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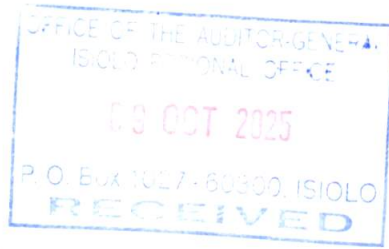
ON

COUNTY ASSEMBLY OF MARSABIT

FOR THE YEAR ENDED
30 JUNE, 2025

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MARSABIT COUNTY ASSEMBLY

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

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

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County Assembly of Marsabit
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1. Acronyms, Abbreviations and Definition of Key Terms

A. Acronyms and Abbreviations

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

B. Definition of Key Terms

Example

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

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2. Key Entity Information and Management

(a) Background information

The County Assembly is constituted as per article 177 of the Constitution of Kenya 2010. It is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 20 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and 12 nominated Members of County Assembly (MCAs) to represent special interest groups. The MCAs are responsible for making laws for effective performance of the County Assembly, approving plans and policies, and playing the oversight role over the County Executive.

(b) Key Management Team

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

No.	Designation	Name
1.	Speaker of the County Assembly	Hon. Edin Wario Dida
2.	Clerk of the County Assembly	CPA Chare Mato Chare
3.	Deputy Clerk	Mr. Salim Nyaur Kato
5.	Director Human Resource and Administration	CHRP Jarso Roba
6.	Director ICT, Research and Hansard	Mr. Gobu Wario Gufu
7.	Head of Procurement Department	Mr. Adan Katelo Adano
4.	Principal Clerk	Mrs. Christine Kurfa Godana
8.	Head of Budget Office	Mr. Somo Buke Fugicha
9.	Head of Accounts	CPA Fredrick Maleya Injela
10.	Chief Finance Officer	CPA Abdirashid Lasaru Adisomo
11.	Head of Legal Department	Ms Bokayo Guyo Halakhe
12.	Head of Internal Audit	CPA Hawa Omar

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer- Clerk	CPA Chare Mato Chare
2.	Deputy Clerk	Mr. Salim Nyaur Kato
3.	Chief Finance Officer	CPA Abdirashid Lasaru Adisomo
4.	Director-Human Resource and Administration	CHRP Jarso Roba Yattani
5.	Assistant Director-Accounting Services	CPA Fredrick Maleya Injela
6.	Head of Procurement Officer	Mr. Adan Katelo Adano

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No.	Designation	Name
7.	Assistant Director-Legal Services	Ms Bokayo Guyo Halakhe

a) Fiduciary Oversight Arrangements

The County Assembly of Marsabit is established under Article 176 of the Constitution of Kenya and its mandate is to make new laws, changes existing laws, repeals laws that are no longer needed. The County Assembly Service Board ensures that strategic direction is given to management, who are responsible for day to day operations of the Assembly. The assembly has constituted the following committees to assist in the discharge of its mandate.

- i. Budget and Appropriation and Finance and Economic Planning Committee
- ii. County Public Accounts Committee.
- iii. Audit and Risk Committee

1. Budget and Appropriation and Finance and Economic Planning Committee Activities.

The budget and finance committee of the Assembly is established under the County Assembly's standing order.

The functions of the Committee shall be:

- 1) To investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget.
- 2) To discuss and review the estimates and make recommendations to the Assembly.
- 3) Examine the County Budget policy statement presented to the Assembly.
- 4) Examine Bills related to the National budget including, appropriation bills
- 5) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

The members of Budget and Finance Committee are:

Sno	Name	Position
1	Hon.Daud Tamasot	Chairperson
2	Hon.Halkano Rare	Vice Chairperson
3	Hon.Buke Diba	Member
4	Hon.Musa Emojo	Member
5	Hon.Diram Hussein	Member
6	Hon.Hadija Ibrahim	Member
7	Hon.Miriam Mindisayo	Member
8	Hon.Mohamed Isaack	Member
9	Hon.Edin Adi Dida	Member

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2. County Public Accounts and Public Investment Committee.

The County Public Accounts and Investments Committee of the Assembly is established under the County Assembly's Standing Orders.

The Public Investments and Accounts Committee shall be responsible for-

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

The Committee is composed of:

Sno	Name	Designation
1	Hon. John Boru	Chairperson
2	Hon. Danila Lenatiyama	Vice Chairperson
3	Hon. Amos Wako	Member
4	Hon. Sadia Osman Araru	Member
5	Hon. Josephine Leado	Member
6	Hon. Darare Gonche	Member
7	Hon. Kiya Jillo	Member
8	Hon. Huka Galgallo	Member

3. Audit and Risk Committee

The committee has been formed to review the reports and risk management for the assembly in line with the existing laws and regulations. The committee comprises of the following members;

S/No	Name	Designation
1	Dr. CPA Mohamed Shanno	Chairperson
2	Maria Lekoloto	Member
3	Habiba Jillo	Member

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b) County Assembly Headquarters

County Assembly Building
P.O. Box 29-60500
Marsabit, Kenya.

c) County Assembly Contacts

E-mail: info@countyassemblyofmarsabit.co.ke
Website: www.countyassemblyofmarsabit.co.ke
Facebook: County Assembly of Marsabit
X: @mbtassembly
YouTube: [Marsabit County Assembly](#)

d) County Assembly Bankers

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

2. Equity Bank Limited
Marsabit Branch
PO Box 331-60500
Marsabit, Kenya

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3. Independent Auditor

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

4. Principal Legal Adviser

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

5. County Assembly Legal Advisor.

Bokayo Halakhe
Principal Legal Officer

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3. Governance Statement

a. Background and roles


The County Assembly is constituted by the MCAs of Marsabit County Assembly. It is headed by the Speaker who is elected by the MCAs. The Speaker is also the Chairperson of the County Assembly Service Board (CASB) while the County Assembly Clerk is the Secretary. Section 10 (4) of the County Governments Act 2012 provides that a county assembly shall observe the following order of precedence.

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


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

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

b. Profiles

Name	Details of qualifications and experience
<p>1. Mr.Edin Wario Dida</p> 	<p>Speaker of the County Assembly of Marsabit and Chairperson of the County Assembly Service Board (CASB). Some of his duties are presiding over the debates of the County Assembly at every sitting of the Assembly, enforce the observance of the constitution, standing orders, relevant statutes and Assembly traditions, procedures and practices. Has served as political Advisor to the first Governor of Marsabit County and currently serving as Executive Director of UPIA Party.</p>

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	<p>Holds Bachelor of Arts Degree political science from the University of Nairobi. He was born on July 1975.</p>
<p>2. Mr. Chare Mato Chare</p> 	<p>Clerk of the County Assembly and a Secretary to the County Assembly Service Board. Being the Chief Administrative Officer, some of his duties are providing expert no-partisan and impartial advice to the members of the county assembly on the legislative process and parliamentary procedure and practice, ensuring staff compliance with public service values, principles and ethics. He was born on 2nd February 1978.</p> <p>Holds a Master Degree in Finance and a Certified Public Accountant (CPA-K). Has served in this capacity since the year 2022 but nineteen years in the Accounting career. He has also worked as a Chief Finance Officer with the County Assembly of Marsabit from 2014 to 2022.</p> <p>He has previously worked with the Teachers Service Commission as an Accountant.</p>

