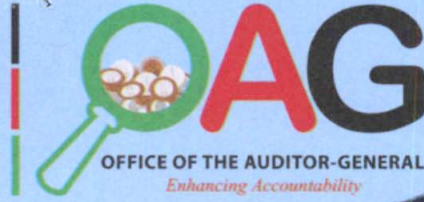
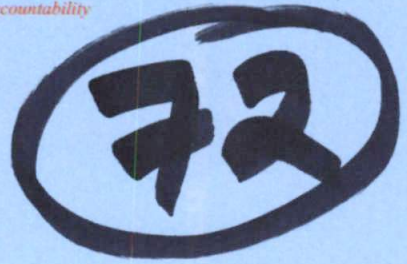


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REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF BUNGOMA

FOR THE YEAR ENDED

30 JUNE, 2025

PAPERS LAID	
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COMMITTEE	—
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COUNTY ASSEMBLY OF BUNGOMA

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

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



COUNTY ASSEMBLY
OF BUNGOMA

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

Table of Contents

Page

1. Acronyms, Abbreviations and Definitions of Key Terms.....	ii
2. Key Entity Information and Management.....	v
3. Governance Statement.....	xi
4. Foreword By the Clerk of The Assembly.....	xxxv
5. Statement of Performance against Predetermined Objectives.....	xliv
6. Environmental and Sustainability Reporting	xlviii
7. Management Discussion and Analysis	lv
8. Statement of Management Responsibilities.....	lix
9. Report of the Independent Auditor for the County Assembly of Bungoma	lxi
10. Statement of Financial Performance for the year ended 30 June 2025.....	1
11. Statement of Financial Position as at 30 June 2025	2
12. Statement of Changes in Net Assets for the year ended 30 June 2025.....	4
13. Statement of Cash Flows for the year ended 30 June 2025	6
14. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025.....	7
15. Notes to the Financial Statements	10
16. Appendix	62



**COUNTY ASSEMBLY
OF BUNGOMA**

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

1. Acronyms, Abbreviations and Definitions of Key Terms

A. Acronyms and Abbreviations

<i>ACP-K</i>	<i>Association of Computing Practitioners, Kenya</i>
<i>ADP</i>	<i>Annual Development Plan</i>
<i>AGPO</i>	<i>Access to Government Procurement Opportunities</i>
<i>AIE</i>	<i>Authority to Incur Expenditure</i>
<i>CA</i>	<i>County Assembly</i>
<i>CAB</i>	<i>County Assembly of Bungoma</i>
<i>CAJ</i>	<i>Commission of Administrative Justice</i>
<i>CARA</i>	<i>County Allocation of Revenue Act</i>
<i>CASA</i>	<i>County Assemblies Sports Association</i>
<i>CASB</i>	<i>County Assembly Service Board</i>
<i>CBK</i>	<i>Central Bank of Kenya</i>
<i>CBOP</i>	<i>County Budget Review and Outlook Paper</i>
<i>CG</i>	<i>County Government</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>CoK</i>	<i>Constitution of Kenya</i>
<i>CPF</i>	<i>County Provident Fund</i>
<i>CRA</i>	<i>Commission on Revenue Allocation</i>
<i>CRF</i>	<i>County Revenue Fund</i>
<i>CSK</i>	<i>Computer Society of Kenya</i>
<i>CSR</i>	<i>Corporate Social Responsibility</i>
<i>CT</i>	<i>County Treasury</i>
<i>EGP</i>	<i>Electronic Government Procurement</i>
<i>EMSC</i>	<i>Environment Management and Sustainability Committee</i>
<i>ERM</i>	<i>Environmental Resources Management</i>
<i>HR</i>	<i>Human Resource</i>
<i>HRIS</i>	<i>Human Resource Information System</i>
<i>ICT</i>	<i>Information and Communications Technology</i>
<i>ICTA</i>	<i>Information and Communications Technology Authority</i>



COUNTY ASSEMBLY OF BUNGOMA

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

<i>ICPAK</i>	<i>Institute of Certified Public Accountants Kenya</i>
<i>IFMIS</i>	<i>Integrated Financial Management Information System</i>
<i>IHRM</i>	<i>Institute Human Resource Management</i>
<i>IIA</i>	<i>Institute of Internal Auditors</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>ISACA</i>	<i>Information Systems Audit and Control Association</i>
<i>LAPFUND</i>	<i>Local Authorities Provident Fund</i>
<i>LLB</i>	<i>Bachelor of Laws</i>
<i>LSK</i>	<i>Law Society of Kenya</i>
<i>KARMA</i>	<i>Kenya Association of Records Managers & Archivists</i>
<i>KIM</i>	<i>Kenya Institute of Management</i>
<i>KISM</i>	<i>Kenya Institute of Supplies Management</i>
<i>MCA</i>	<i>Member of County Assembly</i>
<i>NSSF</i>	<i>National Social Security Fund</i>
<i>NT</i>	<i>National Treasury</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>PAIC</i>	<i>Public Accounts and Investment Committee</i>
<i>PAYE</i>	<i>Pay As You Earn</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PhD</i>	<i>Doctor of Philosophy</i>
<i>PPADA</i>	<i>Public Procurement and Asset Disposal Act, 2015</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>PRSK</i>	<i>Public Relations Society of Kenya</i>
<i>QMS</i>	<i>Quality Management System</i>
<i>SHA</i>	<i>Social Health Authority</i>
<i>UNDP</i>	<i>United Nations Development Programme</i>
<i>USAID</i>	<i>United States Agency for International Development</i>
<i>WB</i>	<i>World Bank</i>



COUNTY ASSEMBLY OF BUNGOMA

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

2. Key Entity Information and Management

(a) Background information

The County Assembly of Bungoma is constituted under Article 176 (1) of the Constitution of Kenya 2010, serving as the legislative arm of the County Government. It is headed by the Speaker, Hon. Emmanuel Situma, who is responsible for setting the general policy and strategic direction of the Assembly. The County Assembly comprises 63 Members of County Assembly (MCAs), with 45 elected from wards and 18 nominated to represent special interest groups, including women, youth, and persons with disabilities. The MCAs are tasked with enacting legislation to facilitate effective governance of the County Government, approving development plans and policies, and exercising oversight over the County Executive to ensure accountability and transparency in accordance with the County Governments Act 2012.

(b) Key Management Team

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

No.	Designation	Name
1.	Speaker of the County Assembly	Hon. Emmanuel Mukhebi Situma
2.	Clerk of the County Assembly	Charles W. Wanjala
3.	Deputy Clerk – Administrative Services	Josylyne Situma
4.	Deputy Clerk – Legislative Services	Dr. Leonard Momos
	Head of Departments	
5.	Finance and Accounts	CPA Symon Walukana
6.	Legislative Procedure & Chamber Services	Colleta Simiyu
7.	Committee Services	Carolyn Akirapa Wamalwa
8.	Legal Services	Ignatius Wangila
9.	Hansard	Dennis Waswa
10.	Internal Audit	CPA Alfred Makokha
11.	Budget Office	Diana Khaemba



COUNTY ASSEMBLY OF BUNGOMA

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

12.	Research & Library Services	Martha Alaka
13.	Sergeant-at-Arms	Calistus Ndieyira
14.	ICT	Benedict Muchenje
15.	Human Resources	CHRP Abraham Wekesa
16.	Administration	Elvis Werunga
17.	Public Communication & Media Relations	Rosemary Wachiye
18.	Procurement	Mercy Mukwanja

(c) Fiduciary Management

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

No.	Designation	Name
(a)	Accounting Officer-Clerk	Charles W. Wafula
(b)	Principal Finance Officer	CPA Symon W. Walukana
(c)	Head of Supply Chain Management	Mercy Mukwanja

(d) Fiduciary Oversight Arrangements

The Labour Relations, Member Service, and Facilities Committee

The Labour Relations, Member Services, and Facilities Committee held 9 meetings with the CASB on the following budget documents and the CASB annual report in FY 2024/25:

DATE	NATURE OF MEETING	AGENDA
23rd September, 2024	Interrogation	ADP, FY 2025/26
7th November, 2024	Interrogation	The 3rd and 4th quarter financial statements FY 2023/2024
26th November, 2024	Interrogation	CBROP, 2024



COUNTY ASSEMBLY OF BUNGOMA

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

12th March, 2025	Interrogation	1st Supplementary Budget Estimates FY 2024/2025
3rd April, 2025	Interrogation	CFSP FY 2025/2026
15th April, 2025	Interrogation	Gaps in the CASB 2024 Annual Report
29th April, 2025	Interrogation	1st and 2nd Quarter financial statements for the period ended 31st December, 2024
23rd May, 2025	Interrogation	Annual Budget estimates FY 2025/2026

Public Accounts and Investment Committee

The Committee is established under Standing Order 209. Pursuant to Article 185 (3) of the Constitution, the primary mandate of the Committee is to examine the reports of the Auditor-General on the annual accounts of the County Government (CG); to examine special reports, if any, of the Auditor-General on CG Funds; to examine the reports, if any, of the Auditor-General on the County Public Investments; and to exercise oversight over County Public Accounts and Investments.

In the FY 2024/25 the committee had one meeting with the CASB on the following:

DATE	AGENDA
10th February, 2025	Interrogation of the following reports: i. Report by the OAG on Bungoma Honorable Members' car loan and mortgage scheme fund for the year ended 30th June 2023. ii. Report by the OAG on the financial statements of Bungoma County Assembly for the year ended 30th June, 2023.

Audit committee activities

The CAB has an independent Audit Committee, which was constituted in 2017 to comply with the PFM (CG) regulations (2015) on the formation of audit committees for all counties.



COUNTY ASSEMBLY OF BUNGOMA

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

During the reporting period, the term of office for members of the Audit Committee came to an end on 31st October, 2024. The Board approved the renewal of contracts for all members except one, Ms. Diana Khaemba, whose term had fully lapsed. In place of the outgoing member, the Board nominated and appointed a new representative, Ms. Carolyne Akirapa Wamalwa, to serve on the committee.

The reconstitution of the committee has ensured continuity in oversight functions while incorporating fresh perspective through the new appointment. The committee held six (6) meetings in FY 2024/2025 as indicated below:

Committee Meetings Attendance Summary FY 2024/2025						
Member	Designation	Q1	Q2	Q3	Q4	
Dr. Destaings Nyongesa	Chairperson	3	0	1	2	
CPA Fred Wasike	Member	3	0	1	2	
Murambi Njibwakale	Member	3	0	1	2	
Diana Khaemba	Member	3	0	0	0	
Carolyne Akirapa	Member	0	0	1	2	
CPA Alfred Makokha	Secretary	3	0	1	2	



COUNTY ASSEMBLY OF BUNGOMA

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

<i>Committee Meeting/ Activity</i>		<i>Dr. Destaings</i>	<i>Fred Wasike</i>	<i>Murambi</i>	<i>Carolyn Akirapa</i>	<i>Alfred Makokha</i>
<i>Quarterly Audit committee report</i>	<i>05.07.2024</i>	✓	✓	✓	X	✓
<i>Audit Committee Meeting</i>						
<i>Annual Internal Audit Annual Report (year ending June 2024).</i>	<i>10.08.2024</i>	✓	✓	✓	X	✓
<i>Audit Committee end of year (June, 2024) report of internal Audit.</i>	<i>10.08.2024</i>	✓	✓	✓	X	✓
<i>Audit Committee Meeting</i>						
<i>Review of Financial Year statements (FY ended 30th June 2024)</i>	<i>27.09.2024</i>	✓	✓	✓	X	✓
<i>Audit Committee Meeting</i>						
<i>Quarterly Internal Audit Report, Risk based internal audit plan FY 2024/2025 and review of Audit and Internal Audit Charter</i>	<i>22.03.2025</i>	✓	✓	✓	✓	✓
<i>Audit Committee Meeting</i>						
<i>3rd Quarter Internal Audit Report</i>	<i>01.06.2025</i>	✓	✓	✓	✓	✓
<i>Presentation of the External Quality Assessment Report to Audit Committee and CASB.</i>	<i>02.06.2025</i>	✓	✓	✓	✓	✓



**COUNTY ASSEMBLY
OF BUNGOMA**

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

(e) County Assembly Headquarters

P.O. Box 1886-50200
County Assembly Building
Moi Avenue
BUNGOMA, KENYA

(f) County Assembly Contacts

Telephone: 020 2651905 or 020
8000663
www.bungomaassembly.go.ke
info@bungomaassembly.go.ke
FB: Bungoma County Assembly
X: @AssemblyBungoma

(g) County Assembly Bankers

- i. Central Bank of Kenya
Haile Selassie Avenue
P.P.O. Box 60000
City Square 00200
NAIROBI, KENYA
- ii. Kenya Commercial Bank
Moi Avenue
P.O. Box 201
BUNGOMA, KENYA

(h) Independent Auditor

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

(i) Principal Legal Adviser

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

(j) County Attorney

CG of Bungoma
P.O. BOX 437
BUNGOMA, KENYA



3. Governance Statement

a. Background and roles

The County Assembly of Bungoma is constituted by the Members of the County Assembly (MCAs) of Bungoma County Government. It is headed by the Speaker, who is elected by the MCAs and serves as the chairperson of CASB, with the County Assembly Clerk acting as the secretary. Section 10(4) of the County Governments Act 2012 establishes the order of precedence as follows:

- 1) The Speaker of the County Assembly.
- 2) The Leader of the Majority Party.
- 3) The Leader of the Minority Party.

The roles of the County Assembly, as outlined in Section 8 of the County Governments Act 2012, include:

- i. Vetting and approving nominees for appointment to county public offices as provided for in the Act or other laws.
- ii. Performing roles set out under Article 185 of the Constitution.
- iii. Approving the budget and expenditure of the CG in accordance with Article 207 of the Constitution and the legislation contemplated in Article 220(2), guided by Articles 201 and 203.
- iv. Approving county government borrowing in accordance with Article 212 of the Constitution.
- v. Approving county development planning.
- vi. Performing any other role as set out under the Constitution or legislation.



b. Profiles



Hon. Emmanuel Mukhebi Situma – Speaker of the County Assembly

A seasoned legal expert and transformative leader, Hon. Emmanuel Mukhebi Situma steers the County Assembly with precision and vision. Armed with a Bachelor of Laws (LLB) from Nagpur University, India, and a Diploma in Law from the Kenya School of Law, he brings unparalleled expertise in legislative oversight. His advanced training in transformational and strategic leadership from the Kenya School of Government empowers him to guide dynamic assembly proceedings, uphold legislative integrity, and drive impactful governance for the county's progress.

Hon. Joseph Juma Nyongesa – Leader of the Majority Party

Representing Tuuti/Marakaru ward, Hon. Joseph Juma Nyongesa is a legislative powerhouse with over 13 years of service in the County Assembly of Bungoma. Holding a diploma in business management from the University of Nairobi, he blends strategic insight with practical governance expertise. His training in transformational and strategic leadership from the Kenya School of Government fuels his ability to rally the majority party, advance key legislative agendas, and champion the needs of his constituents with unwavering dedication.



Hon. Vitalis Sifuna Wangila – Leader of the Minority Party

Hon. Vitalis Sifuna Wangila, representing Kabula ward, offers 8 years of legislative experience. He ensures accountability and champions minority perspectives.



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

Mr. Charles W. Wafula – Clerk of the County Assembly

Mr. Charles W. Wafula, a distinguished public servant, anchors the County Assembly's operations with exceptional expertise. Holding a Master of Business in Corporate Governance and a Bachelor of Commerce (Accounting) from



KCA University, alongside advanced diplomas in accounting, he is a master of financial and institutional management. With 18 years of senior executive experience and leadership training from the Kenya School of Government, Mr. Wafula ensures seamless administration. His affiliations with the Institute of Internal Auditors of Kenya and the Kenya Institute of Management underscore his commitment to excellence.

Dr. Anthony Simiyu Mabele – Member Public Representative

Dr. Anthony Simiyu Mabele, a PhD holder in Molecular Plant Virology from MMUST and part-time lecturer at KIBU, brings academic brilliance to his role on the County Assembly Service Board, elected for a second term after a competitive process.



Ms. Jesca O. Mayabi – Member Public Representative

Ms. Jesca O. Mayabi, appointed to the CASB after excelling in recruitment, holds a degree in guiding and counseling from Moi University and enhances her role with transformative leadership training from KSG.

Hon. Ali Machani Mutoka – Member - Minority Party

Hon. Ali Machani Mutoka, a three-term MCA from Maraka Ward and the longest-serving in Bungoma, holds a Diploma in Administration from the University of Eldoret and leverages SLDP and Transformative Leadership training from KSG to lead the minority coalition with seasoned expertise.





c. Standing Committees

The mandate of the CA Standing Committees is defined by the subject matter assigned under the Standing Orders and is exercised within the limits contemplated under Part 2 of the Fourth Schedule to the Constitution of Kenya, 2010. The standing committees are broadly classified as

- i. Housekeeping committees
- ii. Statutory Committees
- iii. Watchdogs Committees

Housekeeping Committees

Housekeeping committees facilitate the smooth operation of the Assembly's business and oversee specific aspects of CA operations, procedures, and privileges. These include:

a) House Business Committee

The House Business Committee, established under Standing Order 173 of the CA of Bungoma Standing Orders, is tasked with ensuring the smooth scheduling and execution of Assembly business. Its functions include preparing and adjusting the House Calendar, monitoring the implementation of House programs, scheduling Committee business, determining the order of Committee report debates, and prioritizing or postponing House business with the concurrence of the Majority or Minority Party Leader. The committee addresses emerging issues related to House operations and performs duties as assigned by the Standing Orders or the CA. In FY 2024/25, it held 46 meetings, facilitating the coordination of Assembly activities. The members were

No.	Member	Designation	Ward
1	Hon. Emmanuel Situma	Chairperson	Speaker
2	Hon. Stephen Wamalwa	Vice Chairperson	Mitua / Soysambu
3	Hon. Joseph Nyongesa	Member	Tuuti / Marakaru



COUNTY ASSEMBLY OF BUNGOMA

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

4	Hon. Vitalis Wangila	Member	Kabula
5	Hon. Meshack Wekesa	Member	Mukuyuni
6	Hon. Aggrey Mulongo	Member	Kibingei
7	Hon. Jack Wambulwa	Member	Kimaeti
8	Hon. Hentry Nyongesa	Member	Bumula
9	Hon. Violet Makhanu	Member	Mihuu
10	Hon. Mildred Barasa	Member	Nominated
11	Hon. James Mukhongo	Member	Chwele Kabuchai
12	Hon. Jacob Psero	Member	Chesikaki
13	Hon. Johnston Ipara	Member	Tongaren
14	Hon. Metrine Nangalama	Member	Nominated
15	Hon. Cornelius Makhanu	Member	Khalaba

b) Selection Committee

Established under Standing Order 174, the Selection Committee is responsible for nominating members to serve on various CA Committees, excluding the House Business Committee, Committee on Appointments, and Speaker's Panel. Chaired by Hon. Joseph Juma (Tuuti/Marakaru), leader of the majority party, and with Hon. Vitalis Wangila, leader of the minority party, as vice chairperson, the committee consists of the party/coalition chief whips and eight other members nominated by CA parties, ensuring representation of independent members. In FY 2024/25, the committee convened 46 meetings, playing a critical role in shaping the composition of other committees to ensure balanced representation and effective functioning of the Assembly.

c) Procedure and House Rules Committee

The Procedure and House Rules Committee, established under Standing Order 211, is chaired by the Speaker, Hon. Emmanuel Situma, with Hon. Stephen Wamalwa as Vice Chairperson and three other members. The committee focuses on matters related to the Standing Orders. Its key functions include proposing amendments to the Standing Orders and developing rules for the orderly conduct of Committee business, both of which take effect



COUNTY ASSEMBLY OF BUNGOMA

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

upon CA approval. In FY 2024/25, the committee held 58 meetings, ensuring that the Assembly's procedural framework remained robust and adaptable to changing needs.

d) Liaison Committee

The Liaison Committee, formed under Standing Order 216, coordinates the operations, policies, and mandates of all CAB Committees, excluding ad hoc committees. The committee allocates the annual operating budget among committees based on work plans; schedules committee programs, assigns matters to appropriate committees, and provides guidance on select committee mandates. In FY 2024/25, it held 66 meetings, ensuring seamless coordination and resource allocation across the Assembly's committees.

