)	(21,929,795)
Net Debt/(Excess Cash And Cash Equivalentents)	384,036,026	127,874,871
<b>Gearing</b>	<b>92%</b>	<b>85%</b>

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Notes to the Financial Statements (Continued)

18. 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.

	2024-2025
	Kshs
<b>Transactions with related parties</b>	
<b>a) Sales to related parties</b>	
Others (specify) e.g. interest and bank charges	0
<b>Total</b>	<b>0</b>
<b>B) purchases from related parties</b>	
Purchases of electricity from KPLC	246,373
Purchase of water from govt service providers	636,259
Training and conference fees paid to govt. Agencies	515,468
<b>Total</b>	<b>1,398,100</b>
<b>b) Grants /transfers from the government</b>	
Grants from national govt	0
Grants from county government	0
Donations in kind	0
<b>Total</b>	<b>0</b>
<b>c) Expenses incurred on behalf of related party</b>	
Payments of salaries and wages for xxx employees	0
Payments for goods and services for xxx	0
<b>Total</b>	
<b>d) Key management compensation</b>	
Compensation to key management (Clerk, Deputy Clerk and Head of Directorates)	27,629,004
<b>Total</b>	<b>27,629,004</b>

19. Segment Information

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*(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)*

Notes to the Financial Statements (Continued)

**20. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

	<i>2024-2025</i>
	<b>Kshs</b>
<b>Contingent Assets</b>	
Insurance Reimbursements	0
Assets Arising from Determination Of Court Cases	0
Reimbursable Indemnities and Guarantees	0
Receivables From Other Government Entities	0
<b>Total</b>	<b>0</b>

**Contingent Liabilities**

**Disclosure for Contingent Liability (Legal cases against the entity)**

1	Civil Case No. E016 of 2023 and E027 of 2022. Nancy Bosbori, Dolly Achieng Vs County Assembly of Kisumu and Others
2	Petition No. 32 of 2019; George Onyango Oloo Vs County Assembly of Kisumu

**21. Capital Commitments**

<b>Capital Commitments</b>	<i>2024-2025</i>
	<b>Kshs</b>
Authorised for	-
Authorised and contracted for	-
<b>Total</b>	<b>-</b>

*(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)*

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Notes to the Financial Statements (Continued)

22. 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: <i>N/A</i>		Name of Financing Partners: <i>N/A</i>				
Expenditure Details*	Opening Cumulative for Previous FYs		Current FY		Total Cumulative	
	Budget	Actual	Budget	Actual	Budget	Actual
Program code						
Sub-program						
Sub-program						
Sub-total						
Program code						
Sub-program						
Sub-program						
Sub-total						
<b>Total</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>

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

23. Events after the Reporting Period

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

24. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

25. Currency

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

26. 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.	Misclassified payments on reimbursement to Members of County Assembly	The management wish to state that; the misclassification has since been corrected and necessary journals passed to correct the error.	Resolved	30 <sup>th</sup> June,2025
2.	Unconfirmed other pending payables	We wish to state that the unremitted deduction of ksh. 30,760,521 arose due to fiscal challenges in the financial year 2016/2017. The management through her board resolution minute number 81 dated 12 <sup>th</sup> August 2021, undertook to repay the outstanding car loan and mortgage in instalment of ksh. 7,500,000 yearly. Currently, the management has since paid the instalment for the financial year 2023/2024 and 2024/2025 totalling to ksh 15,000,000 leaving a balance of 15,760,531 to be paid in the preceding two financial years.	Not Resolved	30 <sup>th</sup> June, 2027
		That ksh. 18,729,354 relates to retention for the construction of ultra - modern Assembly. The contract agreement and details of certificate settled are available for further audit verification.	Resolved	30 <sup>th</sup> June,2025
3.	Unsupported training expenses	The management with to state that; the total amount paid to KSG for training in the year under review was Ksh. 2,123,178 contrary to ksh. 9,432,158 as observed. That the training programmes, timetables, transcripts and certificates	Resolved	30 <sup>th</sup> June, 2025