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<p>3. Mr. Bernard Leakono Bata</p> 	<p>He is a Leader of Majority. Some of his duties are spearheading the legislative agenda of the largest party and also act as a link between the County Executive and County Assembly. He is an elected member of the County Assembly representing Log logo Ward. He was born on 19th January, 1977.</p> <p>He has previously worked as a Head teacher at Kamboi Primary School</p> <p>He holds Bachelor of Education (Science) degree.</p>
<p>4. Hon. Halkano Konso Ali</p> 	<p>The Leader of Minority leads the second-largest party or coalition of parties in the County Assembly. Some of his functions are spearheading the legislative agenda of the second largest party or coalition, also he is the lead speaker for the minority party during floor debates.</p> <p>He is an elected member of the County Assembly representing Uran Ward. He was born on 31st December, 1978. He holds a BA –Finance & Accounting and a Master of Arts degree in Procurement & Contract Management. He boasts of twelve years of service in private and public entities where among those he served as a Head of procurement at the County Government of Tana River and also a professional at Kenya Urban Roads Authority.</p>

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c. Sectoral Committees

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

The County Assembly has the following Select and Sectoral committees:

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

d. Select Committees

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

i. Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held 5 meetings in FY 2024/2025. The committee members during FY 2024/2025 were:

Name	Designation	Ward
Edin Wario	Chairperson	Speaker
Omar Apicha	Vice-Chairperson	Deputy Speaker
Christopher Matahdere	Member	Kargi/North Horr
Danila Ntalason	Member	Nominated
Hadija Kontoma	Member	Nominated
Miriam Chawle	Member	Nominated
Huka Gallgallo	Member	Torbi/Bubisa
Tura Ruru	Member	North Horr
Jacob Elisha	Member	Marsabit Central Ward

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ii. Public Accounts/Investment Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. The committee held 47 meetings in FY 2024/2025. The members who served in the committee during the year were:

Name	Designation	Ward
Hon. John Boru	Chairperson	Sololo Ward
Hon. Danila Lenatiyama	Vice Chairman	Nominated- Rep: Minority Group
Hon. Amos Wako	Member	Sagante Jaldesa Ward
Hon. Sadia Osman Araru	Member	Nominated –Rep : Gender Top up
Hon. Josephine Leado	Member	Nominated – Gender Top up
Hon. Darare Gonche	Member	Nominated – Gender Top up
Hon. Kiya Jillo	Member	Nominated –Rep : Youth
Hon. Huka Galgallo	Member	Turbi/Bubisa

iii. Budget and Appropriations Committee

The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were: The committee held 48 meetings in FY 2024/2025.

Name	Designation	Ward
Hon. Daud Tamasot	Chairperson	Korr/Ngurunit Ward
Hon. Halkano Rare	Vice Chairperson	Obbu Ward
Hon. Buke Diba	Member	Maikona Ward
Hon. Musa Emojo	Member	Loiyangalani Ward
Hon. Diram Hussein	Member	Nominated
Hon. Hadija Ibrahim	Member	Nominated
Hon. Miriam Mindisayo	Member	Nominated

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Hon.Mohamed Isaack	Member	Moyale Township
Hon.Edin Adi Dida	Member	Golbo Ward

e. Communication with all Stakeholders

The County Assembly continually engages the public through public participations in delivering its mandate and responsibilities. All bills, programmes and projects go through adequate public participation before being enacted. Further, after enactment, the public are sensitized through local radio stations and other social media platforms.

The County Assembly also subjected 4 bills through public participation and all were enacted into Law,

The following table shows a list of the bills.

Sno	Bill Name
1	Marsabit County Supplementary Appropriation Bill 2025
2	Marsabit County Supplementary Appropriation Bill 2025(No 2)
3	Marsabit County Community Health Service Bill 2024
4	Marsabit County Equitable Development Bill 2024

f. Risk management

The County Assembly maintains a risk register that contains a list of identifies risks, controls and responsibilities. It also ensures that there is staff awareness through periodic training. Regular internal audits and compliance checks are conducted for monitoring and review purposes.

The institution has established risk identification techniques such as process mapping, consultations and checklists. These ensure that risks are appropriately identified, and mitigation measures are instituted. Vulnerability assessments are also conducted to ensure that once the risks have been identified, they can immediately be addressed. Risks are also ranked by severity to ensure that the resources are allocated effectively.

Risks are analysed through the risk analysis matrix that plots risks on a likelihood vs. impact grid, this ensures that the most likely risks with the highest impact on the County Assembly operations are addressed and mitigated. The County Assembly also ensures that identified risks and mitigation measures are well documented to support decision-making and accountability.

To analyse the internal environment, the County Assembly conducts periodic review of the organizational structure, staffing, the processes, financial position and technological advancements.

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The legal team ensures that they track the changes in regulations, political shifts and economic trends to ensure compliance.

Risks identified and analysed in the period and how they were managed.

1. **Infrastructural deficiencies** – Limited office space hindering the Assembly’s operation.
 - *Mitigation:* Construction of office extension block to ease overcrowding.
2. **Insufficient capacity** – Lack of necessary skills for effective service delivery.
 - *Mitigation:* Undertaking continuous staff training to build capacity among the staff and Members of the County Assembly.
3. **Power instability** – Risk of power failures leading to lost productivity and disrupted operations.
 - *Mitigation:* Installation of solar panels for power generation.

g. Compliance

The County Assembly of Marsabit is guided by relevant laws and regulations that govern its operation. These include:

- a) The Constitution of Kenya
- b) County Governments Act (Cap. 265)
- c) County Assembly Services Act 2017 (Cap. 265D)
- d) Public Finance Management Act 2012 and its Regulations 2015 (Cap.412A)
- e) Public Procurement and Asset Disposal Act (Cap. 412C)
- f) Public Audit Act (Cap. 412B)
- g) Employment Act (Cap. 226)
- h) Income Tax Act (Cap.470)
- i) Value Added Tax Act (Cap. 476)
- j) Insurance Act (Cap.487)

The County Assembly prepares and submits relevant reports to various institutions of oversight in time.

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4. Foreword by the Clerk of the County Assembly