No.	Member	Designation	Ward
1	Hon. Stephen Wamalwa	Chairperson	Mitua / Soysambu
2	Hon. Christine Mukhongo	Vice Chairperson	Kimilili
3	Hon. Emmanuel Situma	Member	Speaker
4	Hon. James Mukhongo	Member	Kabuchai/Chwele
5	Hon. George Makari	Member	Musikoma
6	Hon. Jack Kawa	Member	Bokoli
7	Hon. Joseph Nyongesa	Member	Tuuti / Marakaru
8	Hon. Franklin Simotwo	Member	Chepyuk
9	Hon. Tony Barasa	Member	Lwandanyi
10	Hon. Hentry Nyongesa	Member	Bumula
11	Hon. Francis Chemion	Member	Kaptama
12	Hon. Benard Kikechi	Member	Mbakalo
13	Hon. Benjamin Otsiula	Member	Khasoko
14	Hon. Violet Makhanu	Member	Mihuu
15	Hon. Waiti Wafula	Member	Naitiri/Kabuyefwe
16	Hon. Edwin Opwora	Member	Luuya/Bwake
17	Hon. Jacob Psero	Member	Chesikaki
18	Hon. George Tendet	Member	Elgon
19	Hon. Aggrey Mulongo	Member	Kibingei



Statutory Committees

Statutory committees are established by statute to perform functions assigned by law. These include:

a) Powers and Privileges Committee

The Powers and Privileges Committee, established under Standing Order 215, is chaired by Hon. Emmanuel Situma (Speaker), with Hon. Bridgit Katasi as Vice Chairperson, and includes up to nine other members. Its mandate, derived from the Constitution of Kenya, 2010, the County Assemblies Powers and Privileges Act, 2017, and Standing Orders, involves inquiring into member conduct alleged to breach privileges or reflect adversely on the Assembly's dignity. The committee performs functions related to members' powers, immunities, and privileges as specified by law. In FY 2024/25, it held 54 meetings, addressing issues of member conduct and maintaining the integrity of the Assembly.

b) Justice, Cohesion and Legal Affairs Committee

Formed under Standing Order 213, the Justice, Cohesion, and Legal Affairs Committee is chaired by Hon. Jacob Psero (Chesikaki) with Hon. Everlyne Anyango as vice chairperson and includes up to nine other members. The committee handles matters related to constitutional affairs, law and justice administration, ethics, integrity, elections, and human rights. It manages petitions (except those under Standing Order 78(5)), promotes peace and county cohesion, investigates inter-community cohesion, and enhances opportunities for marginalized groups based on gender, age, disability, or other grounds. In FY 2024/25, the committee held 65 meetings, addressing critical governance and social cohesion issues.

c) Budget and Appropriations Committee

The Budget and Appropriations Committee, established under Standing Order 210, is chaired by Hon. Jackson Wambulwa (Kimaeti), with Hon. Charles Nangulu as vice chairperson, and includes up to nine other members who are not chairpersons of other committees. Its functions include reviewing county estimates, examining the County Fiscal Strategy Paper and Debt Management Strategy Paper, evaluating tax estimates, and



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

assessing economic and budgetary policies. In FY 2024/25, the committee held 48 meetings, playing a pivotal role in ensuring fiscal responsibility and effective budget allocation.

d) Delegated County Legislation Committee

Established under Standing Order 214, the Delegated County Legislation Committee is chaired by Hon. George Tendet (Elgon) with Hon. Dorcas Ndasaba as vice chairperson and includes up to nine other members. The committee reviews statutory instruments submitted to the House as per the Constitution, law, or Standing Orders, ensuring compliance with legal frameworks. In FY 2024/25, it held 57 meetings, diligently overseeing delegated legislation to ensure alignment with county governance objectives.

e) Committee on Appointment

The Committee on Appointment, formed under Standing Order 208, consists of 11 members and is chaired by Hon. Emmanuel Situma (Speaker), with Hon. Stephen Wamalwa as Vice Chairperson. It considers approvals for appointments under Article 179(2) (County Executive Committee), Sections 32D(b) and 44(2)(b) of the County Governments Act, 2012, and Section 5 of the Office of the County Attorney Act, 2020. In FY 2024/25, the committee held 11 meetings, ensuring that key county appointments met legal and procedural standards.

Watchdog Committees

Watchdog committees ensure lawful expenditure, prevent misuse of funds, and oversee the implementation of Assembly resolutions, petitions, and county executive undertakings. They also assess legislation implementation status. These include:

a) Public Accounts and Investments Committee

The Public Accounts and Investments Committee, established under Standing Order 209, is chaired by Hon. Everton Nganga (East Sang'alo), with Hon. Timothy Chikati as vice chairperson, and includes up to nine other members who are not chairpersons of other committees. Its functions include exercising oversight over the County Executive Committee



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

and other organs (Article 185(3)), examining Auditor-General reports on County accounts (Article 229(7) and (8)), and overseeing County public accounts and investments. In FY 2024/25, the committee held 52 meetings, ensuring accountability in the use of public funds and investments.

b) Implementation Committee

Formed under Standing Order 212, the Implementation Committee, chaired by Hon. Aggrey Mulongo (Kibingei) from the minority party, with Hon. Job Mukoyandali as vice chairperson, scrutinizes House resolutions, adopted committee reports, petitions, and county executive undertakings. It may propose sanctions against County Executive Committee members who fail to report implementation status without justifiable reasons. In FY 2024/25, the committee held 67 meetings, ensuring that Assembly decisions and commitments were effectively implemented.

d. Sectorial Committees

The County Assembly of Bungoma operates 12 Sectorial Committees, each with a mandate defined by the Standing Orders in the Second Schedule, exercised within the limits outlined in Part 2 of the Fourth Schedule to the Constitution of Kenya 2010. These committees are tasked with overseeing specific county departments, ensuring effective governance, accountability, and service delivery. Their functions include:

1. Investigating, inquiring into, and reporting on matters related to the management, activities, administration, operations, coordination, and budget monitoring of assigned departments.
2. Reviewing quarterly reports of assigned departments and reporting to the County Assembly within 21 sitting days.
3. Studying and evaluating the program and policy objectives of departments, assessing their implementation effectiveness.
4. Reviewing and analyzing county legislation referred to them.
5. Assessing departmental performance against stated objectives.



COUNTY ASSEMBLY OF BUNGOMA

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

6. Investigating matters related to assigned departments as deemed necessary or referred by the County Assembly.
7. Vetting and reporting on appointments requiring County Assembly approval, except those under Standing Order 208 (Committee on Appointments).
8. Making regular reports and recommendations to the County Assembly, including proposing legislation.

The Sectoral Committees and their activities in FY 2024/25 are as follows:

6. Finance and Economic Planning Committee

The committee oversees financial planning, budgeting, and economic policies, ensuring alignment with fiscal objectives. The committee held 58 meetings in FY 2024/25.

The members who served on the committee during the year were

No.	Member	Designation	Ward
1	Hon. James Mukhongo	Chairperson	Kabuchai/Chwele
2	Hon. Orize Kundu	Vice Chairperson	Siboti
3	Hon. Everton Nganga	Member	East Sang'alo
4	Hon. Everlyne Mutiambu	Member	Malakisi/South Kulisiru
5	Hon. Jeremiah Kuloba	Member	Township
6	Hon. Vitalis Wangila	Member	Kabula
7	Hon. Violet Makhanu	Member	Mihuu
8	Hon. Stephen Wamalwa	Member	Mitua/Soysambu
9	Hon. Tony Barasa	Member	Lwandanyi
10	Hon. George Makari	Member	Musikoma
11	Hon. Jerusa Aleu	Member	Milima
12	Hon. Jack Kawa	Member	Bokoli
13	Hon. Christine Mukhongo	Member	Kimilili
14	Hon. Francis Chemion	Member	Kaptama
15	Hon. Godfrey Mukhwana	Member	West Sang'alo



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

7. Education and Vocational Training Committee

The committee oversees early childhood educational programs and vocational training initiatives to enhance skill development and literacy. The committee held 59 meetings in FY 2024/25.

The members who served on the committee during the year were

No.	Member	Designation	Ward
1	Hon. Benjamin Otsiula	Chairperson	Khasoko
2	Hon. Stephen Kaiser	Vice Chairperson	Matulo
3	Hon. Everton Nganga	Member	East Sang'alo
4	Hon. Timothy Chikati	Member	Ndalul/Tabani
5	Hon. Aggrey Mulongo	Member	Kibingei
6	Hon. Ali Machani	Member	Maraka
7	Hon. John Wanyama	Member	Nominated
8	Hon. Angeline Rugut	Member	Nominated
9	Hon. Jack Kawa	Member	Bokoli
10	Hon. Joan Kirong	Member	Kapkateny
11	Hon. Abraham Obama	Member	Kamukuywa
12	Hon. Christine Mukhongo	Member	Kimilili
13	Hon. Mildred Barasa	Member	Nominated
14	Hon. Jacob Psero	Member	Chesikaki
15	Hon. Johnson Ipara	Member	Tongaren

8. Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development Committee

The committee oversees agricultural productivity, livestock management, fisheries, irrigation, and cooperative development. The committee held 70 meetings in FY 2024/25.

The members who served on the committee during the year were



COUNTY ASSEMBLY OF BUNGOMA

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

No.	Member	Designation	Ward
1	Hon. Waiti Wafula	Chairperson	Naitiri/Kabuyefwe
2	Hon. Idd Owongo	Vice Chairperson	Maeni
3	Hon. Anthony Lusenaka	Member	Bukembe West
4	Hon. Everton Nganga	Member	East Sang'alo
5	Hon. Everlyne Mutiambu	Member	Malakisi/South Kulisiru
6	Hon. Alfred Mukhanya	Member	Ndivisi
7	Hon. Franklin Simotwo	Member	Chepyuk
8	Hon. Jerusa Aleu	Member	Milima
9	Hon. Isaiah Busolo	Member	South Bukusu
10	Hon. Bernard Kikechi	Member	Mbakalo
11	Hon. Caleb Wanjala	Member	Bukembe East
12	Hon. Edwin Opwora	Member	Luuya/Bwake
13	Hon. Meshack Simiyu	Member	Mukuyuni
14	Hon. Martin Chemorion	Member	Cheptais
15	Hon. George Tendet	Member	Elgon

9. Roads, Transport, Infrastructure and Public Works Committee

The committee oversees development and maintenance of roads, transport systems, and public infrastructure. The committee held 60 meetings in FY 2024/25.

The members who served on the committee during the year were

No.	Member	Designation	Ward
1	Hon. Frankline Simotwo	Chairperson	Chepyuk
2	Hon. Polycarp Kimeta	Vice Chairperson	West Nalondo
3	Hon. Ali Machani	Member	Maraka
4	Hon. Everlyne Mutiambu	Member	Malakisi/South Kulisiru
5	Hon. Job Mukoyandali	Member	West Bukusu
6	Hon. Everton Nganga	Member	East Sang'alo
7	Hon. Violet Makhanu	Member	Mihuu
8	Hon. Meshack Simiyu	Member	Mukuyuni



COUNTY ASSEMBLY OF BUNGOMA

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

9	Hon. Charles Nangulu	Member	Namwela
10	Hon. Jerusa Aleu	Member	Milima
11	Hon. Idd Owongo	Member	Maeni
12	Hon. Stephen Kaiser	Member	Matulo
13	Hon. Hentry Nyongesa	Member	Bumula
14	Hon. Johnstone Ipara	Member	Tongaren
15	Hon. Godfrey Mukhwana	Member	West Sang'alo

10. Tourism, Environment, Water and Natural Resources Committee

The committee promotes tourism, environmental conservation, water management, and sustainable use of natural resources. The committee held 52 meetings in FY 2024/25.

The members who served on the committee during the year were

No.	Member	Designation	Ward
1	Hon. Edwin Opwora	Chairperson	Luuya/Bwake
2	Hon. Martin Chemorion	Vice Chairperson	Cheptais
3	Hon. Anthony Lusenaka	Member	Bukembe West
4	Hon. Metrine Nangalama	Member	Nominated
5	Hon. Vitalis Wangila	Member	Kabula
6	Hon. Milliah Masungu	Member	Misikhu
7	Hon. Joseph Nyongesa	Member	Tuuti/Marakaru
8	Hon. James Mukhongo	Member	Kabuchai/Chwele
9	Hon. Meshack Simiyu	Member	Mukuyuni
10	Hon. Bernard Kikechi	Member	Mbakalo
11	Hon. Benjamin Otsiula	Member	Khasoko
12	Hon. Orize Kundu	Member	Siboti
13	Hon. Isaiah Busolo	Member	South Bukusu
14	Hon. George Tendet	Member	Elgon
15	Hon. Grace Sundukwa	Member	Sitikho



11. Gender, Culture and Social Welfare Committee

The committee promotes gender equality, cultural preservation, and social welfare programs. The committee held 72 meetings in FY 2024/25. The members who served on the committee during the year were

No.	Member	Designation	Ward
1	Hon. Jack Kawa	Chairperson	Bokoli
2	Hon. Abraham Obama	Vice Chairperson	Kamukuywa
3	Hon. Godfrey Mukhwana	Member	West Sang'alo
4	Hon. George Tendet	Member	Elgon
5	Hon. Alfred Mukhanya	Member	Ndivisi
6	Hon. Aggrey Mulongo	Member	Kibingei
7	Hon. Joseph Nyongesa	Member	Tuuti/Marakaru
8	Hon. Alice Kibaba	Member	Nominated
9	Hon. John Wanyama	Member	Nominated
10	Hon. Florence Juma	Member	Nominated
11	Hon. Metrine Nangila	Member	Nominated
12	Hon. Eunice Yeko	Member	Nominated
13	Hon. Mourine Wafula	Member	Nominated
14	Hon. Sheila Sifuma	Member	Nominated
15	Hon. Mildred Barasa	Member	Nominated

12. Health Services Committee

The committee oversees healthcare services, facilities, and policies to improve public health outcomes. The committee held 71 meetings in FY 2024/25. The members who served on the committee during the year were

No.	Member	Designation	Ward
1	Hon. George Makari	Chairperson	Musikoma
2	Hon. Jerusa Aleu	Vice Chairperson	Milima
3	Hon. Milliah Masungu	Member	Misikhu
4	Hon. Tony Barasa	Member	Lwandanyi



COUNTY ASSEMBLY OF BUNGOMA

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

5	Hon. Job Mukoyandali	Member	West Bukusu
6	Hon. Jacob Psero	Member	Chesikaki
7	Hon. Vitalis Wangila	Member	Kabula
8	Hon. Grace Sundukwa	Member	Sitikho
9	Hon. Orize Kundu	Member	Siboti
10	Hon. Joan Kirong	Member	Kapkateny
11	Hon. Anthony Lusenaka	Member	Bukembe West
12	Hon. Meshack Simiyu	Member	Mukuyuni
13	Hon. Jackson Wambulwa	Member	Kimaeti
14	Hon. Franklin Simotwo	Member	Chepyuk
15	Hon. Waiti Wafula	Member	Naitiri/Kabuyefwe

13. Lands, Urban Physical Planning and Housing Committee

The committee oversees land management, urban planning, and housing development and policies. The committee held 80 meetings in FY 2024/25.

The members who served in the committee during the year were

No.	Member	Designation	Ward
1	Hon. Francis Chemion	Chairperson	Kaptama
2	Hon. Johnstone Ipara	Vice Chairperson	Tongaren
3	Hon. Cornelius Makhanu	Member	Khalaba
4	Hon. Aggrey Mulongo	Member	Kibingei
5	Hon. Ali Machani	Member	Maraka
6	Hon. Edwin Opwora	Member	Luuya/Bwake
7	Hon. Waiti Wafula	Member	Naitiri/Kabuyefwe
8	Hon. Hentry Nyongesa	Member	Bumula
9	Hon. Isaiah Busolo	Member	South Bukusu
10	Hon. George Makari	Member	Musikoma
11	Hon. James Barasa	Member	Kabuchai/Chwele
12	Hon. Polycarp Kimeta	Member	West Nalondo
13	Hon. Mildred Barasa	Member	Nominated



COUNTY ASSEMBLY OF BUNGOMA

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

14	Hon. Metrine Nangalama	Member	Nominated
15	Hon. Eunice Yeko	Member	Nominated

14. Trade, Energy and Industrialization Committee

The committee promotes trade, energy development, and industrialization initiatives. The committee held 79 meetings in FY 2024/25. The members who served on the committee during the year were

No.	Member	Designation	Ward
1	Hon. Benard Kikechi	Chairperson	Mbakalo
2	Hon. John Wanyama	Vice Chairperson	Nominated
3	Hon. Joan Kirong	Member	Kapkateny
4	Hon. Charles Nangulu	Member	Namwela
5	Hon. Jack Wambulwa	Member	Kimaeti
6	Hon. Maurine Wafula	Member	Nominated
7	Hon. Alfred Mukhanya	Member	Ndivisi
8	Hon. Polycarp Kimeta	Member	West Nalondo
9	Hon. Metrine Nangalama	Member	Nominated
10	Hon. Alice Kibaba	Member	Nominated
11	Hon. Miliar Masungo	Member	Misikhu
12	Hon. Brigit Katasi	Member	Nominated
13	Hon. Linda Kharakha	Member	Nominated
14	Hon. Angeline Rugut	Member	Nominated
15	Hon. Aggrey Bosire	Member	Nominated

15. Public Administration and ICT Committee

The committee oversees public administration, governance, and ICT infrastructure development. The committee held 66 meetings in FY 2024/25.

The members who served on the committee during the year were

No.	Member	Designation	Ward
1	Hon. Tony Barasa	Chairperson	Lwandanyi



COUNTY ASSEMBLY OF BUNGOMA

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

2	Hon. Caleb Wanjala	Vice Chairperson	Bukembe East
3	Hon. Timothy Chikati	Member	Ndalu/Tabani
4	Hon. Florence Juma	Member	Nominated
5	Hon. Cornelius Makhanu	Member	Khalaba
6	Hon. Job Mukoyandali	Member	West Bukusu
7	Hon. Isaiah Busolo	Member	South Bukusu
8	Hon. Francis Chemion	Member	Kaptama
9	Hon. Joseph Nyongesa	Member	Tuuti/Marakaru
10	Hon. Johnston Ipara	Member	Tongaren
11	Hon. Jackson Wambulwa	Member	Kimaeti
12	Hon. Dorcas Ndasaba	Member	Nominated
13	Hon. Stephen Kaiser	Member	Matulo
14	Hon. Grace Sundukwa	Member	Sitikho
15	Hon. Brigit Katasi	Member	Nominated

16. Labour Relations, Member Service and Facilities Committee

The committee oversees labor relations, member services, and facilities management for the County Assembly. The committee held 63 meetings in FY 2024/25.

The members who served on the committee during the year were

No.	Member	Designation	Ward
1	Hon. Hentry Nyongesa	Chairperson	Bumula
2	Hon. Catherine Kituyi	Vice Chairperson	Nominated
3	Hon. Jerusa Aleu	Member	Milima
4	Hon. Caleb Wanjala	Member	Bukembe East
5	Hon. Anthony Lusenaka	Member	Bukembe West
6	Hon. Milliah Masungu	Member	Misikhu
7	Hon. Allan Nyongesa	Member	Nominated
8	Hon. Charles Nangulu	Member	Namwela
9	Hon. Polycarp Kimeta	Member	West Nalondo
10	Hon. Joan Kirong	Member	Kapkateny



COUNTY ASSEMBLY OF BUNGOMA

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

11	Hon. Linda Kharakha	Member	Nominated
12	Hon. Everlyne Anyango	Member	Nominated
13	Hon. Sheila Sifuma	Member	Nominated
14	Hon. Stephen Kaiser	Member	Matulo
15	Hon. Jeremiah Kuloba	Member	Township

17. Youth Affairs and Sports Committee

The committee promotes youth development, sports activities, and related programs. The committee held 69 meetings in FY 2024/25.

The members who served on the committee during the year were

No.	Member	Designation	Ward
1	Hon. Violet Makhanu	Chairperson	Mihuu
2	Hon. Grace Sundukwa	Vice Chairperson	Sitikho
3	Hon. Charles Nangulu	Member	Namwela
4	Hon. Timothy Chikati	Member	Ndalul/Tabani
5	Hon. Cornelius Makhanu	Member	Khalaba
6	Hon. Caleb Wanjala	Member	Bukembe East
7	Hon. Idd Owongo	Member	Maeni
8	Hon. Martin Chemorion	Member	Cheptais
9	Hon. Abraham Obama	Member	Kamukuywa
10	Hon. Allan Nyongesa	Member	Nominated
11	Hon. Jeremiah Kuloba	Member	Township
12	Hon. Catherine Kituyi	Member	Nominated
13	Hon. Dorcas Ndasaba	Member	Nominated
14	Hon. Everlyne Anyango	Member	Nominated
15	Hon. Metrine Nangila	Member	Nominated



COUNTY ASSEMBLY OF BUNGOMA

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

e. Communication with all Stakeholders

The CAB is committed to ensuring that all stakeholders receive full and timely information regarding its programs and performance, with opportunities for feedback. In FY 2024/25, the County Assembly organized consultative meetings with stakeholders, including county government departments, development partners, civil society organizations, and the public, to align expectations with the service delivery charter. Pursuant to Article 196(1)(b) of the Constitution, Section 87 of the County Governments Act 2012, and Standing Order 140(2), public forums were held on budget documents, bills, and policies.