COUNTY ASSEMBLY OF KISUMU

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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)
		are readily available for further Audit verification.		
	Budgetary control and performance	We wish to clarify that the under-funding was occasioned by delay in exchequer releases by National Treasury which made it difficult to fully absorb the budget.	Resolved	30 <sup>th</sup> June, 2025
	Unresolved prior year matters	On issues raised by the Auditors general in the financial years 2020/2021 and 2021/2022, the Assembly appeared before the Senate and all issues were resolved. On the Audit issue raised by the Auditor General in financial year 2022/2023, the management developed an Audit follow up standard procedures detailing procedures, responsibilities and time frame for implementation of recommendations. On issues raised by the Auditor General in 2023/2024 financial year, the management submitted its responses to the Senate and the issues were resolved	Resolved	30 <sup>th</sup> June, 2025
1.	Non-compliance with the one third rule	The management wish to clarify that the non-compliance with one third of basic salary rule is majorly as a result of the introduction of the housing levy in the year under review which found that most staff and Members had reached their maximum deduction limit. Members sitting allowances keeps on fluctuating each month with a constant loan obligation ( car loan and mortgage loan) thereby resulting into non-compliance with two third basic rule.	Not Resolved	30 <sup>th</sup> June 2026

COUNTY ASSEMBLY OF KISUMU

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.	Payment of salaries outside the IPPD system	The management wish to state that, currently all the Members and staff are on IPPD.	Resolved	30 <sup>th</sup> June, 2025
3.	Delays in remittance of statutory deductions	The management wish to state that the delay was occasioned by failure to receive exchequer releases in time but we wish to confirm that although late all the statutory deductions were fully paid.	Resolved	30 <sup>th</sup> June,2025
4.	Non-compliance with Law on Ethic composition	The management wish to state that the Assembly inherited most of its staff from defunct local Authority where most of the staff were predominantly from the local community, however, during the financial year 2021/2022 the Assembly recruited 22 staff on permanent and pensionable terms out of which 5 were from non -dominant ethnic community.	Not Resolved	30 <sup>th</sup> June, 2026
5.	Delayed completion of the proposed ultra-modern Assembly Chambers office and associated works	The management wish to state that the delayed completion of the ultra-modern Assembly arose due to dispute between the sub- contractor and the main contractor which led to industrial action. The contactor engaged in an assignment and handed over the site to a new assignee on 7 <sup>th</sup> Jan, 2025 at the same contract price. Currently the work is going on and the Assignee is expected to complete the work by September, 2025.	Resolved	30 <sup>th</sup> June, 2025
6.	Delayed construction of Speaker's residence	The management wish to clarify that the 5% of the remaining works which mainly comprised of external works have been fully completed and certificate of completion issued. Further wish to confirm that the residence is currently in use.	Resolved	30 <sup>th</sup> June,2025

COUNTY ASSEMBLY OF KISUMU

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)
7.1	Foreign travel and subsistence – multipurpose visit to Amarilo, Texas USA	The management wish to state that in correction of the number of days paid 9 instead of 7 days as per the circular, the management has instituted monthly recovery from the beneficiaries in the payroll of the two extra days.	Not Resolved	30 <sup>th</sup> June, 2026
7.2	Facilitation of study tour visit of public health committee in Uganda	The management wish to clarify that the visit to public health committee in Uganda was essential in that the committee was interested in understanding the hospital strategies for managing patient care, advance medical procedures, infection control, medical research, public health initiative, waste management and above all free management of cancer.	Resolved	30 <sup>th</sup> June, 2025
7.3	Facilitation on invitation to familiarization tour of Uganda Chamber of Commerce	The management wish to clarify that the tour was essential as Uganda boost of a vibrant chamber of commerce focusing on enhanced business opportunity. The Uganda chamber of commerce is over 80 years old as a nationwide umbrella organization for the private sector. Kisumu being an economic hub within East Africa had a lot to learn in enhancing business opportunity.	Resolved	30 <sup>th</sup> June, 2025
1.	Failure to Maintain an updated asset register	The management has since developed a policy on management of ICT equipment including IPDAS and the IPADS earlier included in the asset register of the Assembly has since been expunged from the register.	Resolved	30 <sup>th</sup> June, 2025
2.	Effectiveness of the Audit Committee	The management wish to clarify that the Audit Committee had planned for a forth meeting but due to unavoidable circumstances the meeting was not	Resolved	30 <sup>th</sup> June, 2025

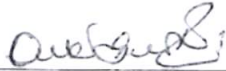
COUNTY ASSEMBLY OF KISUMU

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)
		approved. The committee takes cognisance of regulation 172 (1) of the PFM regulation 2015 of the need to meet at least quarterly.		