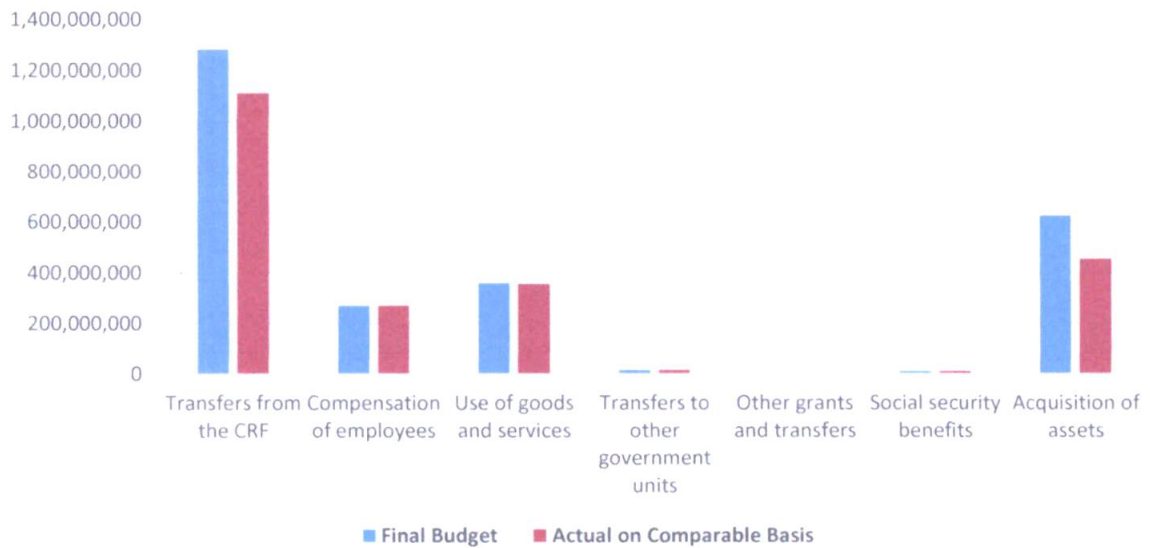
(i) Budget performance

During the Financial year ended 30th June 2025, the Assembly had a total budget of Kshs 1,282,483,146 comprising of recurrent of Kshs 666,740,178 and development of Kshs 615,742,968. Included in the budget is accounts payables totalling to Kshs 426,542,968 carried forward from previous financial years. The budget for recurrent and development was 99% and 72% funded respectively by the National Treasury.

During the year the County Assembly received Kshs 663,366,693 (99%) for recurrent budget and Kshs 447,494,258 (72%) for development budget. The Assembly spent Kshs 663,298,326 on recurrent expenditure and Kshs 446,270,631 on development expenditure.

The unspent balances of Kshs 68,366 for recurrent budget and Kshs 1,223,627 for development was surrendered to County Revenue Fund Account as per the PFM Act.

Budget Performance Final Budget VS Actual on Comparable Basis



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(ii) Operational Performance

The original budget for the FY2024/25 was debated and passed by the County Assembly of Marsabit on 26th June 2024, and the supplementary(I) budget was passed on 26th February 2025, the supplementary(II) budget was passed on 21st May 2025.

The County Assembly passed the following bills during the year ended 30th June 2025.

Sno	Description	Date Passed	Bill/Act	Expected Benefit
1.	Marsabit County Supplementary Appropriation Bill 2025	27 th February 2025	Act	Authority to realign expenditure priorities
2.	Marsabit County Supplementary Appropriation Bill 2025(No 2)	21 st May 2025	Act	Authority to realign expenditure priorities
3.	Marsabit County Community Health Service Bill 2024	9 th October 2024	Act	Provides guidance to national, county government, development and implementing partners in strengthening and scaling up community health service
4.	Marsabit County Equitable Development Bill 2024	19 th September 2024	Act	Promotes equitable social and economic development of all persons residing within the ward to ensure the realisation of their economic and social rights under Article 43 of the constitution.

-The County Assembly of Marsabit has 21 committees namely:

Sno	Committee Name	Mandate	Success
1.	Budget and Appropriation and Finance and Economic	Oversee public finance, economic policies and county budgeting process	Budget Passed Annual Development Plan passed

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	Planning Committee		
2.	Lands Energy and Urban Development Committee	Oversee the integration and sustainable management of land use, energy resources and urban growth	Passed Bill upgrading Moyale sub county to Municipality status
3.	Trade, Industry and Enterprise Development Committee	Trade development and regulation, including markets, trade licenses (excluding regulation of professions), fair trading practices, and cooperative societies.	Report on benchmarking trip to Samburu County on Carmel Derby.
4.	Education, Skills Development, Youth and Sports Committee	Enact and oversee County policies aimed at improving quality, accessibility and equity of early childhood education. Sharpening future of county workforce, youth engagement and sports development programmes	Project inspection Project inspection
5.	Administration, Coordination of County Affairs and ICT Committee	All matters related to ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop administrative capacity for the effective exercise of the functions and powers and participation in governance at the local level; administration of law and justice. Including working and collaborating with national government on security matters and County Public Service Board.	<ul style="list-style-type: none"> • DRM Bill, 2023 • Marsabit County Equitable Development Bill, 2024
6.	Water, Environment and	Water distribution, management, regulation; implementation of specific national government policies on natural resources and	<ul style="list-style-type: none"> • Marsabit County Climate Change

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	Natural Resources Committee	environmental conservation, including soil and water conservation and forestry and control of air pollution, noise pollution, other public nuisances and outdoor advertising including refuse removal, refuse dumps and solid waste disposal.	adaptation plan, 2022-2027 <ul style="list-style-type: none"> • Amendment of water Bill, 2015 • Project inspection
7.	Agriculture, Livestock and Fisheries Committee	All matters related to agriculture, including crop and animal husbandry, livestock sale yards, county abattoirs, plant and animal disease control and fisheries and veterinary services excluding regulation of profession.	<ul style="list-style-type: none"> • Report on inter-governmental agreement on Donor Funded projects in the department. • Project inspection
8.	County Public Accounts and Investments Committee	The Committee shall be responsible for- a) the examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit. b) the examination of the audit reports, accounts and workings of the county public investments; the examination, in the context of the autonomy and efficiency of the county public investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices	<ul style="list-style-type: none"> • consideration of Auditor General's report, 2020/2021 • consideration of Auditor General's report, 2021/2022 • Emergency fund report 2020/2021 • Emergency fund report 2021/2022 • Education fund report 2020/2021
9.	Trade, Tourism, Industry & Enterprise Development	Trade development and regulation, including markets, trade licences (excluding regulation of professions), fair trading practices, and cooperative societies.	<ul style="list-style-type: none"> • Report of benchmarking trip to Samburu County on Carmel Derby • Project inspection

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10.	Security Committee	<p>consider all matters related to county security.</p> <p>study the programme and policy objectives on the county security, police services, home affairs, Public Administration, Public Service, Prisons, Immigration and the management of natural disasters, community services order and prepare briefs and reports for consideration by the County Assembly;</p>	<p>Liaised with County security team on various occasion on security issues in Marsabit</p>
11.	Transport, Roads, Housing and Public Works Committee	<p>All matters related to county transport, including county roads, street lighting, traffic and parking, public road transport and ferries and harbours, excluding the regulation of international and national shipping and matters related thereto; county public works and services including storm water management systems in built-up areas and water and sanitation services.</p>	<ul style="list-style-type: none"> • Report of road inspection • Project inspection
12.	Delegated County Legislation and Justice and Legal Affairs Committee	<p>The Committee shall consider in respect of any statutory instrument whether it-</p> <p>(a) is in accord with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written law;</p> <p>(b) infringes on fundamental rights and freedoms of the public;</p> <p>(c) contains a matter which in the opinion of the Committee should more properly be dealt with in an Act of the County Assembly</p>	<ul style="list-style-type: none"> • Amendment of Mortgage and Car Loan Act • Reviewed Bills passed
13.	Inter County Relations Committee	<p>(a) monitor and promote measures relating to policy and program initiatives</p>	<p>Enhanced relationship between Marsabit and Isiolo pastoralists through engagement.</p>