The following budget documents were subjected to public participation:

Document	Tabled	Statutory Timeline	Passed by CA	Remarks
Finance Bill, 2024	1st Oct, 2024	30th Sep	4th Dec, 2024	Not within timeline
The Bungoma County ADP FY 2025/2026	3rd Sep, 2024	1st Sep	21st Nov, 2024	Not within timeline
The 1st Supplementary Budget FY 2024/2025	4th Mar, 2025	No timeline	9th Apr, 2025	No timeline
CBROP, 2024	30th Oct, 2024	21st Oct	4th Dec, 2024	Tabled within the timeline, but no timeline on passing
The Debt Management Strategy Paper, 2025	4th Mar, 2025	28th Feb	15th Apr, 2025	Tabled within the timeline, but no timeline on passing
CFSP, 2025	4th Mar, 2025	15th Mar	10th Apr, 2025	Within timeline
The 2nd Supplementary Budget FY 2024/2025	17th Jun, 2025	No timeline	24th Jun, 2025	Declined
Annual Budget Estimate for FY 2025/2026	30th Apr, 2025	30th Jun	19th Jun, 2025	Within timeline

f. Risk management



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

The County Assembly of Bungoma is committed to effective risk management, aligning with Articles 10, 201, and 232 of the Kenyan Constitution 2010, which emphasize good governance through accountability, and the Public Finance Management (PFM) Act 2012, which mandates robust risk management and internal controls. The Assembly proactively identifies, assesses, and responds to risks and opportunities to achieve its strategic objectives while fostering resilience and innovation.

1. Measures for Effective Risk Management

The County Assembly has implemented a comprehensive ERM Policy, approved in 2022 and amended in 2023, to guide the identification, assessment, management, monitoring, and reporting of risks. Key measures include

- Risk Appetite Statement: Approved by the CASB on May 12, 2025, this statement defines the acceptable level and type of risk the Assembly is willing to undertake, serving as a foundation for risk assessments conducted in June 2025.
- Budget Allocation: Risk management programs were integrated into the FY 2024/25 budget, demonstrating institutional commitment.
- Training and Capacity Building: Four members of the Risk Management Committee attended a PSASB training in Naivasha from December 9–13, 2024, to enhance risk management and internal audit capabilities.
- Risk Management Committee: Held 11 internal meetings and two retreats for report writing in FY 2024/25 to strengthen risk oversight.
- Sensitization Initiatives: Conducted three staff sensitization meetings to foster a risk-aware culture and enhance operational efficiency in an uncertain environment.
- Policy Development: Approved eight policies, including the Disaster Recovery Policy (May 2025), which outlines procedures for restoring operations post-disaster, protecting data, and minimizing financial losses.
- Monitoring and Evaluation: Established mechanisms to ensure continuous implementation of risk management policies, enhancing organizational resilience.



2. Processes to Identify and Analyze Risks

The County Assembly employs a structured approach to risk identification and analysis, utilizing:

- Risk Identification Template: Circulated to staff to systematically identify, analyze, and report risks.
- Sensitization and Assessment Sessions: Conducted three sensitization meetings and two risk assessment sessions in FY 2024/25 to enhance risk awareness.
- Incident Reporting: A Risk Incident Reporting Form captured six incidents during the period, which were analyzed and reported.
- Risk Champions: Appointed and trained through one session to promote risk management at the departmental level.
- Risk Register and Analysis Matrix: Adopted a detailed risk register template and a risk matrix to assess risks based on likelihood (scale 1–5) and impact (rating 1–5), categorizing risks as High (16–25), Medium (5–15), or Low (1–4).
- Risk Categories: Defined 11 risk categories to streamline identification and monitoring of control measures.

3. Assessment of Internal and External Environmental Changes

CAB conducts quarterly reviews of its organizational structure, processes, systems, and performance to identify potential risks and opportunities. Key actions include:

- Career Progression Guidelines: Approved to streamline reporting structures and enhance operational efficiency.
- Quality Management System: Implemented to standardize procedures and control risks.
- Environmental Sustainability Committee: Conducts PESTEL and SWOT analyses to identify external risks, such as financial risks from inflation, legal hazards from national policy changes, and security risks from social unrest (e.g., 'Gen Z' protests). Identified risks are analyzed, and controls are implemented to address root causes.



4. Risks Identified, Analyzed, and Managed in FY 2024/25

Two risk assessment exercises were conducted, resulting in a consolidated risk register with 271 identified potential risks. The risk heat map from the June 2025 (Q4) assessment highlights the following performance of controls:

- No Further Action (Monitoring): 78 risks (28.8%) are within acceptable levels.
- Reduced Exposure/Impact: 170 risks (63%) are effectively controlled but require ongoing monitoring.
- High-Rated Risks: 23 risks (8.2%) require immediate attention.

Overall, 91.8% of identified risks are under control or require only monitoring, reflecting robust risk management integration. High-rated risks and their control measures include:

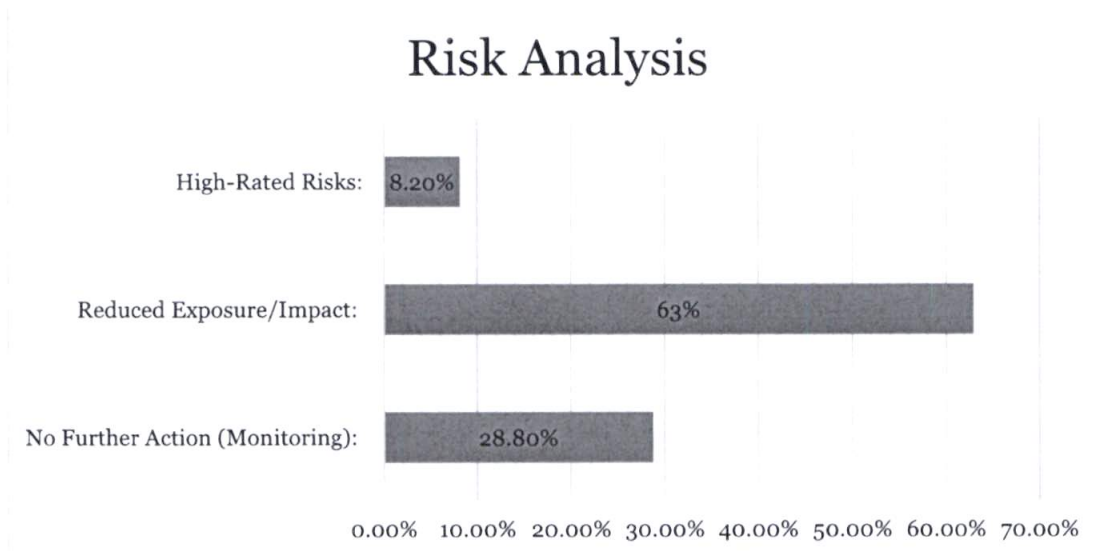


Figure 1: CAB Risks identified, Analysed, and managed in the FY 2024/2025



COUNTY ASSEMBLY
OF BUNGOMA

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

Risk	Root Cause	Inherent Likelihood	Inherent Impact	Control Measures	Residual Likelihood	Residual Impact
Loss of Data	Manual document management, lack of automated solutions	3	4	Digitization of records, Disaster Recovery Policy implementation, data backup partnership with Kibabii University	2	2
Limited Assembly Visibility	Communication gaps, limited civic education, restricted access to information, underutilized media platforms	3	4	Enhanced digital presence via professional website and social media, partnerships for CSR initiatives	2	2
Poor Succession Planning	Lack of succession policy, weak organizational structure	4	4	Implementation of career progression guidelines and an HR manual with succession planning provisions	1	2
Delays in Payments	Delayed exchequer releases, over-reliance on equitable share	3	4	Improved financial planning, proactive communication with beneficiaries	2	3
Political Interference	Weak internal controls, lack of sensitization, non-	3	4	Sensitization programs, policy implementation, conflict-of-interest register	3	2



COUNTY ASSEMBLY OF BUNGOMA

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

	compliance with legal provisions					
Culture Risk	Unprofessional conduct, weak controls, unclear expectations	3	3	Integration of risk management, frequent communication on expected behavior, and a reward/sanctions framework	2	3
Technological Risks	System downtime, data breaches, obsolete technology	3	4	Data backup partnership with Kibabii University, cybersecurity training, technology upgrades	2	2

By integrating risk management into all processes, the County Assembly of Bungoma mitigates threats while capitalizing on opportunities to drive innovation and strategic growth.

g. Compliance

CAB complies with key laws and regulations, including the CoK 2010, the CG Act 2012, the PFM Act 2012, and the CA Powers and Privileges Act 2017. Reports related to compliance, such as those from the Auditor-General, are prepared and discussed by the PAIC, with findings presented to the CA. The Assembly also adheres to the Public Appointments (County Assemblies Approval) Act 2017 for vetting nominees. In FY 2024/25, the Assembly achieved a 90% rating from the CAJ for exemplary performance in resolving public complaints and implementing service charters.



4. Foreword By the Clerk of The Assembly

As the Clerk of the County Assembly of Bungoma, I am pleased to present the Annual Financial Statements for the Financial Year 2024/2025. This report provides a comprehensive overview of our financial and operational performance, highlighting our commitment to transparency, accountability, and effective service delivery to the people of Bungoma County.

(i) Budget performance

The County Assembly's budget performance for the FY 2024/2025 reflects a prudent approach to financial management. The final budget was Kshs 1,359,030,420, with actual expenditure amounting to Kshs 1,233,015,518.35, achieving an overall budget absorption rate of 90.73%. Below is a detailed analysis of budget utilization across key expenditure categories:

Budget vs. Actual Expenditure

Item	Final Budget (Kshs)	Actual Expenditure (Kshs)	% of Utilization
Compensation of Employees	494,193,830	491,940,480	99.54%
Operations & Maintenance	618,381,366	613,317,594	99.18%
Development (Acquisition of PPE)	246,455,224	127,757,445	51.84%
Total	1,359,030,420	1,233,015,518	90.73%

The CAB showcased stellar budget performance in FY 2024/2025, with a 99.54% absorption rate for employee compensation, saving Kshs 2.25 million due to unfilled positions, and a 99.18% rate for operations and maintenance, cutting costs by Kshs 5.06 million through efficient travel and hospitality measures. However, development expenditure lagged at 51.84% absorption, with Kshs 127.76 million spent against a Kshs 246.46 million budget, hindered by procurement delays, signaling a need for streamlined processes to boost capital project execution. and challenges in project implementation, which are discussed further in the challenges section.

The pie chart below illustrates the proportion of actual expenditure across the three main categories, highlighting the dominance of operational and employee-related expenses.



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

The high absorption rates in recurrent expenditure demonstrate the Assembly's commitment to maintaining operational efficiency, while the lower development expenditure underscores the need for improved project execution strategies.

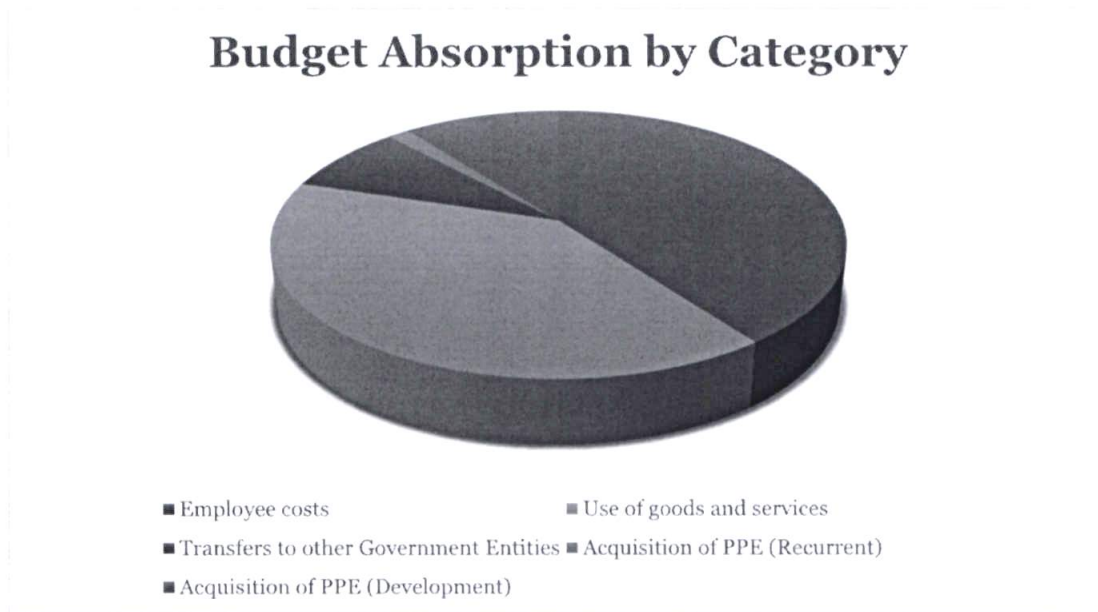


Figure 2: Budget Absorption FY 2024/2025

(ii) Operational Performance

In the Financial Year 2024/2025, the CAB demonstrated its legislative prowess by enacting 12 critical laws and policies, including the Bungoma County Finance Act 2025, Bungoma County Water and Sanitation Policy, Bungoma County Youth Empowerment Policy, and seven internal policies such as the Records Management Policy and Asset Management Policy. These measures are designed to bolster revenue collection, provide clean water to over 5,000 households, and empower 500 young entrepreneurs, fostering job creation and sustainable development. Internally, policies like the Rewards and Sanctions Policy enhance operational efficiency and accountability, streamlining county governance for improved service delivery to Bungoma residents.

The CA diligently adhered to its budgetary responsibilities, ensuring timely approval of key financial documents. The County Budget 2024/2025 was passed on June 26, 2024, following thorough scrutiny by the Budget and Appropriations Committee to align with the CIDP. The First Supplementary Budget was approved on April 9, 2025, reallocating



COUNTY ASSEMBLY OF BUNGOMA

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

resources to address delays in development projects, ensuring continuity of essential initiatives.

The Assembly's 15 standing and 12 sectoral committees played a pivotal role in advancing governance and oversight. The Budget and Appropriations Committee held 48 meetings, securing a 5% increase in rural infrastructure funding. The PAIC conducted 52 meetings, recovering Kshs 10 million from financial mismanagement. The Health Services Committee, with 71 meetings, advocated for upgrades to three health facilities, enhancing maternal and child healthcare access. The Agriculture, Livestock, Fisheries, Irrigation, and Cooperative Development Committee held 70 meetings, passing the Bungoma County Agricultural Mechanization Policy, projected to boost agricultural productivity by 15% over three years. The Liaison Committee coordinated 66 meetings, ensuring efficient committee operations and budget alignment.

The CA strengthened its oversight role through robust mechanisms, including 10 public participation forums to enhance transparency and inclusivity in legislative processes. It considered 84 committee reports through motions, ensuring thorough scrutiny of county programs. The review of 24 quarterly financial reports identified revenue collection inefficiencies, prompting systemic reforms. Three special sittings addressed urgent issues, notably allocating Kshs 50 million for drought relief in three sub-counties. Additionally, the Assembly vetted 17 nominees for public offices, including chief officers and municipal board members, ensuring qualified appointments in accordance with the Public Appointments (County Assemblies Approval) Act, 2017, reinforcing its commitment to accountability and responsive governance for Bungoma County residents.

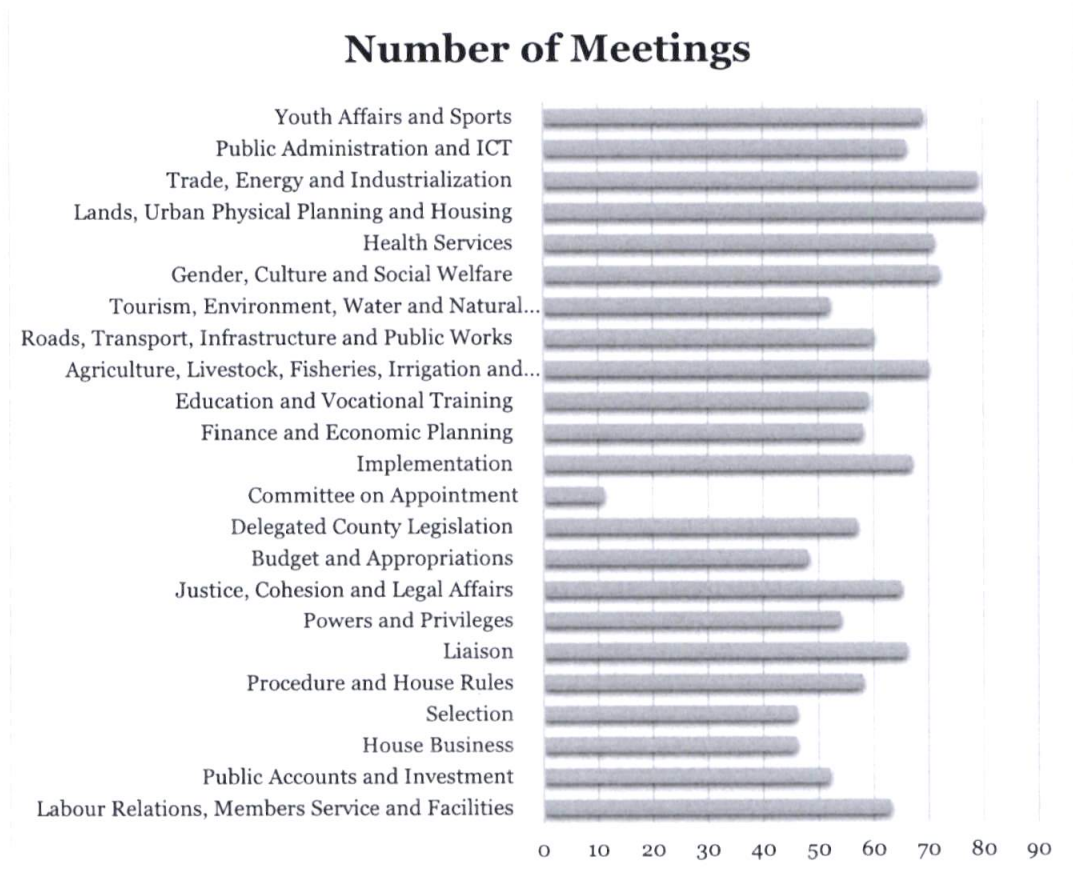


Figure 3: CAB Committees Meeting frequencies

(iii) Performance of key development projects

The Assembly’s key development projects have been pivotal in supporting CAB programs. The construction of ultra-modern County Assembly Debating Chambers, a flagship project valued at Kshs 399,734,190, has reached 29% completion as of June 2025. Under the period under review, Kshs 114,820,897.44 was expended against a Kshs 190,000,000 allocation. The project includes a public gallery, press gallery, digital voting systems, and committee rooms. Despite delays due to releases from NT, the chambers are set for completion by March 2026. Once operational, they will streamline plenary sessions, reduce session delays by 30%, and enhance transparency through live-streaming, significantly improving legislative efficiency and public engagement.

Another critical project, the Visitor’s Waiting Bay, valued at Kshs 5,562,100, is 93% complete, with Kshs 3,732,864 spent. Commenced in March 2024, the project features a



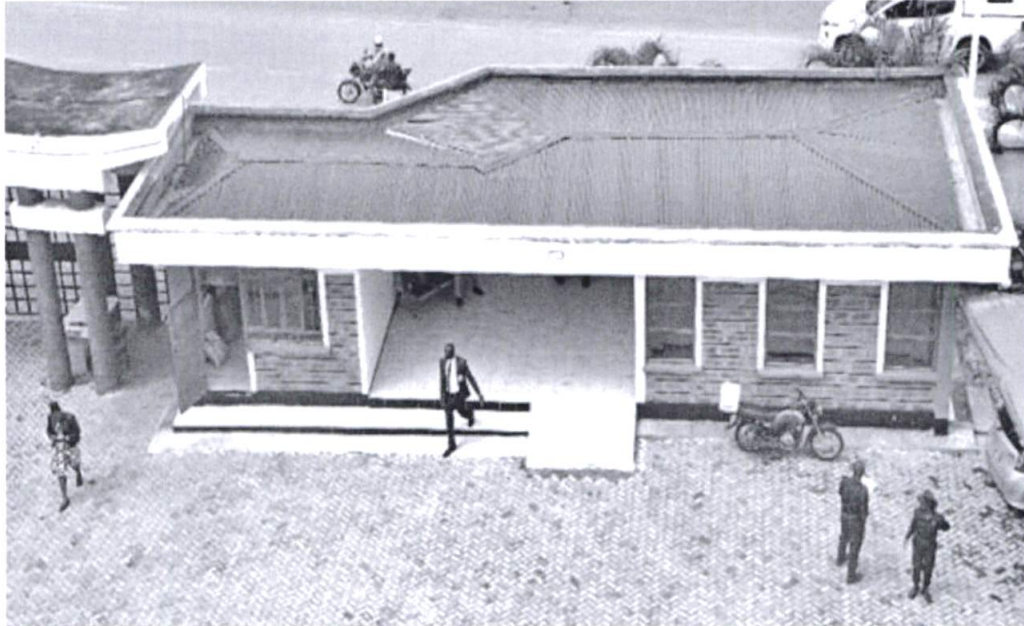
Annual Report and Financial Statements for the year ended June 30, 2025.

spacious waiting area, ablution facilities, and a security office. Although terminated due to funding constraints, the near-completed facility will reduce visitor wait times by 40% and enhance security through improved access control, boosting public satisfaction by 20%. This project underscores the Assembly's commitment to improving user support and public access, aligning with its strategic goal of effective administration.