**Guidance Notes:**

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



Clerk of the Assembly

Name: Owen Odhiambo Ojuok

COUNTY ASSEMBLY OF KISUMU

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

Appendix II: Fixed Asset Register

Asset class	Historical Cost b/f	Additions during the year	Dispos als during the year	Transfer s in/(out) during the year	Historical Cost c/f
	(Kshs)	(Kshs)	(Kshs)		(Kshs)
	Previous Year				Current Year
Buildings and structures - Other works	25,447,648				25,447,648
Speaker's Residence	31,999,091	1,375,417			33,374,508
Transport equipment	41,491,880				41,491,880
Office equipment, furniture and fittings	29,595,019	9,397,152			38,992,171
ICT Equipment	41,651,776	712,998			42,364,774
Work in Progress	241,296,539	70,836,833			312,133,372
<b>Total</b>	<b>411,481,953</b>	<b>82,322,400</b>	-	-	<b>493,804,353</b>

Appendix III: RECONCILIATION WORKSHEET

KISUMU COUNTY ASSEMBLY CASH BASIS TO ACCRUAL BASIS RECONCILIATION WORKSHEET								
FOR THE YEAR ENDED 30TH JUNE 2025								
SCOA	ITEM DESCRIPTION	IFMIS TRIAL BALANCE EXTRACTED AS AT 30TH JUNE 2025 (CASH BASIS) (KSHS 000).	ADD: ACCRUED REVENUE (A/C RECEIVABLE)	ADD: ACCRUALS & PROVISIONS AS 30TH JUNE 2025 (KSHS).	LESS: CAPEX ITEMS 2024-2025FY. (KSHS).	LESS: PREPAYMENTS IN THE PERIOD	LESS: PENDING BILLS PAID IN THE CURRENT PERIOD	ADJUSTED FIGURES IN THE NOTES TO THE FINANCIAL STATEMENTS (KSHS) (ACCRUAL BASIS).
9910201	Transfers from CRF	1,015,692,620	58,539,302	-	-	-	-	NOTE 6
<b>TOTAL RECEIPTS</b>		<b>1,015,692,620</b>	<b>58,539,302</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,074,231,922</b>
								<b>1,074,231,922</b>
								NOTE 7
<b>PAYMENTS</b>	<b>EMPLOYEE COST</b>							
2110100	Basic Salaries - Permanent Employees	205,725,872	-	-	-	-	37,839,543	167,886,329
2110300	Personal Allowances paid as part of Salary	141,970,882	-	-	-	-	-	141,970,882
2110400	Personal Allowances paid as Reimbursements	5,012,996	-	-	-	-	-	5,012,996
2120100	Employer Contributions to Compulsory National Social Security Schemes	13,902,818	-	-	-	-	-	13,902,818
2120300	Social Benefit Schemes Outside Government	4,685,438	-	-	-	-	-	4,685,438
2710100	Government Pension and Retirement Benefits	36,106,626	-	-	-	-	-	36,106,626
		<b>407,404,632</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,839,543</b>	<b>369,565,089</b>
								NOTE 8
	<b>USE OF GOODS AND SERVICES</b>							
2210100	Utilities, Supplies and Services	986,741	-	-	-	-	129,024	857,717
2210200	Communication, Supplies and Services	5,188,915	-	-	-	-	553,725	4,635,190
2210300	Domestic Travel and Subsistence, and Other Transportation Costs	216,517,547	-	6,048,295	-	-	20,729,669	201,836,173
2210400	Foreign Travel and Subsistence, and other transportation costs	41,247,732	-	-	-	-	-	41,247,732
2210500	Printing, Advertising and Information Supplies and Services	14,055,906	-	-	-	-	4,445,518	9,610,388
2210600	Rentals of Produced Assets	15,617,569	-	-	-	-	2,754,947	12,862,622
2210700	Training Expenses	43,610,091	-	980,200	-	-	12,881,893	31,708,398
2210800	Hospitality Supplies and Servi	13,802,950	-	76,250	-	-	539,980	13,339,220
2210900	Insurance Costs	48,825,685	-	93,017	-	23,690,815	582,588	24,645,299
2211000	Specialised Materials and Supp	6,174,725	-	-	-	-	1,684,825	4,489,900
2211100	Office and General Supplies and Services	17,145,185	-	-	-	-	3,850,746	13,294,439
2211200	Fuel Oil and Lubricants	4,600,606	-	-	-	255,424	-	4,345,182
2211300	Other Operating Expenses	65,180,544	-	-	-	-	5,229,817	59,950,727
2220100	Routine Maintenance - Vehicles	5,425,835	-	207,424	-	-	1,352,690	4,280,569
2220200	Routine Maintenance - Other Assets	720,320	-	120,060	-	-	150,230	690,150
		<b>499,100,350</b>	<b>-</b>	<b>7,525,246</b>	<b>-</b>	<b>23,946,239</b>	<b>54,885,652</b>	<b>427,793,705</b>