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		<p>in pursuit of peace and inter-county cohesion;</p> <p>(b) enhance the role and involvement of the County Assembly in intensification and development of the inter-county programmes investigate, inquire into and report on all matters relating to inter-county conflicts</p>	
14.	Health Services Committee	All matters related to county health services, including, in particular county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, veterinary services (excluding regulation of the profession), cemeteries, funeral parlours and crematoria , sewerage and sanitation services.	<ul style="list-style-type: none"> • Project inspection • Pre-publication scrutiny for CHS Bill, 2024
15.	Powers and Privileges and Procedure and Rules Committee	<p>The County Assembly Powers, and Privileges and Procedure and Rules Committee shall consider and report on all matters relating to these Standing Orders.</p> <p>The County Assembly Powers and Privileges, and Procedure and Rules Committee may propose amendments to these Standing Orders and any such amendments shall upon approval by the County Assembly, take effect at the time appointed by the County Assembly.</p>	<ul style="list-style-type: none"> • Developed Speaker's rules • Disciplining Members
16.	House Business Committee	Prepare and, if necessary, from time to time adjust the County Assembly Calendar with the approval of the County Assembly.	<ul style="list-style-type: none"> • Approval of House calendar

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		<p>Monitor and oversee the implementation of the County Assembly Business and programmes.</p> <p>Implement the Standing Orders respecting the scheduling or programming of the business of the County Assembly and the functioning of the Committees of the County Assembly.</p>	<ul style="list-style-type: none"> • Scheduling of Committee reports for tabling • Approval of Businesses on the Order paper and weekly schedule • Scheduling of Members statements and Motions.
17.	Liaison Committee	This committee comprises of chairs of all the committees.	Ensuring cohesion in the operations of all the committees.
18.	Vetting Committee	The Committee on Vetting and Appointments shall consider, for approval by the County Assembly, appointments under Articles 179(2) (b) of the Constitution as read with Section 45 of the County Government Act, 2012 and the Public Appointments (Parliamentary Approval) Act, 2011.	
19.	Speakers Panel Committee	The Committee shall consider and resolve all matters relating to, and affecting the welfare of the Members of the County Assembly and other related matters thereto, except matters under the general mandate of the Committee of Powers and Privileges and Procedure and Rules.	<ul style="list-style-type: none"> • Taken care of the welfare of the Members
20.	Equal Opportunities Committee	All matters relating to labour, trade union relations, manpower or human resource planning, gender, and County Public Service.	
21.	Implementation Committee	The Committee shall scrutinize the resolutions of the County Assembly	<ul style="list-style-type: none"> • Track house resolution and

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		<p>(including adopted committee reports), petitions and the undertakings given by the County Executive Committee and examine –</p> <p>whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented; and whether such implementation has taken place within the minimum time necessary; and whether or not legislation passed by the County Assembly has been operationalized and where operationalized, the extent to which such operationalization has taken place within the minimum time necessary.</p>	<p>ensure its implementation</p>
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Functions of the County Assembly committees

1) Legislative Function

- a) Prepares legislative proposals.
- b) Guides debate during the processing of Bills during the Second Reading and Committee of the Whole Assembly

2) Budget Making Process

- a) Scrutinize Budget estimates and budget documents and make appropriate recommendations.
- b) Monitors budget performance of the assigned Sectors

3) Oversight Role

- a) Ensure efficiency and effectiveness of the assigned Sectors by inquiring and reporting on all matters relating to the assigned Sector.
- b) Ensure that the relevant Sector/ Department accounts on its expenditure.
- c) Consider reports of the Auditor-General.
- d) Vets nominees to be appointed to various public offices within the County as required by the law.

4) Representation Role

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

- a) Ensure public participation in their activities.
- b) Address issues raised by the public.
- c) Considers public petitions.

(iii) Performance of key development projects

In the Financial year that ended 30th June 2025, Marsabit County Assembly undertook several development projects aimed at enhancing effectiveness of service delivery to the citizens. These projects range from mega multi-year projects implemented at the headquarter including modern chamber, speaker's residence and equipping of ward offices. Completion of these projects will not only improve operations and service delivery but also take services closer to the intended citizen.



Ongoing construction of ultra-modern chamber for the County Assembly of Marsabit.

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



Ongoing construction of ultra-modern chamber for the County Assembly of Marsabit.



Completed construction of Speaker's residence in Marsabit Central ward.



Ongoing construction of extension office block

Transparent Supplier Registration & Framework Agreements

The County assembly of Marsabit consistently issue public tenders and calls for supplier registration, often with open categories and framework agreements. Examples include: on the official national Public Procurement Information Portal (PPIP) at www.tenders.go.ke, on Marsabit county assembly's official websites, <https://www.marsabitassembly.go.ke>.

These processes promote fair competition, giving equal access, including to special groups (youth, women, persons with disability)—helping uphold anti-discriminatory, transparent supplier selection.

Legal Framework and Regulatory Oversight

The County Assembly of Marsabit adhere to the Public Finance Management (County Governments) Regulations, 2015 which requires:

- a. Adherence to approved procurement plans
- b. Use of accountable documents, with proper control and records
- c. Preservation of procurement records for audit

The County Assembly of Marsabit adheres to The Public Procurement and Asset Disposal Act, 2015 ensures fairness, transparency, cost-effectiveness, and competition through proper tender documentation and procedures.

Anti-Corruption Measures at County Level

This strengthens governance, integrity, and institutional capacity to prevent malpractices in procurement and supplier relations.

Treating Suppliers Responsibly: Honouring Contracts & Payment Schedules.

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The County Assembly of Marsabit had a budget allocation of Kshs 426,542,968 as trade payables, in FY 2024/25 to reduce its payables to suppliers and contractors — recognizing the burden of delayed payments.

(iv) Comment on value-for-money achievements

In the implementation of its projects and programmes, Marsabit County Assembly ensures compliance with County Integrated Development Plan, Annual Development Plan, Annual Appropriation Act as well as procurement guidelines with a focus to ensure value-for-money is achieved. This is achieved through close monitoring by ad hoc Contract Implementation Teams (CIT) and supervision by officers from public works department as general oversight from Management and Members of County Assembly. These independent teams ascertain that programmes and projects have adequate budget, meet required standards and are serving the intended purpose.

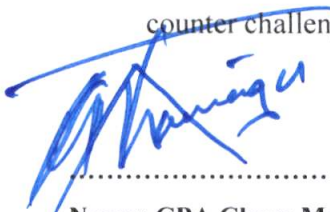
(v) Challenges and recommended way forward

During the reporting period, the challenges encountered were:

- a) Delayed disbursements from the exchequer.
- b) Delayed implementation of development projects leading to huge pending bills.
- c) Frequent breakdown of IFMIS system, hence affecting program implementation.
- d) Poor network connectivity

Recommendations

- a) The National Treasury should endeavour to timely release funds from the exchequer to counter rise of pending bills and unpaid commitments.
- b) Fast-tracking of procurement process to ensure tendering documents are prepared in time as well as close monitoring of project implementation by Contract Implementation Team.
- c) The County Assembly of Marsabit did an installation of a reliable and stable network to counter challenges posed by IFMIS system.



.....
Name: CPA Chare Mato Chare
Clerk of the County Assembly

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5. Statement of Performance against Predetermined Objectives

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

The key mandate of the County Assembly of Marsabit is legislation, oversight, and representation. To achieve this, the assembly’s program was documented in terms of objective, key performance indicators, and output. Below were the expected outputs of the assembly in FY 2024/2025.