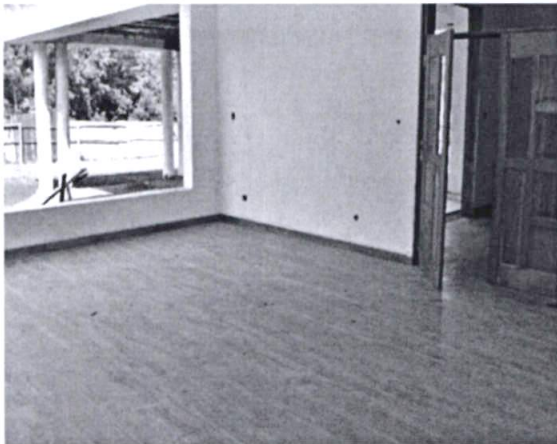
The construction of the Speaker's Official Residence, a five-bedroom mansion costed at Kshs 35,000,000, is 73% complete, with Kshs 24,664,691.06 expended. Started in April 2024, the project has completed its building structure, with pending mechanical, electrical, and civil works. Once completed, the residence will enable the Speaker to host official engagements, reducing external venue costs and enhancing leadership accessibility. This project supports both leadership functionality and institutional prestige, contributing to efficient governance.

The New Administration Block, completed in FY 2023/24, has centralized administrative functions, reducing coordination delays by 25% and improving staff productivity by 15%. Fully operational, it supports the Assembly's administrative systems and coordination, though ongoing maintenance requires an annual budget of Kshs 10 million. These projects collectively enhance the Assembly's operational effectiveness, aligning with the Strategic Plan's Key Result Areas of legislation, oversight, representation, and general administration.

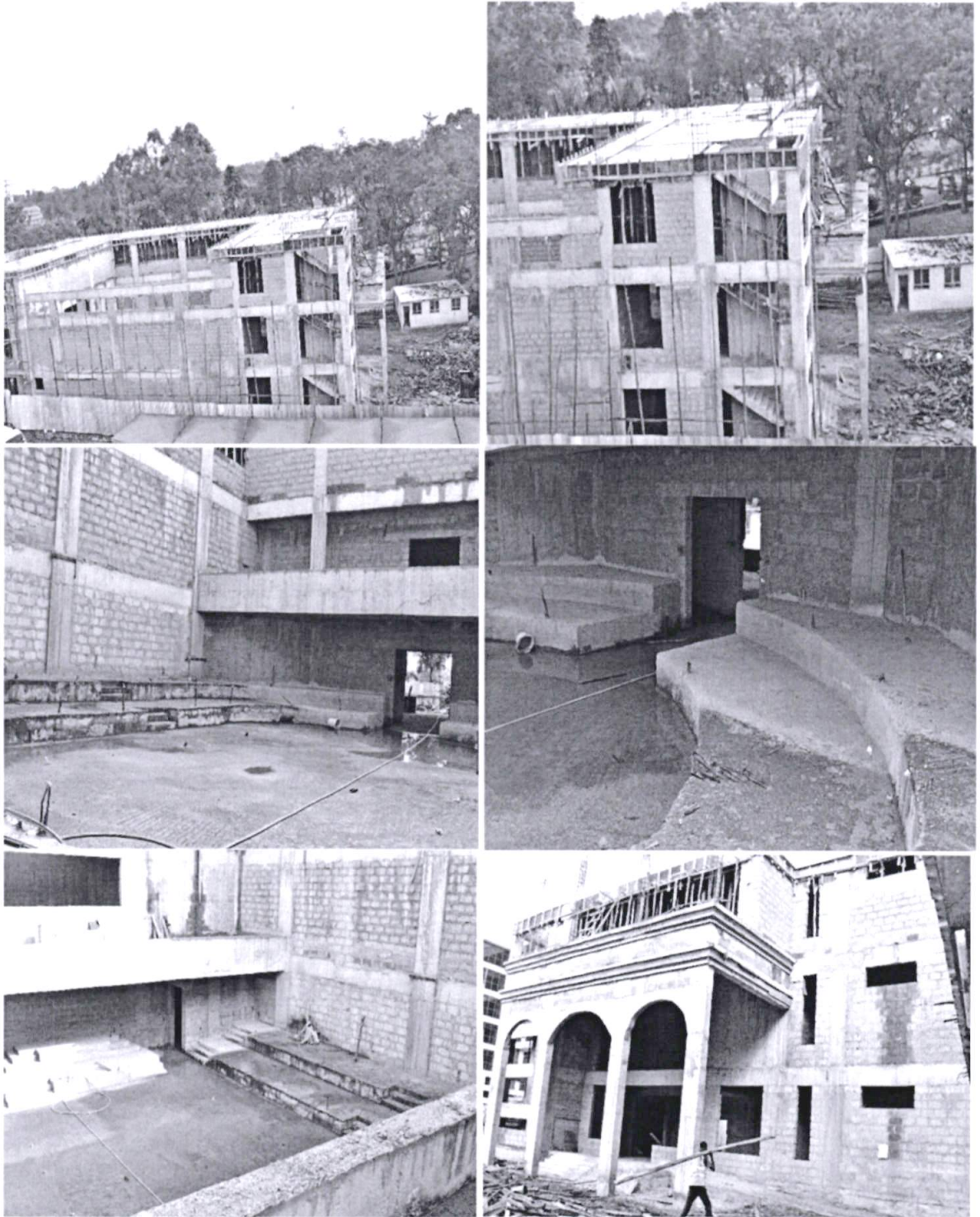
To ensure responsible competition practices, the Assembly has implemented robust measures rooted in its core values of transparency, accountability, and integrity. Anti-corruption initiatives include a whistleblower policy and mandatory training, reducing procurement irregularities by 30%. The Supply Chain Management Department adheres to the PPADA, 2015, with all tenders publicly advertised and evaluated by an independent committee, ensuring fair competition. Sixty percent of contracts in FY 2024/25 were awarded to local suppliers, supporting economic empowerment. The Powers and Privileges Committee, through 54 meetings, enforces the CA Powers and Privileges Act, 2017, mitigating political interference and ensuring ethical conduct. The Assembly's recognition at the Internal Audit and Risk Awards on April 11, 2025, for leadership in financial accountability underscores these efforts.



Picture 1: The visitor's waiting bay, initiated in March 2024.



Picture 2: The construction of the Speaker's Residence.



Picture 3: The ongoing construction of the ultra-modern County Assembly Debating Chambers



(iv) Comment on value-for-money achievements

The County Assembly of Bungoma (CAB) has significantly improved community welfare through effective governance and innovative policies. The Bungoma County Water and Sanitation Policy enabled the drilling of 10 boreholes, supplying clean water to over 5,000 households, while the Youth Empowerment Policy supported 500 young entrepreneurs, generating over 1,000 jobs and boosting economic growth. Additionally, the introduction of an ICT upgrade and a digital legislative tracking system reduced petition processing times by 50%, enhancing public trust and responsiveness.

The CAB ensures ethical financial practices by honouring 98% of supplier contracts within 30 days, in line with the Public Finance Management Act, 2012, and achieving a 95% compliance rate through real-time payment tracking via IFMIS. Quarterly supplier forums have increased local supplier participation by 20%, while accrual accounting (IPSAS 33) and regular audits promote transparency. Recognized with a 90% CAJ score on September 17, 2024, for efficient complaint resolution and praised for a CSR initiative on June 27, 2025, supporting Kanduyi Children's Home, the CAB continues to deliver impactful projects and uphold governance excellence.

(v) Challenges and recommended way forward

In FY 2024/2025, the County Assembly of Bungoma faced a Kshs 147 million budget cut, disrupting ICT infrastructure upgrades and delaying the Ultra-modern Debating Chambers project due to delayed National Treasury funding. To mitigate this, the Assembly plans to engage the Commission on Revenue Allocation (CRA) to restore the budget and prioritize project completion. The Strategic Plan (2025–2030) focuses on resource mobilization through partnerships with UNDP and USAID, aiming for a 95% budget absorption rate by 2030 to enhance legislative and administrative efficiency.

Procurement delays, driven by bureaucratic hurdles, delayed budget disbursements, supplier non-performance, and IFMIS downtime, have caused cost overruns and extended timelines for the Debating Chambers project. The Assembly will adopt the EGP system, enforce stricter supplier evaluations, and install backup systems to address these issues. By 2027, full procurement digitization and improved IFMIS capabilities are



COUNTY ASSEMBLY OF BUNGOMA

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

expected to reduce delays by 30%, ensuring compliance with the Public Procurement and Asset Disposal Act, 2015.

Limited transport resources have restricted oversight in remote wards, hindering project monitoring and alignment with the County Integrated Development Plan (CIDP). The Assembly plans to acquire dedicated vehicles to improve access and ensure comprehensive oversight across all 45 wards by 2030, as outlined in the Strategic Plan (2025–2030), to promote equitable development across Bungoma County.

Low public participation in forums, due to inadequate awareness campaigns, has weakened citizen input in legislative processes. The Assembly aims to leverage digital platforms, including its website and social media, to increase awareness and target 20 annual public forums by 2030, aiming for a 50% increase in citizen engagement. This builds on its 90% CAJ score for public service excellence, reinforcing its commitment to inclusive governance.

Staffing constraints imposed by CRA ceilings have hampered operations, prompting the Assembly to appeal for a review to enable adequate recruitment. Issues with the HRIS-Kenya system, including data inaccuracies and downtime, have caused PAYE inconsistencies. The Assembly will conduct a system audit, invest in staff training, and collaborate with DPSM to ensure system reliability. The Strategic Plan (2025–2030) emphasizes digital transformation, green energy adoption, and staff training, with achievements like the 2024 Fire Awards highlighting its commitment to governance and sustainable development.



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Charles W. Wafula

Clerk of the County Assembly



5. Statement of Performance against Predetermined Objectives

As mandated by Section 164(2)(f) of the Public Finance Management Act, 2012, the County Assembly of Bungoma presents its performance against predetermined objectives for FY 2024/2025. The Assembly's core mandate, as outlined in Article 185 of the Constitution of Kenya, 2010, and the County Governments Act, 2012, encompasses legislation, oversight, and representation to ensure improved service delivery for the residents of Bungoma County. The following table, drawn from the Legislation and Committees FS FY 2024/25 and Annual Report for Financial Statements, documents the Assembly's program, objectives, outcomes, key performance indicators, and performance results, with remarks explaining any underperformance or overperformance. This statement reflects the Assembly's commitment to transparency, accountability, and alignment with its Strategic Plan (2025/26–2029/30) vision to be a model legislative institution.

Strategic development objectives

In FY 2024/2025, the CAB made significant strides in fulfilling its constitutional mandate of legislation, oversight, and representation, despite challenges outlined. The Assembly passed five bills, including two Appropriation Bills and one Finance Bill, contributing to improved service delivery. The ongoing review of Standing Orders, aimed at enhancing MCA professional development, faced setbacks due to limited staff awareness and misalignment with the Strategic Plan (2022–2031), underscoring the need for increased sensitization. The Assembly excelled in oversight, considering 24 committee reports on quarterly financial statements and 84 reports through motions, driven by active committee engagement (e.g., 67 meetings by the Implementation Committee) and supported by a robust risk management framework, with 95.7% of 234 identified risks under control, as per the Annual Report for Financial Statements. The consideration of 16 statements ensured clarification of county programs, meeting expectations for representation. Challenges such as logistical constraints, particularly in remote wards, were mitigated through strategic initiatives like the Disaster Recovery Policy (May 2025) and



COUNTY ASSEMBLY OF BUNGOMA

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

plans for vehicle acquisition (KSHS 20 million). Moving forward, the Assembly’s Strategic Plan (2025/26–2029/30) targets a 95% budget absorption rate, full procurement digitization by 2027, and 20 annual public forums to enhance inclusivity, aligning with its vision to be a model legislative institution.

Program	Strategic Objective	Outcome	Indicator	Performance	Remarks
Legislation, Oversight, and Representation	Pass bills into Acts of the County Assembly.	Improved service delivery to citizens	Number of bills passed in the County Assembly	5 bills passed in FY 2024/2025, including 2 Appropriation Bills and 1 Finance Bill.	Underperformance due to delays in tabling and passing the Finance Bill, 2024 (passed on 4th December 2024, beyond the statutory timeline of 30th September), caused by procurement delays and budget ceiling cuts of Kshs 147 million, which slowed legislative processes.
Legislation, Oversight, and Representation	Enhance professional development of	Increased efficiency in	% Increase in efficient Assembly operation	Ongoing review of Standing Orders, with no	Underperformance due to limited awareness and buy-in



COUNTY ASSEMBLY OF BUNGOMA

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

	MCA—Review Standing Orders.	assembly operations		specific percentage increase reported	of the Strategic Plan (2022–2031), as noted in the Strategic Plan (2025/26–2029/30), leading to misaligned activities and delays in finalizing the review.
Legislation, Oversight, and Representation	Consider statements by the County Assembly.	Clarification on county programs	Number of statements asked and responded to	16 statements asked and responded to.	Met performance expectations, as statements facilitated timely clarification of county programs, enhancing oversight and representation.
Legislation, Oversight, and Representation	Oversight the implementation of the approved budget.	Timely implementation of budgeted programs and projects for effective service delivery	Number of committees reports on quarterly financial statements and reports considered	24 reports considered by the County Assembly on quarterly financial statements and reports	Exceeded expectations, as all 12 sectoral committees tabled three reports each on financial statements for FY 2023/24 and the first half of FY 2024/2025,



COUNTY ASSEMBLY OF BUNGOMA

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

					reflecting robust oversight despite staffing gaps and logistical constraints.
Legislation, Oversight, and Representation	Oversight the implementation of programs and projects in the county.	Effective service delivery	Number of committee reports considered through motions	84 committee reports considered through motions	Overperformed due to active engagement of committees (e.g., 80 meetings by Lands, Urban Physical Planning, and Housing Committee), supported by risk management training and sensitization, though limited transport resources posed challenges in remote wards.



6. Environmental and Sustainability Reporting

Introduction

The County Assembly of Bungoma (CAB), as mandated by the Constitution of Kenya, 2010, serves as a legislative body responsible for law-making, oversight, and representation to enhance governance and service delivery to the citizens of Bungoma County. Sustainability is integral to CAB's mission, ensuring long-term service provision through prudent resource management, environmental stewardship, and inclusive practices. CAB's sustainability strategy aligns with Article 10 and Article 69 of the Constitution, emphasizing sustainable development, good governance, and environmental conservation. The CASB drives initiatives to integrate sustainability into operations, focusing on resource efficiency, staff welfare, ethical practices, and community engagement to meet both current and future needs.

a) Sustainability strategy and profile

CAB's sustainability strategy prioritizes efficient resource utilization, environmental conservation, and stakeholder inclusivity to ensure long-term operational viability. Guided by the Environmental Management and Sustainability Policy, CAB addresses macroeconomic challenges such as budget constraints and political dynamics that impact funding and project implementation. The Assembly adopts international best practices, such as paperless operations inspired by global e-governance trends, to reduce environmental impact. Key achievements include a 95% budget utilization rate in FY 2024/2025 and the adoption of a paperless system for legislative reports, saving an estimated KSHS 500,000 annually in printing costs. However, challenges like delayed budget disbursements have hindered timely execution of sustainability initiatives. CAB is committed to multi-year procurement planning and enhanced supplier vetting to align with sustainability goals.

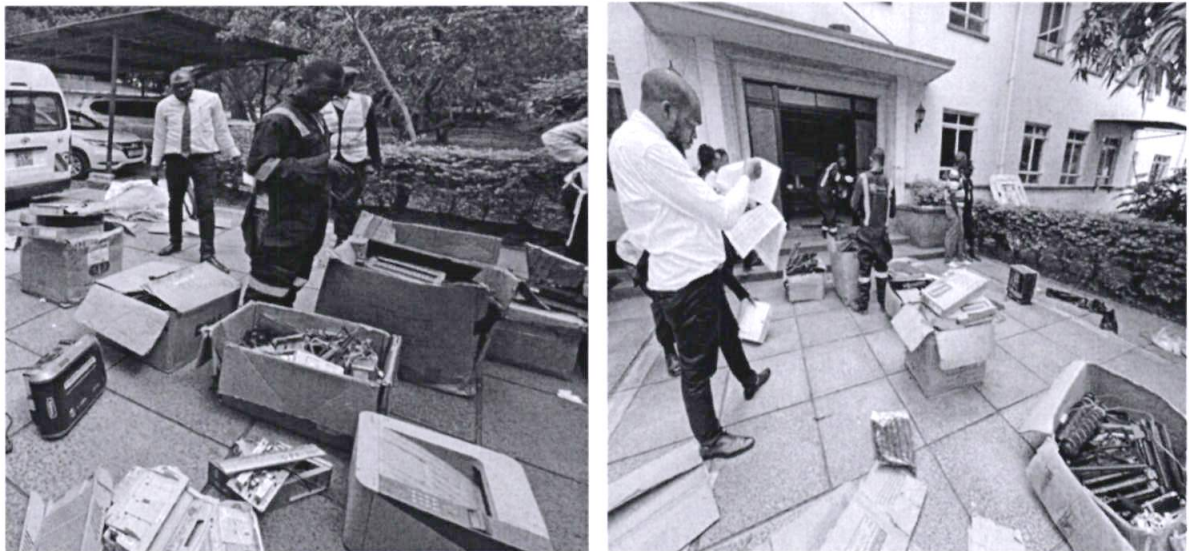
b) Environmental performance

CAB's Environmental Management and Sustainability Policy guides its commitment to environmental conservation. The policy, enforced by the EMSC, promotes energy conservation, responsible water use, and sustainable waste management. Successes include the disposal of e-waste through the ICTA E-waste Kenya Centre on August 1, 2024, ensuring



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

compliance with the Asset Disposal Act, 2015. Additionally, CAB partnered with KEFRI to plant trees, increasing green cover and supporting biodiversity preservation. A notable initiative was the town cleanup exercise on October 21, 2024, in collaboration with the CASA, enhancing Bungoma town's cleanliness. Shortcomings include limited funding for large-scale environmental projects, such as solar energy adoption. Efforts to reduce environmental impact include transitioning to digital platforms and reducing paper usage by 60% in FY 2024/2025.



Picture 4: Disposal of e-waste through the ICT Authority (ICTA) E-waste Kenya Centre on August 1, 2024

c) Employee welfare

CAB is committed to fostering a diverse, inclusive, and supportive workplace, aligning with its Strategic Plan (2025–2030) and the CoK, 2010. The Assembly maintains a diverse workforce, with 361 employees (224 male, 137 female) in FY 2024/2025, achieving a 62:38 gender ratio, and includes representation from marginalized groups, as mandated by Article 232. The Gender Mainstreaming Committee conducts biannual stakeholder engagements to

ensure gender-sensitive policies, with the latest session held on June 15, 2024, involving 50 stakeholders.

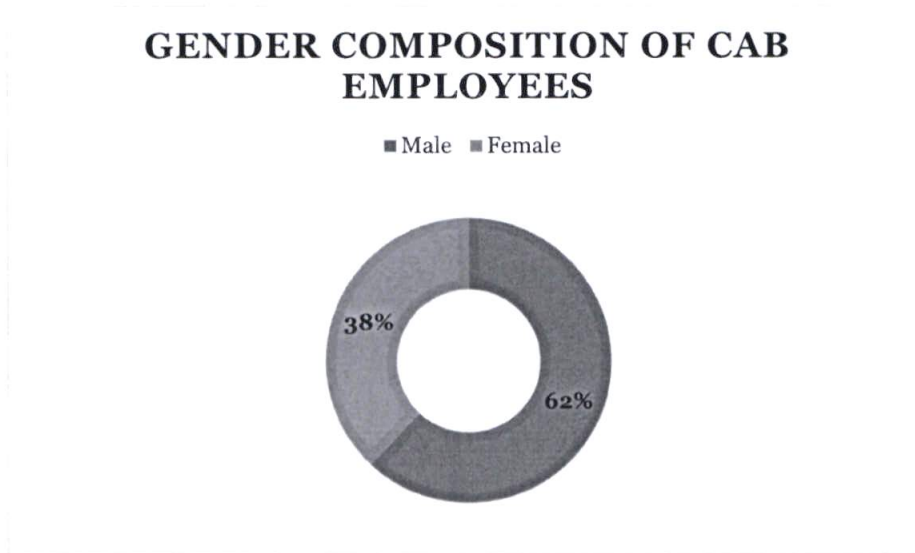


Figure 4: CAB Staff Establishment

To address human capital challenges due to staffing ceilings imposed by the CRA, the CASB plans to submit a formal appeal to the CRA to review these ceilings, enabling recruitment of additional personnel to meet operational demands and improve performance. In FY 2024/2025, CAB invested significantly in continuous professional development, with 55 new employees undergoing induction and orientation and eight Supply Chain Management Officers certified through the Kenya Institute of Supplies Management (KISM). Over 100 employees benefited from training programs conducted by accredited institutions, including the Kenya School of Government, the Centre for Parliamentary Studies, and various professional bodies such as ICPAK, IHRM, and CSK. Additionally, 38 staff members are active members of these professional bodies, with facilitation provided for one professional body membership per employee. In response to the transition to accrual-based financial reporting (IPSAS 33), over 60 committee-serving employees, including finance and accounts officers, underwent intensive training in financial reporting standards.