Programme	Delivery Unit	Key Outputs (KO)	Key Performance Indicators (KPIs)	Target
<i>Programme 1: General Administration support services</i>				
SP 1.1	CASB	Well remunerated employees	Employees satisfaction	All Staff
	Human resource and directorate	Effective Assembly staff	Well trained staff and MCAs	5 training for each. Both staff and MCAs
	Human resource and directorate	Motivated Assembly Staff	Staff and MCAs salaries paid	Timely payments every month
SP 1.2	Finance Directorate	Efficient Assembly Services	Purchase and supply of office supplies and other services	All Staff , MCAs and support services
SP 1.3	Human resource and directorate	Motivated Assembly Staff	Employer contribution to staff and member pension scheme	Timely remittance every month
<i>Programme 2: Legislature and oversight services</i>				
SP 2.2:	Clerk Office	Hansard reports on plenary session’s availability to the public	Hansard Report Publication	All Hansard Reports available in hard copies & soft copies.
		Availability of Assembly committees to the public	Committee minutes prepared and filed.	All Committee minutes availed weekly

County Assembly of Marsabit
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SP 2.3	Clerk Office	Cars and houses for MCAs	Mortgage and car loans issued	Cars and houses for 33 MCAs and Speaker
SP 2.4	Clerk Office	Vehicle Reimbursement	Reimbursement to MCAs	33 MCAs and Speaker
SP 2.5	Clerk Office	Trained, informed and effective MCAs and staff	No. of trainings conducted	3 for each staff and 4 for each MCA
SP 2.6	Clerk Office	Involve public fully in policy making	Ward Visits	Eight (8) Ward visits
SP 2.7	Clerk Office	County Development	Public participation attendance lists and budgets and bills	Involve 10,000 Stakeholders in public participation.
<i>Programme 3: County Assembly Infrastructure Improvement</i>				
S.P 3.12	CASB	Improve transport	Motor vehicles well maintained.	8
S.P 3.13	CASB	ICT infrastructure improvement	ICT networked Offices	100% networked office
S.P 3.14	CASB	Improve efficiency	Construction ongoing	All staff, MCAs and ward staff
S.P 3.15	CASB	ICT infrastructure maintenance	Maintenance done	Well maintained
S.P 3.16	CASB	Service machinery	Maintenance done	5
S.P 3.17	CASB	Improve efficiency	Pay utility bills	All bills paid
S.P 3.18	CASB	Legislative efficiency	Printing bills and other documents	All bills printed 9
S.P 3.20	CASB	Improved efficiency	Insurance cover for staff, MCAs and Assembly Vehicles	All staff, MCAs and Assembly properties
S.P 3.21	CASB	Lap tops and computers for all offices	Lap tops and computers bought	All staff
S.P 3.22	CASB	Improve infrastructure	Fuel, lubricants and tyres for all assembly vehicles	8 Vehicles
S.P 3.23	CASB	Management efficiency	Legal fees, contracted professional charges and bank charges	All charges paid
S.P 3.24	CASB	Salary for ward office staff, rents and bill	Smooth running of ward offices	33

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		payment and other operating expenses		
S.P 3.25	CASB	Uniformed staff and pest control	Uniforms purchased and Assembly Premises fumigated	County Assembly Building and staff
S.P 3.26	CASB	Upholding professionalism	Payment to professional bodies	Professional bodies
S.P 3.28	CASB	Improve efficiency	No. of offices refurbished and built	59 offices and Conference room
S.P 3.29	CASB	Pension and gratuity paid	Remittance to pension providers	All MCAs, Speaker, staff and ward office staff
S.P 3.30	CASB	Improve infrastructure	No. of Vehicles purchased	1
S.P 3.31	Clerk	Improved performance	Research paper	4 per year
S.P 3.32	Clerk	Payment of pending bills for Recurrent	Trade Payables paid	All Trade Payables for recurrent
S.P 3.33	Clerk	Payment of pending bills for Development	Trade Payables paid	All Trade Payables for development

County Assembly of Marsabit
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6. Environmental and Sustainability Reporting

a) Sustainability strategy and profile

Marsabit County Assembly has made various sustainable efforts that focus on service delivery to the citizen.

The strategic area of focus for service delivery includes but not limited to:

- a) Legislative Services
- b) Oversight Role
- c) Committee Services
- d) Staff Management and development
- e) Physical infrastructure development
- f) Financial Resource Management
- g) Application of ICT in all our processes.

b) Environmental performance

Marsabit County Assembly works towards the Health and Safety measures that aims at prevention and protection of officers against accidents and occupational hazards arising at workplace as well as reduce the environmental impact of the institution activities and products.

The Assembly has put in place measures to prevent and mitigate against accidents, explosions, fire, floods, earthquakes, bomb threats and prepared procedures to be followed in such events. We have a Fire assembly point in the event of fire and the employees have been briefed on its importance.

The Assembly has contracted a service provider on management of waste and also put in place a bio digester.



County Assembly has fully gone dependant on green energy by setting up Solar Car port at its Headquarters.

c) Employee welfare

Employees are the most important asset of the County Assembly. The Assembly endeavours to create conducive working environment where each employee feels valued as a member of the team. The Assembly trains staffs to enhance their skills in order improve their productivity. The Assembly facilitates those staff subscribing to professional bodies to attain CPDs and be in good standing.

The Assembly complies with public service commission guidelines and policies that emphasize on a third gender rule in hiring and other human resource process including rewarding and promotions. A member of the audit committee and a staff has also been recruited based on requirements of Persons with disability (PWD's).

The Assembly also provides Medical Cover to the Members and Staffs to cater for their wellbeing and for their families.



Members of the County Assembly of Marsabit and staff during training in Mombasa.

d) Marketplace practices-

The Assembly has put in place the following practice with respect to:

I. Responsible Supply chain and supplier relations

The Assembly is guided by the provisions of the Public Procurement and Assets Disposal Act, 2015. Marsabit County Assembly as a corporate citizen has always been guided by various rules and regulations.

All procurement related issues are published through Public Procurement Information Portal (PPIP) portals and Marsabit county assembly website ([Marsabit County Assembly](#)), to give fair competition to suppliers following guidelines from PPOA and PFM ACT 2012

II. Responsible ethical practices

The Assembly has a code of conduct policy that guides its day to day operations.

III. Stewardship of goods and services

The County Assembly of Marsabit adheres to the best practices in service delivery and management of its assets by ensuring that necessary safeguards to their protection are in place.

e) **Community Engagements**

The County Assembly continually engages the public through public participations in delivering its mandate and responsibilities. All bills, programmes and projects go through adequate public participation before being enacted. Further, after enactment, the public are sensitized through local radio stations and other social media platforms.

7. Management Discussion and Analysis

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

1. Key Programs and Projects Implemented or Ongoing

a. Infrastructure Development and Assembly Facilities

- Construction of the ultra-modern County Assembly Chambers: A modern chamber has been constructed to support legislative activities, enhance transparency, and provide a conducive environment for debates and deliberations.



Ultra-modern chambers for the County Assembly of Marsabit

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

- Construction of Office Blocks and Committee Rooms: To accommodate increased staff and expanded functions, new office blocks have been built, along with meeting and committee rooms to improve operational efficiency.



Ongoing construction of modern office block

b. Automation and Digitization Initiatives

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

c. Capacity Building and Institutional Strengthening

- Continuous Professional Development for MCAs and Staff: The Assembly has invested in regular training, benchmarking visits, and workshops to improve legislative, oversight, and representation functions.