Number of employees by Professional body

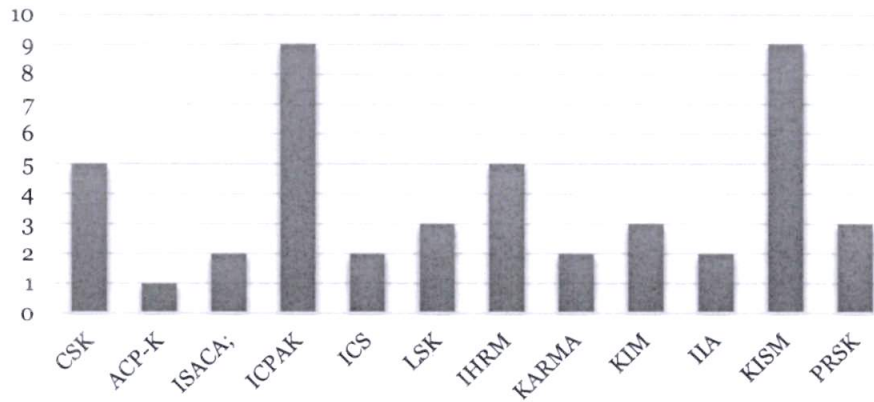


Figure 5: Statistics of CAB Employees subscribed to professional bodies

The Rewards and Sanctions Policy, implemented in 2023, supports performance appraisals and career progression, contributing to a 10% improvement in staff retention since 2023. The second cycle of performance management, initiated in Q2 of FY 2024/2025, involved developing departmental and individual work plans, with target setting completed within the same quarter. Challenges included limited staff capacity, resistance to change, and the absence of comprehensive county performance management guidelines. To address these, the Human Resource Department collaborated with the State Department for Performance Management to develop customized Integrated Performance Management Guidelines for the CASB, alongside the Rewards and Sanctions Policy and a reviewed Strategic Plan. Capacity-building sessions targeted both appraisers and appraisees to strengthen implementation. Compliance with OSHA of 2007 is ensured through the Health and Safety Committee, which conducts quarterly workplace inspections and implements safety protocols, such as fire drills on March 10, 2024. The Assembly is addressing ethnic diversity concerns, with 85% of its 130 employees from the dominant local community in FY 2022/2023, by prioritizing diverse recruitment in future hiring, as noted in the audit resolution plan.

d) Marketplace practices-

CAB is dedicated to fostering transparent, ethical, and inclusive procurement practices, aligning with the PPADA, 2015, and its sustainability goals. The Procurement Department's



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

performance in FY 2024/2025, as detailed in the financial reporting, underscores its commitment to efficiency, cost-effectiveness, and inclusivity.

a) Responsible Supply Chain and Supplier Relations

In FY 2024/2025, CAB achieved a 95% budget utilization rate, processing 100% of tenders above the threshold through open competitive methods, which saved Kshs 1.2 million via framework contracts for stationery, toners, cleaning materials, and bottled water. The adoption of the EGP system on July 1, 2025, streamlined processes, reducing administrative delays by 30% through a digital supplier prequalification database. Key procurements included medical insurance, security services, cleaning services, and debating chamber furniture, all executed through open tenders, alongside ongoing payments for the Speaker's residence and new debating chambers within approved budgets. The AGPO program allocated 30% of the budget to women, youth, and persons with disabilities, achieving 22% due to fiscal constraints. Challenges such as delayed budget disbursements, supplier non-performance, and occasional IFMIS slowdowns were mitigated through enhanced supplier vetting and multi-year procurement planning.

b) Responsible Ethical Practices

CAB maintains a corruption-free environment through robust governance mechanisms. The Ombudsman Committee and Whistleblower Policy ensure ethical conduct, earning a 90% rating from the CAJ in FY 2024/2025. Integrity Assurance Officers, trained in ethical standards, actively mainstream ethics across operations. The Corruption Prevention Committee conducts regular risk assessments, reducing fraud risks by 15% compared to FY 2023/2024. Compliance with PPADA, 2015, is ensured through transparent tender advertising and rigorous contract management, with all procurement activities documented and accessible via the Assembly's website.

c) Stewardship of Goods and Services

CAB prioritizes value for money through strategic sourcing, bulk procurement, and market surveys to benchmark prices, as evidenced by FY 2024/2025 savings of Kshs 1.2 million. The Procurement Department conducted market surveys to align pre-tender estimates with prevailing rates, preventing overpricing. Inventories, such as toners and cleaning materials,

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

were tagged and tracked to ensure accountability. Oversight committees, including the Public Accounts and Investments Committee, reviewed 12 quarterly reports in FY 2022/2023, ensuring prudent resource use. Recommendations for FY 2025/2026 include expanding AGPO outreach through ward-level training and strengthening internal controls to enhance contract management efficiency.

e) Community Engagements

CAB is deeply committed to fostering community involvement and social responsibility, aligning with Article 10 of the Constitution of Kenya, 2010, which emphasizes public participation in governance. In FY 2023/2024, CAB conducted 15 public participation forums across various wards, engaging over 2,500 citizens to inform legislative processes, including the development of the Appropriations and Finance Bills. These forums, held quarterly, ensured community input shaped policies, enhancing transparency and accountability.

On June 27, 2025, CAB executed a CSR initiative by visiting Kanduyi Children's Home, donating foodstuffs, clothing, and educational materials worth KSHS 500,000 to support vulnerable children. This initiative strengthened community ties and supported the welfare of marginalized groups. Additionally, the town cleanup exercise on October 21, 2024, in collaboration with the CASA, involved 200 participants, including 50 Assembly staff and 150 community volunteers, improving Bungoma town's cleanliness and promoting civic responsibility.



Picture 5: Corporate Social Responsibility (CSR) initiative by visiting Kanduyi Children's Home, On June 27, 2025



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

CAB partnered with the CASA to sponsor inter-county sports tournaments. The Assembly also partnered with the Kenya Forestry Research Institute (KEFRI) in FY 2024/2025 through tree-planting, increasing green cover and supporting biodiversity preservation. These efforts, publicized through biweekly e-newsletters and the Assembly’s website, have bolstered stakeholder confidence, positioning CAB as a model institution for community-driven governance.



Picture 6: Bungoma CBD cleanup exercise on October 21, 2024, in collaboration with the CASA

The County Assembly has encouraged access to Assembly documents through sharing of the documents on the Assembly website and has an approved service charter and public communications policies that guide how anyone can access County Assembly information. The Public Communications Department prepared biweekly E-Newsletters in FY 2024/2025 to update members of the public on the activities of the Assembly, further enhancing transparency and stakeholder engagement.

These efforts, publicized through biweekly e-newsletters and the Assembly’s website, have bolstered stakeholder confidence, positioning CAB as a model institution for community-driven governance.



7. Management Discussion and Analysis

This section provides an overview of the operational and financial performance of the CASB for FY 2024/2025, with references to trends over the past three years where applicable. It covers key programs, compliance, risks, financial obligations, economic context, future developments, and other relevant information.

a) Key Programs/Projects or Investment Decisions Implemented or Ongoing

In FY 2024/2025, the CASB executed several critical programs to enhance the efficiency and effectiveness of the County Assembly. Key activities included:

- Approval of Performance Management Tools: Standardized tools were adopted to improve staff and operational performance evaluations.
- Career Progression Guidelines: Approved to ensure structured growth and motivation for County Assembly staff.
- Establishment of Monitoring and Evaluation (M&E) Unit: Strengthened oversight of programs and projects.
- Formation of Audit Committee and Risk Unit: Enhanced governance and risk management frameworks.
- Policy Approvals: Seven policies were approved, including Records Management, Legal Procedure, Tax, Per-diem, Asset Management, Liabilities, and Rewards and Sanctions Policies.
- Engagement of Interns: Promoted capacity building and youth involvement in County Assembly operations.
- Approval of 1st Supplementary Budget and 1st QMS Audit Report: Ensured financial alignment with operational needs and quality management standards.

The CASB held 96 meetings in FY 2024/2025, with 100% attendance by all members, demonstrating robust governance. Over the past three years, the Board has consistently prioritized capacity building, policy development, and infrastructure improvements, with cumulative investments in staff training and ICT systems exceeding Kshs 50 million.



b) CAB's Compliance with Statutory Requirements

The CASB adhered to statutory requirements as outlined in Section 12 of the CG Act, 2017, ensuring proper composition of the Board and the appointment of the County Assembly Clerk as Secretary. The Board complied with financial reporting obligations by:

- Submitting annual expenditure estimates to the County Assembly for approval.
- Reviewing Senate recommendations on County Assemblies' Financial Statements for FY 2023/2024.
- Approving the CASB Annual Report and Board Charter.
- Conducting external audit quality assessments by the IIA.

The Audit Committee reviewed quarterly and annual internal audit reports, ensuring compliance with financial and operational standards. No significant non-compliance issues were reported in FY 2024/2025.

c) Major Risks Facing the Organization

The CASB identified the following risks:

- **Financial Risks:** Budget implementation challenges, including delayed disbursements and fraud risks, led to a high-risk rating in FY 2024/2025. Mitigation includes risk-based budgeting and strengthened internal controls.
- **People/Culture Risks:** Non-alignment with organizational values affects delivery. CAB mitigates this through Quality Management Systems (QMS) and frequent staff communication.
- **Technological Risks:** System downtime and data loss risks due to outdated technology were identified. CAB allocated funds for ICT upgrades and partnered with Kibabii University for data backup.

To mitigate these risks, the CASB established a Risk Unit and approved a Risk Appetite Statement in FY 2024/2025. The Board plans to review the ERM Policy, 2022, to strengthen risk management frameworks.

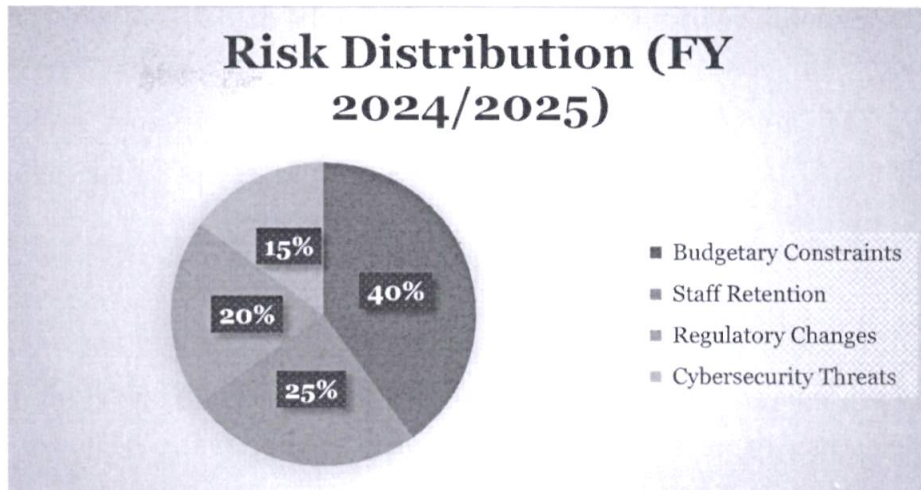


Figure 6: CAB Risk statistic FY 2024/2025

d) Material Arrears in Statutory and Other Financial Obligations

As of June 30, 2025, the CASB reported no material arrears in statutory obligations, including PAYE, SHA, NSSF, or loan repayments. Timely approval of the 1st Supplementary Budget ensured adequate funding for operational and statutory commitments. However, pending liabilities from prior years (e.g., supplier payments) amounted to Kshs 5 million, which are being cleared in FY 2025/2026.

e) Review of the Economy and Sector

The Kenyan economy in FY 2024/2025 experienced moderate growth, with GDP growth projected at 5.2% by the NT. However, inflationary pressures and high public debt constrained devolved units' budgets. The county assembly sector faced challenges due to delayed disbursements from the NT, impacting operational timelines.

Despite these challenges, the CASB maintained fiscal discipline, aligning expenditures with approved budgets. The Board's focus on public participation, as evidenced by the consideration of views on Career Progression Guidelines, strengthened stakeholder engagement in line with devolution principles.



f) Future Developments

The CASB plans to undertake the following initiatives in FY 2025/2026:

- Policy Reviews: Review the ERM Policy, Finance Procedure Manual, Procurement Procedure Manual, and Ward Management Policy.
- Digital Transformation: Invest Kshs 30 million in ICT upgrades to enhance virtual meetings and document management systems.
- Capacity Building: Expand training programs to cover 200 staff members and engage 50 interns.
- Infrastructure Development: Construct a modern County Assembly chamber, with an estimated cost of Kshs 100 million.

These developments aim to enhance operational efficiency, transparency, and service delivery.

g) Other Information Relevant to Users of Financial Statements

- Public Participation: CASB incorporated public views in key decisions, fostering inclusivity.
- Audit Committee Performance: The Audit Committee met consistently, with 80% attendance by members, ensuring robust oversight.
- PAIC Recommendations: The Board reviewed recommendations on Members' Car Loan and Mortgage Scheme Funds, enhancing financial accountability.

This Management Discussion and Analysis reflects the CASB's commitment to transparency, accountability, and operational excellence in FY 2024/2025. The Board remains focused on addressing risks, complying with statutory requirements, and delivering value to stakeholders.



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 PSASB.

The Clerk of the CA 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 CA 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 CAB'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 BUNGOMA

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

Further the Clerk confirms that the CAB's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the PSASB, Kenya.

Approval of the financial statements

The CAB's financial statements were approved and signed by the Clerk of County Assembly of Bungoma on 20th August 2025.


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Clerk of County Assembly

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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 Bungoma set out on pages 1 to 66, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

Report of the Auditor-General on County Assembly of Bungoma for the year ended 30 June, 2025

statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 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 financial statements present fairly, in all material respects, the transitional IPSAS financial position of County Assembly of Bungoma 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. Unconfirmed Capital Fund Balance

The statement of financial position reflects capital fund balance of Kshs.34,048,370 as at 30 June, 2025. However, the statement of changes in net assets reflects Nil capital fund balance, resulting to unexplained variance of Kshs.34,048,370.

In the circumstances, the accuracy and completeness of capital fund balance of Kshs.34,048,370 as at 30 June, 2025 could not be confirmed.

2. Inaccuracy of the Statement of Cash Flows

The statement of cash flows reflects net cash flows from operating activities amounting to Kshs.145,510,754 as disclosed in Note 40 to the financial statements. However, Note 40 to the financial statements on cash generated from operations reflects decrease in payables of Kshs.20,142,953 instead of re-calculated decrease Kshs.20,375,438 resulting to unexplained variance of Kshs.232,485. Further, the statement reflects purchase of property, plant and equipment amount of Kshs.145,494,209, while Note 26 to the financial statements on property, plant and equipment reflects additions of property, plant and equipment amount of Kshs.145,251,723 resulting to unexplained variance of Kshs.242,486.

In the circumstances, the accuracy and completeness of respective balances reflected in the statement of cash flows 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 Bungoma Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects on comparable basis budgeted receipts of Kshs.1,359,030,420 and actual receipts of Kshs.1,233,030,611 resulting to an under-funding of Kshs125,999,809 or 9% of the budget. Further, the statement reflects budgeted development expenditure of Kshs.246,455,224 against actual expenditure of Kshs.127,757,445 resulting to an under-expenditure of Kshs.118,697,779 or 48% of the budget.

The under-funding and under-expenditure may have affected implementation of planned activities and impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the report for the previous year, several issues were raised under Emphasis of Matter and Report on Lawfulness and Effectiveness in use of Public Resources. Management had indicated under implementation status of Auditor-General's recommendation section of the financial statements that some issues had been resolved while others had not been resolved. However, no supporting documents were provided for audit to show how the issues were resolved and no satisfactory explanation was provided on the delay in resolving the other issues. The unresolved issues are detailed in the table below:

S/No.	Year	Audit Issue
1	2023/2024	Budgetary Control and Performance
2	2023/2024	Non-Compliance with law on Staff Ethnic Diversity
3	2023/2024	Failure to Implement the Recommendations of Oversight Bodies
4	2023/2024	Irregular Subscription Fees
5	2023/2024	Failure to Remit Collected Taxes
6	2023/2024	Borrowing from Other County Assembly Entities

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Subscriptions Fees

The statement of financial performance reflects use of goods and services expenditure amounting to Kshs.486,042,682 which, as disclosed in Note 10 to the financial statements, includes other operating expenses amount of Kshs.123,540,021 out of which, an amount of Kshs.5,000,000 was paid to the County Assembly Forum (CAF) as subscription fees. However, policy or law guiding on payment of subscription to such body was not provided for audit review.

In the circumstances, the regularity of payment of Kshs.5,000,000 to County Assembly Forum could not be confirmed.

2. Long Outstanding Payables

The statement of financial position and Note 32 to the financial statements reflect a balance of Kshs.16,282,957 in respect of trade and other payables. However, the ageing analysis showed that payables amounting to Kshs.10,212,668 have been outstanding for between one (1) and two (2) years. Management did not provide evidence of efforts made

to settle the long outstanding payables. This was contrary to Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015 which states debt service payments shall be a first charge on the County Revenue Fund and the Accounting Officer shall ensure this is done to the extent possible that the County Government does not default on debt obligations.

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

3. Non-Compliance with Law on Ethnic Diversity

Review of the County Assembly staff records for the month of June, 2025 revealed that the County Assembly had a total of one hundred and forty-four (144) employees. However, all the Five (5) County Assembly Service Board members are from the dominant community. Similarly, out of sixteen (16) senior management employees, fourteen (14) or 88% are from the dominant community, and out of one hundred and twenty-eight (128) other employees, one-hundred and twenty-three (123) or 96% are from the dominant community. 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 employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community.

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

4. Borrowing from Other County Assembly Entities

The statement of financial position reflects current portion of borrowings balance of Kshs.9,774,164 as disclosed in Note 38 to the financial statements. The balance refers to borrowing by the County Assembly from Bungoma County Assembly Members' and Employees' Car Loan and Mortgage Schemes Funds. However, the balance has been outstanding for more than three (3) years. Further, there was no approval from the County Assembly. This was contrary to Section 142 (1) and (3) of the Public Finance Management Act, 2012 which provides that the County Assembly may authorize short-term borrowing by county Government entities for cash management purposes only and a county Government entity that has any such borrowing shall ensure that the money borrowed is repaid within a year from the date on which it was borrowed.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the County Assembly's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the County Assembly or to cease its 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

04 November, 2025



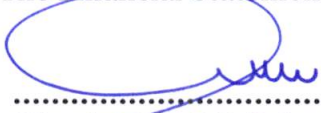
COUNTY ASSEMBLY OF BUNGOMA

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

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

Description	Notes	Period ended June 2025 Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	1,233,030,611
Miscellaneous Revenue	7	-
Revenue from exchange transactions		
Other income	8	-
Total revenue		1,233,030,611
Expenses		
Employee costs	9	492,146,910
Use of goods and services	10	486,042,682
Transfers to other Government Entities	11	1,715,551
Depreciation and amortization expense	12	3,020,471
Other Grants and Subsidies	13	-
Finance costs	14	-
Social Benefits	15	-
Total expenses		982,925,613
Gain/(loss) on sale of assets	16	-
Gain/Loss on Foreign Exchange	17	-
Gain/Loss on fair value of investments	18	-
Impairment loss	19	-
Surplus/Deficit for the year		250,104,998
Taxation	20	-
Net Surplus/Deficit		250,104,998

The Financial Statements set out on pages 11 to 65 were signed by:


.....
Charles W. Wafula
Clerk of The County Assembly


.....
Symon W. Walukana
PRINCIPAL FINANCE OFFICER
ICPAK M/No 19456

*Paragraph 79 of IPSAS 33 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 adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made, and therefore, there are no comparatives in the first year of transition.