Members of the County Assembly of Marsabit and staff training in Mombasa

- Policy and Legislative Development Support: Resources have been channeled towards research and drafting services to support the formulation of quality bills, motions, and county legislation.

d. Public Participation and Civic Engagement

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

e. Financial Management and Resource Utilization

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

County Assembly of Marsabit
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County Assembly of Marsabit compliance with statutory requirements.

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

Constitutional Framework

Article 185 of the Constitution: Establishes legislative authority in the county assembly and its ability to make laws for county governance, while also requiring it to exercise oversight over the county executive. The County Assembly of Marsabit passed 4 (four) bills into laws during the year ended 30th June 2025.

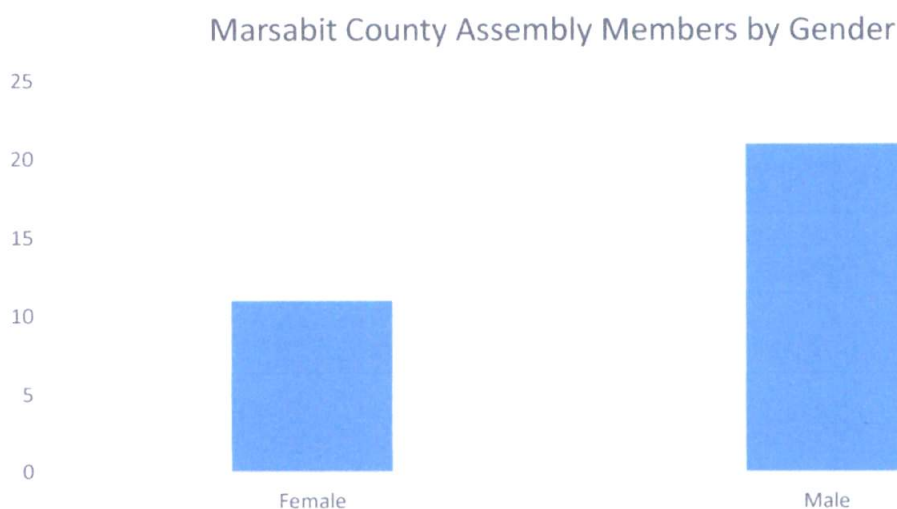
Article 177 of the Constitution: Outlines the proper composition of a county assembly, including the need for gender balance and representation of marginalized groups. The table below shows the representation and gender for the members of the County Assembly of Marsabit.

Sno	Name	Representation	Gender
1	Halkano Konso	Elected-Uran Ward	Male
2	Leruk Joseph	Elected-Karare Ward	Male
3	Josephine Leado	Nominated- Gender	Female
4	James Korea	Elected- Illeret Ward	Male
5	Emojo Musa	Elected-Loiyangalani Ward	Male
6	Daniel Burcha	Elected-Laisamis Ward	Male
7	Buke Diba	Elected-Maikona Ward	Male
8	Bernard Leakono	Elected - Loglogo Ward	Male
9	Omar Dida	Elected- Butiye Ward	Male
10	John Boru	Elected-Sololo Ward	Male
11	Mohamed Isaack	Elected-Moyale Township	Male
12	Siba Haila	Elected- Hellu Manyatta	Male
13	Rosemary Adhi	Nominated- Gender	Female
14	Hadija Ibrahim	Nominated- Gender	Female
15	Lucy Kargiya	Nominated- Gender	Female
16	Hindia Salad	Nominated- Gender	Female

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17	Christopher Matahdere	Elected- Kargi South Horr Ward	Male
18	Adi Edi	Elected- Golbo	Male
19	Darare Gonche	Nominated- Gender	Female
20	Amos Wako	Elected-Sagante Jaldesa Ward	Male
21	Huka Galgallo	Elected- Turbi Ward	Male
22	Jacob Elisha	Elected-Marsabit Central Ward	Male
23	Adano Boru	Elected-Dukana Ward	Male
24	Diram Hussein	Nominated- Youth	Female
25	Daud Tamagot	Elected-Korr/Ngurunit Ward	Male
26	Miriam Mindisayo	Nominated- Gender	Female
27	Danila Ntalason	Nominated-Gender	Female
28	Tura Ruru	Elected-NorthHorr Ward	Male
29	Kiya Jillo	Nominated- Youth	Male
30	Sadia Osman	Nominated- Minority	Female
31	Halkano Sora	Elected-Obbu Ward	Male
32	Ebise Waqo	Nominated- Gender	Female

Bar graph representation of members of the County Assembly of Marsabit by gender



Major risks facing the County Assembly of Marsabit

Major risks facing Kenyan county assemblies include a lack of financial autonomy, with dependency on county executives for funding, which compromises their ability to provide effective oversight. Other risks are a shortage of technical expertise and high turnover of Members of County Assembly (MCAs), leading to ineffective legislation and oversight. They also face political interference, corruption, unclear responsibilities with the Senate, and insufficient information sharing from the county executives.

Financial Dependence:

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

Capacity and Expertise Gaps:

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

Political Interference:

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

Lack of Independence:

The financial control by the county executive and political interference can put MCAs on a "short leash," reducing their ability to hold the executive accountable without fear of repercussions, such as resource denial.

Insufficient Information Sharing:

County executives do not always share necessary information with the assembly's budget and technical staff, which restricts the assembly's ability to scrutinize budgets and government programs effectively.

Unclear Lines of Responsibility:

There is often competition rather than complementarity between the Senate and county assemblies, leading to unclear roles and undermining the overall accountability framework for county governments.

High Turnover:

A high turnover of MCAs can disrupt continuity and hinder the development of collective expertise and effective oversight capabilities over time.

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

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 Assembly Entity to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

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

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

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

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

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

Approval of the financial statements

The County *Assembly of Marsabit* financial statements were approved and signed by the Clerk on 26th August 2025.


CPA Chare Mato Chare

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Clerk of County Assembly

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF MARSABIT 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,
- A. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of County Assembly of Marsabit set out on pages 1 to 52, which comprise of the statement

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

of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of County Assembly of Marsabit 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

Unsupported Trade and Other Payables

The statement of financial position and Note 32 to the financial statements reflect trade and other payables balance of Kshs.216,803,829 as at 30 June, 2025 and a reported opening balance of Kshs.431,767,745. However, the County Assembly did not undertake the mandatory supplier circularization and reconciliation exercise as guided under Paragraph 2.3.1 of The National Treasury and Economic Planning Circular No. 03/2025 of 14 April, 2025, which provides guidelines on transition from cash to accrual accounting. Further, supplier confirmations, reconciliations, and supporting documentation were not provided for audit verification.

In the circumstances, the accuracy and completeness of the opening trade and other payables balance of Kshs.431,767,745 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 Marsabit 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Kshs.1,282,483,146 and Kshs.1,110,860,951 respectively, resulting to an under-funding of Kshs.171,622,195, or

13% of the budget. Similarly, the County Assembly spent a balance of Kshs.1,109,568,958 against actual receipts of Kshs.1,110,860,951, resulting to an under-utilization of Kshs.1,291,993.