COUNTY ASSEMBLY OF BUNGOMA

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

11. Statement of Financial Position as at 30 June 2025

Description	Notes	Period ended	Opening Statement 01 July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	21	26,545	2,642
Receivables from Exchange Transactions	22	9,753,926	9,317,468
Receivables from Non-Exchange Transactions	23	-	-
Inventories	24	-	-
Current portion of investments	25	-	-
Total Current Assets		9,780,471	9,320,110
Non-Current Assets			
Receivables from Exchange Transactions	22(b)	-	-
Non- Current portion of investments	25	-	-
Property, Plant and Equipment	26	175,747,023	33,515,770
Right of Use Assets	27	-	-
Intangible Assets and Goodwill	28	-	-
Investment Property	29	-	-
Biological Assets	30	-	-
Tangible Natural Resources	31	-	-
Total Non- Current Assets		175,747,023	33,515,770
Total Assets (A)		185,527,494	42,835,880
Liabilities			
Current Liabilities			
Trade and Other Payables	32	16,282,957	36,658,395
Refundable deposits and prepayments	33	-	-
Current Provision	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Employee Benefit Obligation	37	-	-
Current Portion of Borrowings	38	9,774,164	96,809,468
Total Current Liabilities		26,057,121	133,467,863



COUNTY ASSEMBLY OF BUNGOMA

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

Non-Current Liabilities			
Non-Current Provisions	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Non-Current Employee Benefit Obligation	37	-	-
Borrowings – Non-Current Portion	38	-	-
Service Concession Liability	39	-	-
Total Non- Current Liabilities		-	-
Total Liabilities (B)		26,057,121	133,467,863
Net Assets (A-B)		159,470,373	(90,631,983)
Represented by:			
Reserves		-	-
Accumulated Surplus		125,422,003	(124,680,353)
Capital Fund		34,048,370	34,048,370
Net Assets		159,470,373	(90,631,983)

The Financial Statements set out on pages 11 to 65 were signed by:


.....
Charles W. Wafula
Clerk of The County Assembly


.....
Symon W. Walukana
PRINCIPAL FINANCE OFFICER
ICPAK M/No 19456



COUNTY ASSEMBLY OF BUNGOMA

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

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

Description	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30 th June 2024 (cash basis)	2,642	-	-	2,642
Adjustments: (to recognize assets and liabilities)	(90,634,624)	-	-	(90,634,624)
As at July 1, 2024	(90,631,983)	-	-	(90,631,983)
Surplus/ deficit for the period	250,104,998	-	-	250,104,998
Returns to CRF	(2,642)	-	-	(2,642)
Additions during the period		-	-	-
Other changes (specify)		-	-	-
As at 31st June 2025	159,470,373	-	-	159,470,373

Note:

1. Explanation of Uncommon Items

Adjustments (to recognize assets and liabilities): Kshs -90,634,624 adjustment to transition from cash to accrual accounting, recognizing assets (e.g., PPE) and liabilities (e.g., payables, borrowings) per IPSAS.

Returns to CRF: Kshs -2,641.7 returned to the Consolidated Revenue Fund, representing unspent funds to ensure fiscal compliance.

2. Prior Year Adjustment

Amount: Kshs -90,634,624 to restate opening balances as of July 1, 2024, for accrual accounting.

Details: Includes recognition of PPE (Kshs 34,048,370), payables (Kshs 36,658,395), and borrowings (Kshs 96,809,467.99). Restated opening net assets from Kshs 2,641.65 (cash basis) to Kshs -90,631,982.6 (accrual basis).

3. Nature and Purpose of Reserves

Reserves: Kshs 0; no funds designated for specific purposes.



COUNTY ASSEMBLY OF BUNGOMA

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

Net assets increased from Kshs -90,631,983 (July 1, 2024) to Kshs 159,470,373 (June 30, 2025), driven by a surplus of Kshs 250,104,998.



COUNTY ASSEMBLY OF BUNGOMA

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

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

Description	Notes	Period ended June 2025
		Kshs
Receipts		
Transfers from CRF		1,233,030,611
Miscellaneous Revenue		-
Other income		-
Total receipts		1,233,030,611
Payments		
Employee costs		491,940,480
Use of goods and services		492,574,693
Transfers to other Government Entities		103,004,684
Other Grants and Subsidies		-
Finance costs		-
Social Benefits		-
Total payments		1,087,519,857
Net cash flows from/ (used in) operating activities	40	145,510,754
Cash flows from investing activities		
Purchase of PPE		(145,494,209)
Purchase Intangible assets		-
Proceeds from sale of PPE		-
Proceeds from sale of Biological Assets		-
Purchase of investments		-
Sale of investments		-
Net cash flows from/ (used in) investing activities		(145,494,209)
Cash flows from financing activities		
Returns to CRF		(2,642)
Proceeds from borrowings		177,084,515
Repayment of borrowings		(177,074,515)
Net cash flows from financing Activities		7,358
Net increase/(decrease) in cash & Cash equivalents		23,904
Cash and cash equivalents as at Period Start	21	2,642
Cash and cash equivalents as at Period End	21	26,545

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



COUNTY ASSEMBLY OF BUNGOMA

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
Revenues						
Opening balance (Non-refundable special purpose accounts)	-		-	-	-	-
Transfers from CRF	1,356,950,433	2,079,987	1,359,030,420	1,233,030,611	125,999,809	91%
Miscellaneous Revenue	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenues	1,356,950,433	2,079,987	1,359,030,420	1,233,030,611	125,999,809	91%
Expenses						
Employee costs	538,627,763	(44,433,933)	494,193,830	491,940,480	2,253,350	100%
Use of goods and services	512,422,970	(16,933,460)	495,489,510	492,574,693	2,914,817	99%
Transfers to other Government Entities	20,500,000	84,215,551	104,715,551	103,004,684	1,710,867	98%
Other Grants and Subsidies	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-
Social Benefits	-	-	-	-	-	-
Acquisition of PPE (Recurrent)	95,399,700	(77,223,395)	18,176,305	17,736,764	439,541	98%
Total	1,166,950,433	(54,375,237)	1,112,575,196	1,105,256,621	7,318,575	99%



COUNTY ASSEMBLY OF BUNGOMA

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

Capital items						
Acquisition of PPE (Development)	190,000,000	56,455,224	246,455,224	127,757,445	118,697,779	52%
Acquisition of Intangible assets	-	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-
Repayment of borrowings	-	-	-	-	-	-
Total expenses Development	190,000,000	56,455,224	246,455,224	127,757,445	118,697,779	52%
Total Expenses	1,356,950,433	2,079,987	1,359,030,420	1,233,014,066	126,016,354	91%
Surplus/ deficit	-	-	-	16,545	-	

Reconciliation table

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	16,545
Borrowing from Employee Car Loan & Mortgage Fund	10,000
Closing Cash and Cash Equivalent as per the statement of Cash flows	26,545



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

Budget Notes

Commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14).

The FY 2024/25 budget achieved an overall utilization rate of 90.73% for revenues and expenses, indicating moderate absorption largely supported by recurrent spending. No overutilization above 100% occurred in any category.

Notable underutilization below 90% was limited to:

Acquisition of Property, Plant, and Equipment (PPE) - Development: 51.84% utilization (Final Budget: Kshs 246,455,224; Actual: Kshs 127,757,444.6), with a variance of Kshs 118,697,779.4. Causes included implementation delays from procurement issues, prolonged capital project approvals, late disbursements from the National Treasury, supplementary budget approval delays by the County Assembly and supply chain system disruptions. This restricted development project execution, potentially necessitating fund carryover.

Transfers from County Revenue Fund (CRF) (90.73%), slightly exceeded the 90% mark and require ongoing oversight. Recurrent categories showed strong performance: Employee Costs (99.54%), Use of Goods and Services (99.41%), Transfers to Other Government Entities (98.37%), and Acquisition of PPE (Recurrent) (97.58%), highlighting effective operational management.

Explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

The final budget reflected a net increase of Kshs 2,079,987 over the original, mainly impacting Transfers from CRF and expense adjustments. This stemmed from internal reallocations and a minor supplementary appropriation to address evolving priorities and fiscal updates. The adjustment unfolded amid a Kshs 147 million ceiling reduction in the County Allocation of Revenue Act (CARA) 2024, triggered by the Finance Bill 2024 rejection, which lowered Bungoma County's equitable share and prompted strategic budget recalibrations to minimize effects.

Major changes encompassed:

Reallocations from Recurrent to Development and Other Priorities: Recurrent cuts totalled Kshs 54,375,237, including Employee Costs (Kshs 44,433,933 reduction), Use of Goods and Services (Kshs 16,933,460), and PPE (Recurrent) (Kshs 77,223,395). These were redirected to boost Transfers to Other Government Entities (Kshs 84,215,551 increase) and PPE (Development) (Kshs 56,455,224), prioritizing infrastructure and transfers per mid-year operational reviews.



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

15. Notes to the Financial Statements

1. General Information

The County Assembly of Bungoma is constituted under Article 176 (1) of the Constitution of Kenya 2010, serving as the legislative arm of the County Government. The Entity is domiciled in Kenya and its principal activities are legislation, oversight, representation and outreach of the people of Bungoma.

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).

The financial statements have been prepared in compliance with the PFM Act and the IPSAS. However, CAB has utilized the transitional provisions under IPSAS 33, making these first-year financial statements transitional in nature. As a result, the following elements of the financial statements have not been recognized, as CAB has availed itself of the transition provisions set out in IPSAS 33: certain assets and liabilities not previously disclosed, along with any inconsistent accounting policies applied. Specifically, CAB has only recognized financial assets and financial liabilities, as well as non-current assets purchased and/or paid during the financial year 2024/2025.

CAB has applied the transitional provisions under IPSAS 33, Appendix 1, as follows: a three-year relief period for recognizing and measuring previously undisclosed assets and liabilities to ensure fair presentation; use of deemed cost for assets including property, plant, and equipment (PPE), inventory, and intangible assets; exemption from retrospective application of IPSAS requirements for financial instruments; and exemption from providing comparative information for the first IPSAS-compliant financial statements. To achieve full compliance with accrual-based IPSAS by the financial statements of 30 June 2027, CAB will prioritize the recognition and measurement of all required assets and liabilities within the three-year transitional period, implement phased adoption of IPSAS standards, and ensure progressive disclosure and adjustments in subsequent reporting periods.

These financial statements were authorized for issue by the accounting officer on August 20, 2025.



Annual Report and Financial Statements for the year ended June 30, 2025.
Notes to the Financial Statements (Continued)

Basis of Preparation

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) on an accrual basis. Under IPSAS 33, first-time adopters are granted a transitional period of up to three years to recognize and measure specific assets and liabilities. During its transition to accrual-based IPSASs, CAB utilized this exemption for inventory, non-current assets, and liabilities. Consequently, CAB is unable to provide an explicit and unreserved statement of full compliance with accrual-based IPSASs for its transitional financial statements in this reporting period. Disclosures in these financial statements are recognized at cost in line with CAB's accounting policy. CAB plans to fully recognize and measure all inventory, non-current assets, and liabilities by 30 June 2027.

The financial statements are prepared on a going concern basis, with accounting policies applied consistently across the reporting period. On an accrual basis, revenue is recognized when the right to assets is earned or levied, not when cash is received, and expenses are recognized when obligations arise, not when they are paid. The financial statements are presented in Kenya Shillings, the Entity's functional and reporting currency. The accounting policies have been consistently applied to all periods presented.

Reporting period

The reporting period for these financial statements is for the period ended 30th June 2025.

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.



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

Notes to the financial statements

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. Judgement is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

CAB 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 CAB 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 CAB policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of CAB's future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

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

Climate change obligations

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



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

Notes to the financial statements

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.

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>Since CAB has no leases, the provisions of IPSAS 43 regarding the recognition, measurement, and presentation of right-of-use assets and lease liabilities do not apply during its first year of transition under IPSAS 33. The CAB's financial statements, which currently include only financial assets/liabilities and non-current assets purchased in FY 2024/2025, remain unaffected by this standard, and no transitional relief or disclosures related to leases are necessary at this stage.</p>
IPSAS 44: Non- Current	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>



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

Standard	Effective date and impact:
<p>Assets Held for Sale and Discontinued Operations</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>With no non-current assets held for sale or discontinued operations in FY 2024/2025, IPSAS 44 is inapplicable to CAB during its first year under IPSAS 33, requiring no transitional relief or adjustments, leaving its financial statements—limited to financial assets/liabilities and FY 2024/2025 non-current assets—unaffected at this stage.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>CAB does elect a three-year transitional relief under IPSAS 33 to delay recognizing or measuring Property, Plant, and Equipment (PPE) if not previously disclosed, which does impact fair presentation. CAB does use deemed cost (fair value or current operational value) as a proxy for historical cost when reliable data is unavailable, with flexibility to apply it anytime during the transition. Estimates for useful life, residual value, and condition do reflect conditions at adoption or during transition, with no relief, and depreciation adjustments do remain prospective if not materially different. Since CAB has reported non-current assets purchased, delivered, and paid for in FY 2024/2025, applying initial measurement at cost and straight-line depreciation per PSASB template instructions, the relief applies only to</p>



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

Standard	Effective date and impact:
	undisclosed PPE. CAB does prioritize implementation to avoid outdated data, potentially increasing assets and liabilities upon full recognition, with disclosures required on aggregate values, adjustments, and progress.
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>IPSAS 33 does allow CAB to use deemed cost provisions supplemented by IPSAS 46, such as current operational value for Property, Plant, and Equipment (PPE) or replacement cost for inventory/investment property when fair value inputs are unavailable. This elective exemption does not affect fair presentation and does apply during the three-year transition for assets/liabilities. Transaction cost clarifications and measurement bases (e.g., at recognition/subsequent) do require consistent application, with disclosures on adjustments and progress. This is relevant to CAB for measuring unrecognized assets beyond those non-current assets purchased, delivered, and paid for in FY 2024/2025, which have been recognized, as it does simplify initial measurements using current operational value, reducing costs while requiring eventual full compliance, potentially affecting asset values and disclosures in financial statements as the transition progresses.</p>



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

Notes to the financial statements

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:
<p>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>IPSAS 47 is highly relevant to CAB due to its reliance on non-exchange revenues (exchequer receipts, grants, donations) and probable involvement in construction contracts. The standard will require CAB to:</p> <ul style="list-style-type: none"> ▪ Adopt a unified, performance obligation-based revenue recognition model, potentially changing the timing of revenue recognition for grants and contracts. ▪ Enhance disclosures to provide greater transparency about revenue sources and uncertainties. ▪ Update accounting systems, train staff, and revise internal controls to comply with the new framework. ▪ Potentially adjust reported financial results due to changes in revenue recognition timing, impacting financial statements and stakeholder perceptions.
<p>IPSAS 48- Transfer Expenses</p>	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>CAB does not act as a transfer provider rather a service delivery entity without significant transfer activities, IPSAS 48 will have little to no impact.</p>



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

Standard	Effective date and impact:
IPSAS 49- Retirement Benefit Plans	Applicable 1st January 2026 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. IPSAS 49 will have no impact, as it does not apply to CAB since it accounts for employee benefits under IPSAS 39.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	Applicable 1st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. IPSAS 50 will have no impact, as CAB does not participate in exploration activities.

iii) Early adoption of standards

CAB does adopt IPSAS 45 and 46 early to enhance the accuracy and consistency of its financial reporting during the transition to accrual-based IPSAS under IPSAS 33. This early adoption does align with CAB's phased implementation strategy, ensuring compliance with updated guidance on heritage and infrastructure assets (IPSAS 45) and improved measurement bases like current operational value (IPSAS 46), which do support better asset management and disclosure as CAB progresses toward full IPSAS compliance by FY 2026/2027.



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

Notes to the Financial Statements (Continued)

The early adoption of IPSAS 45 does result in the recognition of heritage and infrastructure assets as PPE if they meet the criteria, potentially increasing CAB's asset base beyond the non-current assets purchased, delivered, and paid for in FY 2024/2025, which are already recognized at cost with straight-line depreciation per PSASB templates.

This does require revaluation or deemed cost application (e.g., fair value or current operational value under IPSAS 46), impacting the statement of financial position with higher asset values and related liabilities (e.g., decommissioning costs) if previously undisclosed. IPSAS 46 does introduce consistent measurement guidance, simplifying initial recognition of unrecognized assets using current operational value, which does reduce costs but may adjust asset values and disclosures over time. Disclosures do include progress, adjustments, and aggregate values, enhancing transparency, while the lack of specific transitional relief for new standards means CAB must apply these fully from adoption, potentially affecting financial performance and position as unrecognized assets are incorporated.

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.



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

Notes to the Financial Statements (Continued)

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 2024/2025 was approved by the County Assembly on 26th 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, County Assembly of Bungoma recorded additional appropriation of 1st supplementary Budget on the 2024/25 budget following the governing body's approval. CAB's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

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



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

Notes to the Financial Statements (Continued)

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial cash flows has been presented under section 14 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 a period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment

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



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

Notes to the Financial Statements (Continued)

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

e) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

f) Tangible Natural Resources

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



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

Notes to the Financial Statements (Continued)

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.

g) Leases

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

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

h) 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.



i) 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.

Research and development costs (Continued)

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.

j) 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.



Notes to the Financial Statements (Continued)

i. Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

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

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost.



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

Notes to the Financial Statements (Continued)

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. There were no 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

k) 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 CAB.

l) 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.



Provisions (Continued)

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.

m) 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.

n) 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.

o) Nature and purpose of reserves

CAB does not maintain reserves, as it is not required to do so under its current policies or operational framework.

p) Changes in accounting policies and estimates

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



q) Employee benefits

Retirement benefit plans

CAB provides retirement benefits for its employees. 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.

r) 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.

s) 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.



t) Related parties

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

u) Service concession arrangements.

The Entity evaluates all aspects of its service concession arrangements to determine the appropriate accounting treatment and disclosure requirements, noting that the standard does not apply to CAB. Specifically, when a private party contributes an asset to the arrangement, the Entity recognizes that asset only if it controls or regulates the services the operator must provide with the asset, including to whom the services are provided and at what price. For assets other than 'whole-of-life' assets, the Entity must also control—through ownership, beneficial entitlement, or other means—any significant residual interest in the asset at the end of the arrangement. Recognized assets are measured at fair value, and a corresponding liability is recorded, adjusted for any cash consideration paid or received.

v) 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 Kenya commercial bank at the end of the financial year.



w) 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.

x) 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 CAB'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.



Annual Report and Financial Statements for the year ended June 30, 2025.
Notes to the Financial Statements (Continued)

Useful lives and residual value

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

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

Provisions

During the financial year, CAB did not recognize any provisions, as management determined that no provisions were necessary based on the information available. This includes no provisions for bad debts, obsolete stocks, or any other obligations. Accordingly, no estimates or disclosures related to provisions are included in the financial statements, as there were no material obligations requiring settlement at the reporting date.



COUNTY ASSEMBLY OF BUNGOMA

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

Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total Transfers for the Period ended June 2025
	Kshs	Kshs	Kshs
Recurrent	1,105,271,652	-	1,105,271,652
Development	127,758,959	-	127,758,959
Special purpose transfers	-	-	-
Total	1,233,030,611	-	1,233,030,611

7. Miscellaneous Revenue

Nature of Revenue	For the Period ended June 2025
	Kshs
In kind grants and donations	-
Refunds & Reimbursements	-
Revenues not classified anywhere else	-
Total	-

8. Other Incomes

Description	For the Period ended June 2025
	Kshs
Insurance recoveries	-
Sale of tender documents	-
Services concession income	-
Other incomes not specified elsewhere	-
Total other income	-



COUNTY ASSEMBLY OF BUNGOMA

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

Notes to the Financial Statements (Continued)

9. Employee Costs

Description	For the Period ended June 2025
	Kshs
Basic salaries of permanent employees	186,008,711
Basic wages of temporary employees	28,076,405
Personal allowances – part of salary	205,541,694
Pension and other social security contributions	18,948,191
Employer contributions to compulsory national social security schemes	3,285,112
Employer contributions to compulsory national health insurance schemes	-
Employer contribution to compulsory housing scheme	6,260,832
Other social benefit schemes	29,259,873
Other personnel costs	14,766,090
Employee costs	492,146,910

*Other social benefit schemes relate to gratuity to MCA, CASB Board members and ward office partisan staff while other personnel costs relate statutory Employer contribution to Fringe benefit tax Kshs 14,394,676, NITA Kshs 208,100.