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

2. Late Exchequer Releases

The statement of financial performance and Note 6 to the financial statements reflect transfers from the County Revenue Fund (CRF) balance of Kshs.1,110,860,951. However, the amount includes disbursements totalling Kshs.154,789,795 which were received after 30 June, 2025. This was contrary to Section 17(6) of the Public Finance Management Act, 2012 which provides that The National Treasury shall, at the beginning of every quarter, and in any event not later than the fifteenth day from the commencement of the quarter, disburse monies to County Governments.

In the circumstances, the late disbursement affected the County Assembly's operations and negatively impacted on its cash flow.

My opinion is not modified in respect of these matters.

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 effects of the matter 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's Matters

In the prior year's audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the County Assembly in the year 2024/2025 revealed that the following matters remained unresolved;

S/No	Financial Year	Audit Issue
1	2023/2024	Non-Compliance with the One-Third of Basic Salary Rule
2	2023/2024	Wasteful Expenditure - Report Writing on Projects Inspection in Isiolo
3	2023/2024	Delayed Completion of the Construction of Chambers
4	2023/2024	Nugatory Expenditure to Society of Clerks at the Table and County Assembly Forum

S/No	Financial Year	Audit Issue
5	2023/2024	Irregular Payment of Rental Allowance to the Speaker
6	2023/2024	Staff Payment Outside Integrated Payroll and Personnel Database (IPPD)
7	2023/2024	Lack of Risk Management Policy and Disaster Recovery Plan
8	2023/2024	Lack of ICT Strategic Plan and ICT Steering Committee
9	2023/2024	Use of Personal Email for Official Government Business

Other Information

Management is responsible for the Other Information set out on page iii to xlili, which comprise of Key Entity Information and Management, Governance Statement, Foreword by the Clerk of the County Assembly, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting, Management Discussion and Analysis 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. Compensation of Employees

The statement of financial performance and Note 9 to the financial statements reflect compensation of employees' balance of Kshs.300,887,343. Review of the payroll records provided revealed the following anomalies;

1.1 Non-Compliance with the One-Third of Basic Salary Rule

During the year under review, five (5) employees earned net salaries of less than one-third (1/3) of their basic pay. This was contrary to Section 19(3) of the Employment Act, 2007 which provides that the total amount of deduction of the wages of an employee shall not exceed two-thirds (2/3) of such wages.

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

1.2 Lack of Staff Ethnic Diversity

The County Assembly had a total number of staff of two hundred and thirty-two (232), out of whom one hundred and ninety-two (192), or 83% members of staff were from the dominant ethnic communities in the County. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008, which stipulates that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff, and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

1.3 Salaries Paid Outside Integrated Payroll and Personnel Database System

The County Assembly paid an amount of Kshs.3,545,821 as salaries to one hundred and eighteen (118) temporary staff members for the months of July to December, 2024, outside the Integrated Payroll and Personnel Database (IPPD) system. This was contrary to Section 1.5.1 of The National Treasury Financial Accounting Recording and Reporting Manual which requires salaries, allowances or arrears of County Government employees to be processed through Integrated Payroll and Personnel Database (IPPD).

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

2. Nugatory Expenditure to Society of Clerks at the Table (SOCATT) and County Assembly Forum (CAF)

The statement of financial performance and Note 13 to the financial statements reflect other grants and subsidies balance of Kshs.2,750,000, representing the annual subscriptions of Kshs.750,000 made to Society of Clerks at the Table (SOCATT) and Kshs.2,000,000 made to the County Assemblies Forum (CAF). However, the entities do not draw their mandate from the Constitution of Kenya or an Act of Parliament and the payments were not based on any law. This was contrary to Section 162 of the Public Finance Management Act, 2012 which requires a public officer to ensure that resources within the officer's area of responsibility are used in a way that is lawful and authorized, effective, efficient, economical and transparent.

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

3. Failure to Insure Assembly Buildings

The statement of financial position and Note 26 to the financial statements reflect property, plant and equipment balance of Kshs.622,657,341, which includes Kshs.89,808,024 in respect of buildings. However, the County Assembly had not insured its buildings against potential risks or losses, contrary to Regulations 132(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the Accounting Officer of a County Government entity shall take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse.

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

4. Adoption of the Reports of the Auditor-General by the County Assembly

The Governance Statement in the annual report indicates that the County Assembly of Marsabit Public Accounts/Investments Committee held forty-seven (47) meetings during the year. However, no evidence was provided to demonstrate that the Committee guided the County Assembly in considering and adopting the Auditor-General's reports, as the Committee's reports were not provided for audit review.

In the circumstances, the effectiveness of oversight over the operations of the County Executive and other semi-autonomous entities could not be confirmed.

5. Delayed Completion of Capital Projects

5.1 County Assembly Chambers

The statement of financial position and Note 26 to the financial statements reflect property, plant and equipment balance of Kshs.622,657,341, which includes Kshs.527,711,317 in respect of work-in-progress. The work-in-progress balance includes Kshs.20,028,611 being certificate number 13 paid to a local contractor for the construction of the Marsabit County Assembly Chambers at a contract sum of Kshs.344,205,660 for a period of seventy (70) weeks and expected completion date of 28 August, 2019. However, examination of project records and physical inspection conducted in June, 2025 revealed that the project had taken approximately three hundred and sixty-six (366) weeks, which was a delay of about two hundred and ninety-six (296) weeks, and was still incomplete as at the time of the audit.

Further, no evidence was provided to confirm the approval of the project extension beyond the original expected completion date. This was contrary to Section 149(1)(a) and (b) of the Public Finance Management Act, 2012, which requires accounting officers to ensure that public resources are used in a lawful, authorized, effective, efficient, economical, and transparent manner.

In the circumstances, value for money in the construction of the County Assembly Chambers could not be confirmed.

5.2 Office Extension

The statement of financial position and Note 26 to the financial statements reflect property, plant and equipment balance of Kshs.622,657,341, which includes Kshs.527,711,317 in respect of work in progress. The work-in-progress includes Kshs.40,919,947 paid to a local contractor for the construction of office extension at contract sum of Kshs.64,993,106. The contract was entered in 4 July, 2024 and was to take thirty-six (36) weeks, or nine 9 months, ending in April, 2025. However, review of the project file and physical inspection conducted in the month of June, 2025 revealed that the project was incomplete with only the superstructure done and was behind the schedule by two (2) months.

In the circumstances, value for money in the construction of the office extension could not be confirmed.

6. Exceeding Expenditure Threshold in the Construction of the Speaker's Residence

Review of project documents revealed that the County Assembly of Marsabit incurred total expenditure of Kshs.76,845,679 on the construction of the Speaker's residence, completed in June 2025. However, as at the time of audit, in October, 2025, the Speaker had not occupied the residence. Further, the expenditure exceeded the approved limit of Kshs.35,000,000 by approximately 219% with no justification or approval provided for the cost overruns. This was contrary to Salaries and Remuneration Commission Circular Ref No.SRC/TS/CGOVT/3/61/VOL.V(44) dated 14 August, 2020, which sets the ceiling for the construction cost of an official Speaker's residence.

In addition, during the year under review, the Assembly paid Kshs.960,000 to the Speaker as rental allowance, contrary to the Kenya Gazette Notice of 27 July, 2022, Volume CXXIV No.145, issued by the Salaries and Remuneration Commission (SRC), which required that the Speaker of a County Assembly be provided with an official residence.