10. Use of Goods and Services

Description	For the Period ended June 2025
	Kshs
Utilities, supplies and services	3,122,578
Communication, supplies and services	4,860,979
Domestic travel and subsistence	170,137,786
Foreign travel and subsistence	25,861,968
Printing, advertising, and information supplies & services	6,036,644
Training expenses	36,105,915
Hospitality supplies and services	44,217,832
Insurance costs	44,367,323
Specialized materials and services	5,952,522
Other operating expenses	123,540,021
Office and general supplies and services	7,418,170
Fuel Oil and Lubricants	5,027,170
Routine maintenance – vehicles and other transport equipment	6,208,058
Routine maintenance – other assets	3,185,716
Total	486,042,682

Other operating expenses includes: Ward operational fund Kshs.30 Million, Security & cleaning services Kshs. 13.6 Million, Contracted professional & technical service Kshs. 5.8 Million, Management fees Kshs. 66 Million.



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

Notes to the Financial Statements (Continued)

11. Transfers to Other Government Entities

Description	For the Period ended June 2025
	Kshs
Transfers to other County Government entities	-
Transfers to self-reporting projects	-
Transfers to car loan and mortgage schemes	-
KRA	1,715,551
Total	1,715,551

*The payment to KRA arose from i - tax PAYE Ledger reconciliation.

12. Depreciation and Amortization Expense

Description	For the Period ended June 2025
	Kshs
Property, plant and equipment	3,020,471
Intangible assets	-
Investment property carried at cost	-
Total	3,020,471

13. Other Grants and Subsidies

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



Annual Report and Financial Statements for the year ended June 30, 2025.
Notes to the Financial Statements (Continued)

14. Finance Costs

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

15. Social Benefits

Description	For the Period ended June 2025
	Kshs
Transfers to the elderly	-
Transfers to orphans	-
Transfers to the physically challenged	-
Total social benefit expenses	-

16. Gain/Loss on Sale of Assets

Description	For the Period ended June 2025
	Kshs
Property, plant and equipment	-
Intangible assets	-
Other assets not capitalized	-
Total gain on sale of assets	-

17. Gain/Loss on Foreign Exchange

Description	For the Period ended June 2025
	Kshs
Gain or loss on foreign exchange transactions	-
Gain or loss on balances in foreign exchanges	-
Total	-

**Annual Report and Financial Statements for the year ended June 30, 2025.****Notes to the Financial Statements (Continued)****18. Gain/Loss on Fair Value Investments**

Description	For the Period ended June 2025
	Kshs
Investments at Fair Value	-
Total Gain	-

19. Impairment Loss

Description	For the Period ended June 2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Impairment Loss	-

20. Taxation

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

21. Cash and Cash Equivalents

Description	Period ended	Opening Statement
	Jun-25	1 st July 2024
	Kshs	Kshs
Recurrent Account	13,578	51
Development Account	11,514	100
Deposits Account	-	-
Special Purpose Accounts	-	-
Other operating commercial accounts	1,453	2,491
Total	26,545	2,642



COUNTY ASSEMBLY OF BUNGOMA

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

Notes to the Financial Statements (Continued)

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

	Account number	Period ended	Opening Statement
		Jun-25	1 st July 2024
Financial Institution		Kshs	Kshs
Recurrent Accounts			
Central Bank of Kenya - Bungoma County Assembly Recurrent- kshs	1000194103	13,578	51
Development Accounts			
Central Bank of Kenya - Bungoma County Assembly Development- kshs	1000283041	11,514	100
Central Bank of Kenya - Bungoma County Assembly Development- kshs	1000194097	-	-
Deposits Accounts			
Central Bank of Kenya - Bungoma County Assembly Retention-kshs	1000765526	-	-
Other operating commercial accounts			
Kenya Commercial Bank- County Assembly of Bungoma Imprest- Kshs	1180534050	1,453	2,491
Kenya Commercial Bank- County Assembly of Bungoma Salary- Kshs	1177096994	-	-
Total		26,545	2,642

The County Assembly is in the process of closing the dormant Development Account No. 1000194097. In addition, a Retention Account was opened in May 2025, and the Assembly is currently in the process of obtaining the mandate for its operation.

22. Receivables from Exchange Transactions

Description	Period ended June 2024	Opening Statement
		1 st July 2024
	Kshs	Kshs
Total receivables		
Other exchange debtors- Prepayments	9,753,926	9,317,468



COUNTY ASSEMBLY OF BUNGOMA

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

Less: impairment allowance	-	-
Total receivables	9,753,926	9,317,468
a) Current receivables	9,753,926	9,317,468
b) Non-current receivables	-	-
Total Receivables (a+b)	9,753,926	9,317,468

Notes to the Financial Statements (Continued)

i) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Description	For the Period ended June 2025
	Kshs
Additional allowance during the period	-
Recovered during the period	-
Written off during the period.	-
At the end of the period.	-

23. Receivables from Non-Exchange Transactions

Description	Period ended June 2025	Opening Statement
		1 st July 2024
	Kshs	Kshs
Exchequer Release Receivable	-	-
Other Receivables - Outstanding Imprests	-	-
Less: impairment allowance	-	-
Total receivables from non-exchange transactions	-	-

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

Description	For the Period ended June 2025
	Kshs
Additional provisions during the period	-
Less: Recovered during the period	-
Less: Written off during the period	-
At the end of the period	-



COUNTY ASSEMBLY OF BUNGOMA

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

24. Inventories

Description	Period ended June 2025	Opening Statement
		<i>1st July 2024</i>
	Kshs	Kshs
Spare parts	-	-
Goods held for distribution	-	-
Less: allowance for impairment	-	-
Total	-	-

Notes to the Financial Statements (Continued)

25. Investments

		<i>1st July 2024</i>
	Kshs	Kshs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
Sub- total	-	-
b) Investment with Financial Institutions/ Banks		
Bank	-	-
Sub- total	-	-
c) Equity investments (specify)		
Equity/ shares	-	-
Sub- total	-	-
Grand total	-	-
Analyzed as:		
Current portion of Investment	-	-
Non-current portion of investment	-	-

d) Movement of Equity Investments

Description	Period ended June 2025
	Kshs
Purchase of investments in the period	-
Sale of investments during the period	-
Increase /(decrease) in fair value of investments	-
At the end of the period	-



COUNTY ASSEMBLY OF BUNGOMA

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

Notes to the Financial Statements (Continued)

e) Shareholding in other entities

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

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



COUNTY ASSEMBLY OF BUNGOMA

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

Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Office Equipment	Computers & ICT Equipment	Work in progress	Total
Depreciation Rate		2-10%	10-16.67%	12.50%	12.50%	12.50%	30%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	3,240,000	1,020,800	-	29,787,570	34,048,370
Additions	-	-	-	4,079,968	9,908,796	1,767,000	1,728,000	127,767,959	145,251,723
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30 June 2025	-	-	-	4,079,968	13,148,796	2,787,800	1,728,000	157,555,529	179,300,093
Depreciation And Impairment	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	(509,996)	(1,643,600)	(348,475)	(518,400)	-	(3,020,471)
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30 June 2025	-	-	-	(509,996)	(1,643,600)	(348,475)	(518,400)	-	(3,020,471)
As at 30 June 2024	-	-	-	-	(405,000)	(127,600)	-	-	(532,600)
Net Book Values	-	-	-	-	-	-	-	-	-



COUNTY ASSEMBLY OF BUNGOMA

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

Opening Bal as at 1st July 2024	-	-	-	-	2,835,000	893,200	-	29,787,570	33,515,770
As At 30 June 2025	-	-	-	3,569,972	11,100,197	2,311,725	1,209,600	157,555,529	175,747,023

Overview of WIP Projects:

The Work in Progress (WIP) register for the County Assembly of Bungoma (CAB) details building and renovation projects classified as assets under construction. These projects primarily involve infrastructure improvements at the headquarters (HQ) and other locations, such as the construction of the Speaker's Residence in North Sang'alo, Bungoma, new chambers at HQ, a waiting bay and gate house at HQ, and various renovation works including roofing, ceiling, canopy, internal alterations, and paint works to chambers and administration blocks.

At the end of the financial period ended 30th June 2025, the projects were at varying stages of completion: three are fully complete (100%), one is nearly complete (93.3%), and two are partially complete (73% and 29%). Certain assets under construction, despite reaching 100% completion, have not been transferred to their respective completed asset classes (e.g., buildings). This is due to ongoing valuation and verification processes to ensure all costs are accurately capitalized in accordance with IPSAS 45, paragraphs 27–32. The reconciliation of the existing asset registers with identified and verified assets is in progress, pending final confirmation of directly attributable expenditures. The total amount spent to date is KES 157,555,528, representing the accumulated costs capitalized. Commitments for future expenditures are KES 325,658,857 in the next financial year, with none beyond that.



COUNTY ASSEMBLY OF BUNGOMA

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

Details of Assets Under Construction

The amount of expenditure recognized in the carrying amount of work in progress during the period totals KES 157,555,528. Key projects are summarized below:

No.	Asset Description	Location	Start Date	Expected Completion	% Completion	Amount Spent to Date (KES)	Commitments Next FY (KES)	Commitments Beyond Next FY (KES)
1	Building - Speaker's Residence	North Sang'alo, Bungoma	4/19/2024	4/19/2025	73%	24,664,691	18,371,525	-
2	Building - New Chambers	HQ	3/15/2024	3/13/2026	29%	114,820,897	307,021,332	-
3	Waiting Bay and Gate House	HQ	5/6/2024	8/6/2024	93%	3,732,864	266,000	-
4	Renovation Works to Chambers Block (Roofing and Ceiling)	HQ	7/22/2024	8/26/2024	100%	4,968,250	-	-
5	Renovation Works on Administration Office Block (Canopy and Internal Alterations)	HQ	7/8/2024	8/6/2024	100%	4,469,650	-	-
6	Renovation Works to Chambers (Paint Works)	HQ	6/5/2025	6/9/2025	100%	4,899,176	-	-
Total						157,555,528	325,658,857	-

The Disclosures include;

Assets under construction are measured at cost, including directly attributable expenditures (materials, labor, overheads). No depreciation is applied until assets are available for use.

Total carrying amount of WIP is KES 157,555,528. A reconciliation of the carrying amount for assets under construction is as follows:



COUNTY ASSEMBLY OF BUNGOMA

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

Notes to the Financial Statements (Continued)

Description	Amount (KES)
Opening balance	29,787,570
Additions (expenditure recognized in the carrying amount during the period)	127,767,958
Transfers to completed PPE classes	-
Impairments recognized/reversed	-
Closing balance	157,555,528

Contractual commitments for ongoing construction total KES 325,658,857, due in the next financial year.

No restrictions on title or pledges as security for liabilities.

Completion percentages and costs are based on progress reports and contracts. Delays in projects with past-due completion dates (e.g., August 2024) may require further assessment.

27. Intangible Assets

Description	Period ended June 2025
Cost/Opening balance at the beginning of the /Period	
Additions	-
Disposal	-
At end of the Period	-
Additions—internal development	-
Less: Disposal	-
At end of the Period	-
Amortization and impairment	-
At beginning of the Period	-
Amortization	-
At end of the Period	-
Impairment loss	-
At end of the Period	-
NBV	-



Annual Report and Financial Statements for the year ended June 30, 2025.
Notes to the Financial Statements (Continued)

28. Investment Property

Description	Period ended June 2025	
	Kshs	
Cost/Opening balance at the beginning of the period		
Additions		-
Disposal during the period		-
Depreciation		-
Impairment		-
At end of the period		-

29. Right-of-use assets

	Buildings	Motor vehicles	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As at 31 June 2025	-	-	-	-
Accumulated Depreciation				
As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
As at 31 June 2025	-	-	-	-
Carrying Amount				
As at 31 June 2025	-	-	-	-

30. Biological Assets

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
	-	-
Total	-	-



COUNTY ASSEMBLY OF BUNGOMA

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

Notes to the Financial Statements (Continued)

31. Tangible Natural Resources

	Sub- soil assets	Water	Wildlife	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As at 31 June 2025	-	-	-	-
Accumulated Depreciation				
As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
As at 31 June 2025	-	-	-	-
Carrying Amount				
As at 31 June 2025	-	-	-	-

32. Trade and Other Payables

Description	Period ended June 2025	Opening Statement
	Kshs	1 st July 2024
	Kshs	Kshs
Trade payables	644,325	15,547,789
Payments received in advance	-	-
Employee payables	2,618,632	2,608,805
Third-party payments	-	-
Other payables- Payable to KRA	13,019,999	18,501,801
Other payables- Payable to County Executive	-	-
Total trade and other payables	16,282,957	36,658,395

Ageing analysis:	Current FY	%	Opening balance	% of the Total
(Trade and other payables)				
Under one year	6,070,289	37%	-	0%
1-2 years	10,212,668	63%	36,658,395	100%
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (tie to above total)	16,282,957		36,658,395	



Annual Report and Financial Statements for the year ended June 30, 2025.
Notes to the Financial Statements (Continued)

33. Refundable Deposits and Prepayments

Description	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Customer deposits	-	-
Prepayments	-	-
Other deposits	-	-
Total deposits	-	-

34. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f				
Additional provisions	-	-	-	-
Provision utilized	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Total provisions period end	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

35. Lease Liabilities

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



COUNTY ASSEMBLY OF BUNGOMA

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

Notes to the Financial Statements (Continued)

Maturity Analysis

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

Analysed as:

Analysed as	Period ended June 2025	Opening Statement 1st July 2024
Current lease	-	-
Non-Current lease	-	-
Total Lease period end	-	-

36. Deferred Income

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

The deferred income movement is as follows:

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	-	-	-	-
Additions for the Period	-	-	-	-
Transfers To Capital Fund	-	-	-	-
Transfers To Income Statement	-	-	-	-
Other Transfers	-	-	-	-
Balance Carried Forward	-	-	-	-



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

Notes to the Financial Statements (Continued)

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

37. Employee Benefit Obligations

Retirement benefit Asset/ Liability

CAB also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Fund Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 2,160 per employee per month. Other than NSSF, the Entity also has a defined contribution scheme operated by CPF Financial Services and LAPFUND Kenya. Employees contribute 7.5% while employers contribute 12.5% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

38. Borrowings

Description	Period ended June 2025
	Kshs
a) External borrowings	
Balance at beginning of the period	-
External borrowings during the period	-
Repayments of during the period	-
Balance at end of the period	-
b) Domestic borrowings	
Balance at beginning of the period	96,809,468
Domestic borrowings during the period	188,668,943
Repayments during the period	(275,704,247)
Balance at end of the Period	9,774,164
Balance at end of the period-domestic and External borrowings c = (a+b)	9,774,164



COUNTY ASSEMBLY OF BUNGOMA

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

Notes to the Financial Statements (Continued)

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

Description	Period ended June 2025
	Kshs
a) External borrowings	
Balance at beginning of the period	-
External borrowings during the period	-
Repayments of during the period	-
Balance at end of the period	-
b) Domestic borrowings	
Balance at beginning of the period	96,809,468
Domestic borrowings during the period	188,668,943
Repayments during the period	(275,704,247)
Balance at end of the Period	9,774,164
Balance at end of the period- domestic and External borrowings c = (a+b)	9,774,164

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	9,774,164	96,809,468
Long Term Borrowings	-	-
Total	9,774,164	96,809,468

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



COUNTY ASSEMBLY OF BUNGOMA

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

Notes to the Financial Statements (Continued)

39. Service Concession Arrangements Liability

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

40. Cash Generated from Operations

	Period ended June 2025
	Kshs
Surplus for the year before tax	250,104,998
Adjusted for:	
Depreciation	3,020,471
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	-
Increase in inventory	-
Increase in receivables	(436,458)
Increase in deferred income	-
Increase in payables (Trade payables)	(20,142,953)
Increase in payables (Borrowings)	(87,035,304)
Increase in payments received in advance	-
Net cash flow from operating activities	145,510,754



41. Financial Risk Management

The County Assembly of Bungoma's activities expose it to a variety of financial risks, including credit and liquidity risks and the effects of changes in foreign currency. The Entity's overall risk management programme focuses on the unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

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

i) Credit risk

The County Assembly of Bungoma 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, deposits with banks, as well as receivables. Management assesses the credit quality of each counterparty, 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 management. 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:

**Annual Report and Financial Statements for the year ended June 30, 2025.****Notes to the Financial Statements (Continued)**

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Receivables from exchange transactions	9,753,926	9,753,926	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	26,545	26,545	-	-
Total	9,780,471	9,780,471	-	-

The counterparties under the fully performing category are paying their debts as they fall due. The credit risk associated with these receivables is minimal, and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has no significant concentration of credit risk on amounts due from any single counterparty. The management 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 management, 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 County Assembly of Bungoma 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.



COUNTY ASSEMBLY OF BUNGOMA

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

Notes to the Financial Statements (Continued)

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Trade payables	-	16,089,607	-	16,089,607
Current portion of borrowings	-	-	9,774,164	9,774,164
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	16,089,607	9,774,164	25,863,771

iii) **Market risk**

The County Assembly of Bungoma 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 rates, 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 the 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.



COUNTY ASSEMBLY OF BUNGOMA

Annual Report and Financial Statements for the year ended June 30, 2025. Notes to the Financial Statements (Continued)

a) Foreign currency risk

The County Assembly of Bungoma conducts its operations using Kenyan Shillings. The Entity has not conducted any foreign transactions during the year under review, and therefore, there is no exposure to foreign currency risk.

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

Current FY

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 June 2025			
Financial Assets			
Investments	-	-	-
Cash	26,545	-	26,545
Debtors	9,753,926	-	9,753,926
Total Financial Assets	9,780,471	-	9,780,471
Financial Liabilities			
Trade And Other Payables	16,089,607	-	16,089,607
Borrowings	177,084,515	-	177,084,515
Total Financial Liabilities	193,174,122	-	193,174,122
Net Foreign Currency Asset/(Liability)	-183,393,651	-	-183,393,651

As the Entity operates solely in Kenyan Shillings, no sensitivity analysis for foreign currency risk is required.

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 County Assembly of Bungoma'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.



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

Notes to the Financial Statements (Continued)

Management of Interest Rate Risk

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

Notes to the Financial Statements (Continued)

Financial Risk Management

Sensitivity analysis

In the event that there's a $\pm 1\%$ and $\pm 5\%$ movement in interest rates:

A one percent increase or decrease would be:

Borrowings at year end (used the cash flow figure) = 1% of 177,084,515 = 1,770,845

The amount would decrease or increase with KShs 1,770,845

A five percent increase or decrease would be:

5% of 177,084,515 = 8,854,226

The amount would decrease or increase with KShs 8,854,226

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 1,770,845. A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs 8,854,226.

Fair Value of Financial Assets and Liabilities

a) Financial Instruments Measured at Fair Value

Determination of Fair Value and Fair Values Hierarchy

IPSAS 33 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:



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

Notes to the Financial Statements (Continued)

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

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

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

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

iv) Capital Risk Management

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



COUNTY ASSEMBLY OF BUNGOMA

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

Notes to the Financial Statements (Continued)

	2024/2025	Opening Statement 1st July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	125,615,353	(124,680,353)
Capital Reserve	34,048,370	34,048,370
Total Funds	159,663,723	(90,631,983)
Total Borrowings	177,084,515	-
Less: Cash And Bank Balances	(26,545)	(2,642)
Net Debt/ (Excess Cash and Cash Equivalents)	177,057,970	(2,642)
Gearing	0.53	-

42. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to County Assembly of Bungoma (CAB) 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 CAB, holding 100% of the CAB'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.



COUNTY ASSEMBLY OF BUNGOMA

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

Notes to the Financial Statements (Continued)

	FY2024/2025
	Kshs
Transactions with related parties	
a) Sales to related parties	
Interest and bank charges	1,548,503
Total	1,548,503
B) purchases from related parties	
Purchases of electricity from KPLC	2,722,700
Purchase of water from govt service providers	372,578
Rent expenses paid to govt agencies	-
Training and conference fees paid to govt. Agencies	2,420,775
Total	5,516,053
b) Grants /transfers from the government	
Transfers from National Treasury	1,233,030,611
Grants from county government	-
Donations in kind	-
Total	1,233,030,611
c) Expenses incurred on behalf of related party	
Payments of salaries and wages for employees	-
Payments for goods and services	-
Total	-
d) Key management compensation	
Compensation to key management	328,850,651
Total	1,568,945,818

43. Segment Information

Since CAB does not operate in different geographical regions or departments, IPSAS 18 on segmental reporting does not apply, and there is no requirement to present segmental information for understanding performance or resource allocation.



COUNTY ASSEMBLY OF BUNGOMA

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

Notes to the Financial Statements (Continued)

44. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	Period ended June 2025
	Kshs
Contingent Assets	
Insurance Reimbursements	-
Assets Arising from Determination of Court Cases	-
Reimbursable Indemnities and Guarantees	-
Receivables From Other Government Entities	-
Others (Specify)	-
Total	-

Contingent Liabilities

Description	Period ended June 2025
	Kshs
Contingent Liabilities	
Court Case against the Entity	-
Bank Guarantees in Favor of Subsidiary	-
Contingent Liabilities arising from Contracts Including PPPs	-
Others (Specify)	-
Total	-

45. Capital Commitments

Capital Commitments	Estimated Costs
	Kshs
Authorised for	15,000,000
Authorised and contracted for	296,515,738
Total	311,515,738

In accordance with IPSAS 17, capital commitments represent obligations for capital expenditures to be executed in the next financial year, encompassing both commitments authorized by CASB but not yet contracted and those already contracted and ongoing. For the upcoming financial year, CASB has authorized KES 15,000,000 for the solarization of the Assembly premises, which remains uncontracted.



Notes to the Financial Statements (Continued)

KES 296,515,738 has been committed to ongoing contracted projects, including KES 284,913,293 for the construction of new debating chambers, KES 1,267,136 for the construction of a public waiting bay, ablution block, and perimeter wall repairs, and KES 10,335,309 for the construction of the Hon. Speaker's official residence. These commitments, totalling KES 311,515,738, are disclosed to provide transparency on future financial obligations as required by IPSAS 17.

46. Program for Results (PforR) Disclosure

The disclosure requirement pertains to entities implementing Programs for Results (PforR) and mandates disclosures of program goals and expenditures as per financing agreements, however this does not apply to the CAB. The CAB is not engaged in a PforR program or subject to such financing agreements, and therefore, it is exempt from this specific disclosure obligation.

47. Events after the Reporting Period

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

48. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

49. Currency

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



COUNTY ASSEMBLY OF BUNGOMA

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

16. Appendix

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
Budgetary Control and Performance:	<p>The statement of comparison of budget and actual amounts—recurrent and development combined for the County Assembly—indicates receipts and payments budgets of Kshs. 1,283,975,880 each. However, compensation of employees had a budget of Kshs. 564,098,467 against actual payments amounting to Kshs. 569,814,530, resulting in over-expenditure of Kshs. 5,716,063, and the County Assembly incurred expenditure on the use of goods and services amounting to Kshs.462,075,742 against a budget of Kshs. 457,758,550, resulting in over-expenditure of Kshs. 4,317,192. Further, acquisition of assets was underutilized by Kshs. 66,270,406 or 61% of the budget of Kshs. 170,482,548.</p> <p>The over-expenditure and under-expenditure affected the planned activities and impacted negatively on service delivery to the public.</p>	<p>The County Assembly acknowledges over-expenditure in employee compensation (Kshs. 5,716,063) and goods/services (Kshs. 4,317,192). These were funded by savings from other votes items whose allocations were not fully utilized thus the planned activities were not affected. Under-utilized funds for asset acquisition (Kshs. 66,270,406) were: not affected since the unspent balances were rolled over to financial year 2024-2025 budget and the affected activities were implemented accordingly as follows: Construction of debating chambers 4,490,260; Hon. Speaker’s official residence 35,000,000; Construction of Waiting Bay 1,964,964; Renovation of Administration Block (Canopy and internal alterations) for Bungoma County Assembly 4,469,650; Renovation works to the chambers block (roofing and ceiling) for Bungoma County Assembly 4,968,250 and Renovation works including paintings to Hon. Speaker’s and Serjeant At Arms old building offices 4,899,176</p>	Resolved	FY2024/2025



COUNTY ASSEMBLY OF BUNGOMA

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
Unresolved Prior Year Matters	<p>Lack of Ethnic Diversity in Staff Establishment: Review of the County Assembly's records for the month of June, 2023 indicated that out of the one hundred and twenty five (125) permanent employees, one hundred and ten (110) or 88% were from the same ethnic community contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provides that no public entity shall have more than one-third of its staff from the same ethnic community.</p>	<p>The management agrees with Audit findings. However, the County Assembly has reached the staff capacity ceiling as per the advisory from the Commission on Revenue Allocation. In the case of vacancies arising as a result of retirement, the management will ensure compliance to section 7(2) of the National Cohesion and Integration Act, 2008 by recruiting staff from other ethnic group's one third rule on ethnic diversity in staff establishment. The management undertakes to adhere the Act in future recruitments.</p>	Not Resolved	
	<p>Failure to adhere to the one-third Basic Pay Rule: Review of the payroll revealed that employees' salary deductions exceeded two-thirds (2/3) of their basic salary contrary to Section C.1 (3) of the Public Service Commission, Human Resource Policies, 2016 and Section 19(3) of the Employment Act, 2007 which require that deductions made by an employer from the wages of his employees at any one time shall not exceed two-thirds of such wages</p>	<p>The management agrees with the Audit findings that some employees' salary deductions exceeded two thirds of their basic salary. This was occasioned by government policies on the implementation of Affordable Housing Levy as well as upward revisions in statutory deductions following the rebranding of NHIF into the Social Health Insurance Fund and the increase in NSSF employee contribution rates. Consequently, there was salary increase review by the Salaries and Remuneration Commission through their circular reference No. SRC/TS/29 (82) dated 10th August, 2023 for civil servants to cushion the increase in the above noted deductions. However, the increase in salary was put on hold by the National Treasury and communicated by the Salaries and Remuneration Commission in their circular reference No. SRC/TS/24 (61) dated 16th July, 2024</p>	Resolved	FY 2024/2025



COUNTY ASSEMBLY OF BUNGOMA

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
1. Non-Compliance with Law on staff Ethnic Diversity	Review of the County Assembly's staff records for the month of June, 2024 showed that out of the one hundred and twenty-four (124) permanent employees, one hundred (100) or 81% were from dominant ethnic community. Further, all the five (5) members of County Assembly Service Board were members of the dominant ethnic community contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provides that no public entity shall have more than one third of its staff from one ethnic community. In the circumstances, Management was in breach of the law.	The County Assembly has reached the staff capacity ceiling as per the advisory from commission on Revenue Allocation. However, in the case of vacancies arising as a result of retirement, the management will ensure compliance to the provisions of Section 7 (2) of the National Cohesion and Integration Act, 2008 by recruiting staff from other ethnic groups to meet the one third rule.	Not Resolved	
2. Irregular Subscriptions Fees	The statement of receipts and payments reflects use of goods and services amounting to Kshs.462,075,742 as disclosed in Note 4 to the financial statements, which includes other operating expenses amounting to Kshs.123,706,269. The County Assembly made a payment of Kshs.750,000 in respect to subscription fees to Society of Clerks-At-The-Table (SOCATT) which does not draw its mandate from the Constitution of Kenya or an Act of Parliament. Further, Annex 1 to the financial statements in respect of pending accounts payables balance of Kshs.27,158,184 includes County Assemblies Forum (CAF) and SOCATT balances of Kshs.14,700,000 and Kshs.44,000 respectively. However, the policy or law guiding on payment of subscriptions to such bodies was not provide for audit review. In the circumstances, the regularity of payment of Kshs.750,000 to SOCATT and pending bills of Kshs.14,700,000 and Kshs.44,000 to CAF and SOCATT, respectively, could not be confirmed.	Payments to SOCATT (Kshs. 750,000) and pending bills for CAF/SOCATT (Kshs. 14,700,000 and Kshs. 44,000) were noted. The Kshs. 44,000 was outstanding training tuition fee for staff who attended a training conducted by SOCATT and not subscription fee as highlighted. Going forward, the management will not make payment to both CAF and SOCATT until the two institutions are recognized in law		



COUNTY ASSEMBLY OF BUNGOMA

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
3. Failure to Implement the Recommendations of Oversight Bodies	During the year under review, Management did not provide reports on Implementation of the recommendations of County Assembly's Public Accounts and Investments Committee recommendations and Senate's County Public Accounts Committee. This was contrary to Section 31(1) (a) of the Public Audit Act, 2015 which provides that within three months after Parliament or the County Assembly has debated and considered the final report of the Auditor-General and made recommendations, a State Organ or a public entity that had been audited shall as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit. In the circumstances, Management was in breach of the law.	The management agrees with the audit findings. The management has since received, discussed and implemented the recommendations from both the Senate and the County Assembly's Public Accounts and Investment Committee.	Resolved	FY 2024/2025
4. Failure to Remit Collected Taxes	Annex 1 to the financial statements in respect of pending accounts payable balance of Kshs.27,158,184 includes a debt owed to Kenya Revenue Authority amounting to Kshs.603,345 in respect of withholding income tax for the financial year 2022/2023. The County Assembly collected taxes from several suppliers but failed to remit. This was contrary to the Section 8(5) of Income Tax (Withholding Tax) Rules, 2001 which provides that a person who, having deducted tax under these rules, fails to remit tax within the time prescribed under this rule, account for such tax deducted or who fails to comply with paragraph (2), commits an offence. In the circumstances, Management was in breach of the law.	The management agrees with the Audit findings that there was a debt owed to Kenya Revenue Authority amounting to Kshs. 603,345 in respect to withholding income tax from suppliers for the financial year 2022/2023. The amount relates to suppliers whose payment had been processed but actual payment had not been done due to exchequer delays. The management has cleared the outstanding withholding tax amount of Kshs. 603,345 and remitted the full amount to the Kenya Revenue Authority	Resolved	FY2024/2025



COUNTY ASSEMBLY OF BUNGOMA

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
5. Borrowing from Other County Assembly Entities	Annex 3 to the financial statements reflects other pending payables balance of Kshs.96,810,039 which refers to borrowing by the County Assembly from Bungoma County Assembly Members, and Employees' Car Loan and Mortgage Schemes Funds. However, the opening balance of Kshs.66,677,146 has been outstanding for more than twenty-four (24) months. Further, there was no approval from the County Assembly. This was contrary to Section 142(1) and (3) of the Public Finance Management Act, 2012 which states the County Assembly may authorise short-term borrowing by county Government entities for cash management purposes only and a county Government entity that has any such borrowing shall ensure that the money borrowed is repaid within a year from the date on which it was borrowed. In the circumstances, the regularity of pending bills amounting to Kshs.96,810,039 could not be confirmed.	The management agrees with the audit findings that there was a pending payable balance of Kshs. 96,810,039 which referred to a borrowing from Bungoma County Assembly Members, and Employees' Car Loan and Mortgage Schemes Funds. Due to financial constraints, the County Assembly Service Board was able to budget and refund a total of Kshs. 87 million as per the attached payment vouchers and extract copies of bank statements. The balance of Kshs. 9,748,971 will be refunded in the current financial year 2025/2026	90% Resolved	10% to be resolved in Fy 2025/2026


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Charles W. Wafula

Accounting Officer

Date



COUNTY ASSEMBLY OF BUNGOMA

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

Appendix II: Projects implemented by

Status of Projects completion

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
Building-Speakers Residence	43,036,216.00	24,664,691.00	73%	35,000,000.00	24,662,278.95	Exchequer Releases
Building- New Chambers	421,842,229.00	114,820,897.00	29%	194,490,260.00	87,060,595.05	Exchequer Releases
Waiting Bay and Gate House	3,998,864.00	3,732,864.00	93%	1,964,964.00	1,698,964.00	Exchequer Releases
Renovation Works to the old Chambers Block (Roofing and Ceiling) for Bungoma County Assembly	4,968,249.85	4,968,249.85	100%	5,562,100.00	4,968,249.85	Exchequer Releases
Renovation Works on Administration Office Block (Canopy and Internal Alterations)	4,469,650.00	4,469,650.00	100%	8,984,900.00	4,469,650.00	Exchequer Releases
Renovation works to the chambers for County Assembly of Bungoma (Paint Works)	4,899,176.48	4,899,176.48	100%	453,000.00	4,897,706.75	Exchequer Releases



COUNTY ASSEMBLY OF BUNGOMA

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

Appendix IV: Transfers from Other Government Entities

Name of the MDA Transferring the funds		Where Recorded/recognized						
	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - KES	Statement of Financial Performance	Deferred Income	Receivables	Others	Total Transfers during the Year
National Treasury	13-Aug-24	Recurrent	40,713,555	40,713,555	-	-	-	40,713,555
National Treasury	27-Sep-24	Recurrent	41,446,237	41,446,237	-	-	-	41,446,237
National Treasury	2-Oct-24	Recurrent	8,189,193	8,189,193	-	-	-	8,189,193
National Treasury	2-Oct-24	Recurrent	11,610,180	11,610,180	-	-	-	11,610,180
National Treasury	2-Oct-24	Development	4,281,480	4,281,480	-	-	-	4,281,480
National Treasury	23-Oct-24	Recurrent	8,021,866	8,021,866	-	-	-	8,021,866
National Treasury	23-Oct-24	Recurrent	12,844,453	12,844,453	-	-	-	12,844,453
National Treasury	23-Oct-24	Recurrent	20,627,490	20,627,490	-	-	-	20,627,490
National Treasury	23-Oct-24	Recurrent	44,194,863	44,194,863	-	-	-	44,194,863
National Treasury	18-Nov-24	Recurrent	15,653,367	15,653,367	-	-	-	15,653,367
National Treasury	18-Nov-24	Recurrent	18,884,963	18,884,963	-	-	-	18,884,963
National Treasury	18-Nov-24	Recurrent	41,529,464	41,529,464	-	-	-	41,529,464
National Treasury	18-Nov-24	Development	43,968,204	43,968,204	-	-	-	43,968,204
National Treasury	6-Dec-24	Recurrent	30,374,033	30,374,033	-	-	-	30,374,033
National Treasury	6-Dec-24	Recurrent	39,300,886	39,300,886	-	-	-	39,300,886
National Treasury	6-Dec-24	Development	10,455,750	10,455,750	-	-	-	10,455,750
National Treasury	30-Dec-24	Recurrent	18,696,653	18,696,653	-	-	-	18,696,653



COUNTY ASSEMBLY OF BUNGOMA

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

National Treasury	30-Dec-24	Recurrent	41,293,388	41,293,388	-	-	-	41,293,388
National Treasury	30-Dec-24	Development	1,689,964	1,689,964	-	-	-	1,689,964
National Treasury	15-Jan-25	Recurrent	38,438,479	38,438,479	-	-	-	38,438,479
National Treasury	29-Jan-25	Recurrent	44,874,753	44,874,753	-	-	-	44,874,753
National Treasury	3-Feb-25	Recurrent	16,806,682	16,806,682	-	-	-	16,806,682
National Treasury	3-Feb-25	Recurrent	21,242,070	21,242,070	-	-	-	21,242,070
National Treasury	3-Feb-25	Development	9,437,900	9,437,900	-	-	-	9,437,900
National Treasury	6-Feb-25	Recurrent	3,474,700	3,474,700	-	-	-	3,474,700
National Treasury	6-Feb-25	Recurrent	4,162,284	4,162,284	-	-	-	4,162,284
National Treasury	4-Mar-25	Recurrent	35,987,115	35,987,115	-	-	-	35,987,115
National Treasury	4-Mar-25	Recurrent	3,648,638	3,648,638	-	-	-	3,648,638
National Treasury	10-Mar-25	Recurrent	10,229,133	10,229,133	-	-	-	10,229,133
National Treasury	14-Mar-25	Recurrent	6,697,980	6,697,980	-	-	-	6,697,980
National Treasury	14-Mar-25	Recurrent	14,446,928	14,446,928	-	-	-	14,446,928
National Treasury	19-Mar-25	Recurrent	6,293,700	6,293,700	-	-	-	6,293,700
National Treasury	20-Mar-25	Development	22,878,164	22,878,164	-	-	-	22,878,164
National Treasury	23-Apr-25	Recurrent	36,019,915	36,019,915	-	-	-	36,019,915
National Treasury	23-Apr-25	Recurrent	3,560,225	3,560,225	-	-	-	3,560,225
National Treasury	5-May-25	Recurrent	25,633,801	25,633,801	-	-	-	25,633,801
National Treasury	5-May-25	Recurrent	12,488,741	12,488,741	-	-	-	12,488,741
National Treasury	15-May-25	Recurrent	36,547,373	36,547,373	-	-	-	36,547,373
National Treasury	15-May-25	Recurrent	3,603,687	3,603,687	-	-	-	3,603,687
National Treasury	23-May-25	Recurrent	17,045,260	17,045,260	-	-	-	17,045,260
National Treasury	23-May-25	Recurrent	16,805,961	16,805,961	-	-	-	16,805,961
National Treasury	3-Jun-25	Recurrent	36,768,090	36,768,090	-	-	-	36,768,090
National Treasury	3-Jun-25	Recurrent	3,603,687	3,603,687	-	-	-	3,603,687



COUNTY ASSEMBLY OF BUNGOMA

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

National Treasury	9-Jun-25	Recurrent	2,212,000	2,212,000	-	-	-	2,212,000
National Treasury	12-Jun-25	Recurrent	21,748,902	21,748,902	-	-	-	21,748,902
National Treasury	12-Jun-25	Recurrent	15,693,872	15,693,872	-	-	-	15,693,872
National Treasury	12-Jun-25	Recurrent	6,799,320	6,799,320	-	-	-	6,799,320
National Treasury	16-Jun-25	Development	30,148,320	30,148,320	-	-	-	30,148,320
National Treasury	17-Jun-25	Recurrent	6,319,051	6,319,051	-	-	-	6,319,051
National Treasury	24-Jun-25	Recurrent	40,102,760	40,102,760	-	-	-	40,102,760
National Treasury	30-Jun-25	Recurrent	36,700,823	36,700,823	-	-	-	36,700,823
National Treasury	30-Jun-25	Recurrent	5,836,083	5,836,083	-	-	-	5,836,083
National Treasury	30-Jun-25	Recurrent	25,000,000	25,000,000	-	-	-	25,000,000
National Treasury	30-Jun-25	Recurrent	4,171,287	4,171,287	-	-	-	4,171,287
National Treasury	30-Jun-25	Recurrent	21,978,624	21,978,624	-	-	-	21,978,624
National Treasury	30-Jun-25	Recurrent	68,000,000	68,000,000	-	-	-	68,000,000
National Treasury	30-Jun-25	Recurrent	25,144,006	25,144,006	-	-	-	25,144,006
National Treasury	30-Jun-25	Recurrent	22,305,226	22,305,226	-	-	-	22,305,226
National Treasury	30-Jun-25	Recurrent	9,999,626	9,999,626	-	-	-	9,999,626
National Treasury	30-Jun-25	Recurrent	736,351	736,351	-	-	-	736,351
National Treasury	30-Jun-25	Recurrent	763,928	763,928	-	-	-	763,928
National Treasury	30-Jun-25	Development	4,899,177	4,899,177	-	-	-	4,899,177



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

Appendix VI: Reporting of Climate Relevant Expenditures

Due to a constrained budget, CAB incurred no expenditure on climate-relevant activities this fiscal year, as limited financial resources necessitated prioritizing essential operations over climate-specific initiatives like response, mitigation, adaptation, or preparedness. Despite this, CAB remains committed to sustainability and has proactively allocated a provision for green energy initiatives in the next fiscal year's budget. This strategic planning reflects CAB's forward-looking approach to fostering environmental resilience and community prosperity through investments in renewable energy projects, ensuring a stronger focus on climate action in the upcoming fiscal year.

Appendix VII: Disaster Expenditure Reporting Template

CAB incurred no expenditure on disaster-related activities this year due to the absence of natural or man-made disasters, bolstered by robust preventive measures, resilient infrastructure, and effective community preparedness programs. Resources were redirected to long-term development initiatives, reflecting successful disaster risk reduction strategies.



COUNTY ASSEMBLY OF BUNGOMA

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

Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f	Realignment	Additions during the year	Disposals during the year	Transfers in/(out) during the year	Historical Cost c/f
	(Kshs)		(Kshs)	(Kshs)		(Kshs)
	Previous Year					Current Year
Land	166,000,000					166,000,000
Buildings and structures	750,055,683	(29,787,570)				720,268,113
Transport equipment	47,722,500					47,722,500
Office equipment, furniture and fittings	62,660,169		11,675,796			74,335,965
ICT Equipment	52,603,078		1,728,000			54,331,078
Machinery and Equipment	5,912,000					5,912,000
Biological assets	-					-
Infrastructure Assets	-		4,079,968			4,079,968
Heritage and cultural assets	-					-
Intangible assets	57,584,807					57,584,807
Work in Progress	-	29,787,570	127,767,959			157,555,529
Total	1,142,538,237	-	145,251,723	-	-	1,287,789,960



COUNTY ASSEMBLY OF BUNGOMA

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

Reconciliation

Asset classification	Closing balance	Adjustment as per IPSAS 33 Relief	Closing balance as reported in FS	Comment
Land	166,000,000	(166,000,000)	-	Recognition differed under IPSAS 33 transition relief
Buildings and structures	720,268,113	(720,268,113)	-	
Transport equipment	47,722,500	(47,722,500)	-	
Office equipment, furniture and fittings	74,335,965	(58,399,369)	15,936,596	
ICT Equipment	54,331,078	(52,603,078)	1,728,000	
Machinery and Equipment	5,912,000	(5,912,000)	-	
Biological assets	-	-	-	
Infrastructure Assets	4,079,968	-	4,079,968	
Heritage and cultural assets	-	-	-	
Intangible assets	57,584,807	(57,584,807)	-	
Work in Progress	157,555,529	-	157,555,529	
Total	1,287,789,960	(1,108,489,867)	179,300,093	