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

7. Failure to Disclose Contingent Liabilities

The financial statements reflect nil contingent liabilities as disclosed in Note 44. However, the legal status update by the Legal Department revealed that the County Assembly had four (4) ongoing court cases but Management did not disclose any contingent liabilities of potential court awards arising from the cases, in the financial statements.

In the circumstances, the financial statements do not conform to the requirements and format issued by the Public Sector Accounting Standards Board (PSASB).

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Unapproved Appointment of the Head of Internal Audit

Review of the appointment letter for the Head of Internal Audit unit of the County Assembly revealed that the audit committee did not approve the appointment done by the Clerk of the County Assembly on 18 July, 2022. This was contrary to Section 3.3.5 (g) of the Gazette Notice Vol. CXVIII-No 40 of 2016 by the Public Sector Accounting Standards Board that requires the Audit Committee to approve appointment and/or termination of appointment of the Head of Internal Audit Unit.

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

2. Failure to hold Audit Committee Meetings

The County Assembly Audit Committee Members were appointed on 1 August, 2024 and as at the time of audit in June, 2025, the Committee had been in place for ten (10) months. However, the Committee meetings minutes were not provided for review to ascertain that meetings were done at least once in every three months as required by Section 5.5 of the Gazette Notice Vol. CXVIII-No 40 of 2016 by the Public Sector Accounting Standards Board, requiring that meetings of the Audit Committee should be conducted on a formal basis and be minuted by the Secretary to record the proceedings and any decisions made.

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

3. Lack of Risk Management Policy, Information and Communications Technology (ICT) Policy and Disaster Recovery Plan

Review of records and information provided by Management revealed that the County Assembly lacked an approved Risk Management Policy, Information and Communications Technology (ICT) Policy and a disaster recovery plan. Further, Management did not carry out risk assessment during the year under review. This was contrary to the Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires Accounting Officer to develop risk management strategies which include fraud prevention mechanisms and internal control that builds robust business operation.

In the circumstances, it was not possible to confirm whether the internal controls built within the financial and operational systems were functional as intended.

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 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 continue to sustain services, disclosing, as applicable, matters related to sustainability off services and using applicable basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

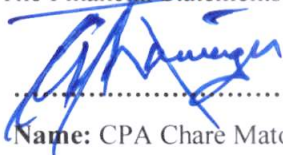
11 December, 2025

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

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

	Notes	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	1,110,860,951
Miscellaneous Revenue	7	-
Total		1,110,860,951
Revenue from exchange transactions		
Other income	8	-
Total revenue		1,110,860,951
Expenses		
Employee costs	9	300,887,343
Use of goods and services	10	354,607,630
Transfers to other Government Entities	11	15,610,232
Depreciation and amortization expense	12	-
Other Grants and Subsidies	13	2,750,000
Finance costs	14	-
Social Benefits	15	10,947,388
Total expenses		684,802,593
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		426,058,358
Taxation	20	-
Net Surplus/Deficit		426,058,358

The Financial Statements set out on pages 1 to 6 were signed by:



Name: CPA Chare Mato Chare
Clerk of The County Assembly



Name: CPA Fredrick Injela
Assistant-Director
Accounting Services
ICPAK M/No.....26400

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

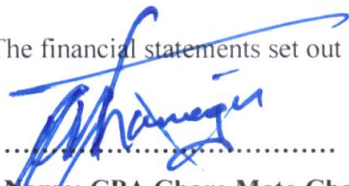
11. Statement of Financial Position as at 30 June 2025.

	Notes	2024/2025	Opening Statement 1 st July 2024.
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	21	22,667,899	1,701,793
Receivables from Exchange Transactions	22	-	-
Receivables from Non-Exchange Transactions	23	-	-
Inventories	24	-	-
Current portion of investments	25	-	-
Total Current Assets		22,667,899	1,701,793
Non-Current Assets			
Receivables from Exchange Transactions	22(b)	-	-
Non- Current portion of investments	25	-	-
Property, Plant and Equipment	26	622,657,341	430,857,313
Investment Property	28	-	-
Right-of-use assets	29	-	-
Biological Assets	30	-	-
Tangible Natural Resources	31	-	-
Total Non- Current Assets		622,657,341	430,857,313
Total Assets (A)		645,325,240	432,559,106
Liabilities			
Current Liabilities			
Trade and Other Payables	32	216,803,829	431,767,745
Refundable Deposits and Prepayments	33	-	-
Current Provision	34	3,373,486	-
Total Current Liabilities		220,177,315	431,767,745
Non-Current Liabilities			
Non-Current Provisions	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Non-Current Employee Benefit Obligation	37	-	-

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

	Notes	2024/2025	Opening Statement 1 st July 2024.
		Kshs	Kshs
Borrowings – Non-Current Portion	38	-	-
Service Concession Liability	39	-	-
Total Non- Current Liabilities		-	-
Total Liabilities (B)		220,177,315	431,767,745
Net Assets(A-B)		425,147,926	791,361
Represented By:			
Reserves		-	-
Accumulated Surplus		425,147,926	791,361
Capital Fund		-	-
Net Assets		425,147,926	791,361

The financial statements set out on pages 1 to 6 were signed by:



.....
Name: CPA Chare Mato Chare
Clerk of The County
Assembly



.....
Name: CPA Fredrick Injela
Assistant-Director Accounting
Services
ICPAK M/No.....26400

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

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

	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30th June 2024 (cash basis)	1,701,793			1,701,793
Adjustments:				
Recognition of assets	-			-
Recognition of liabilities	(910,432)			(910,432)
As at July 1, 2024	791,361	-	-	791,361
Return to CRF	(1,701,793)			(1,701,793)
Surplus/ deficit for the year	426,058,358			426,058,358
As at June 30, 2025	425,147,926	-	-	425,147,926

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

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

		2024/2025
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		1,110,860,951
Miscellaneous Revenue		-
Other income		-
Total receipts		1,110,860,951
Payments		
Employee costs		270,334,645
Use of goods and services		355,518,062
Transfers to other Government Entities		15,610,232
Other Grants and Subsidies		2,750,000
Social Benefits		10,947,388
Total payments		655,160,326
Adjusted for :		
Adjustments during the year		21,375,906
Net cash flows from/(used in) operating activities	40	477,076,531
Cash flows from investing activities		
Purchase of PPE		(454,408,631)
Purchase Intangible assets		-
Proceeds from sale of PPE		-
Proceeds from sale of Biological Assets		-
Sale of investments		-
Net cash flows from/(used in) investing activities		(454,408,631)
Cash flows from financing activities		
Returns to CRF		(1,701,793)
Proceeds from borrowings		-
Repayment of borrowings		-
Net cash flows from financing Activities		(1,701,793)
Net increase/(decrease) in cash & Cash equivalents		20,966,106
Cash and cash equivalents at 1 July 2024	21	1,701,793
Cash and cash equivalents at 30 June 2025	21	22,667,899

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

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

Recurrent and Development Budgets Combined

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization	
	a	b	c=a+b	d	e=c-d	f=d/c %	
	Kshs	Kshs	Kshs	Kshs	Kshs		
Receipts							
Transfers from the CRF	1,372,780,811	90,297,665	1,282,483,146	1,110,860,951	171,622,195	87	(a)
Other receipts	-	-	-	-	-	-	
Total Receipts	1,372,780,811	90,297,665	1,282,483,146	1,110,860,951	171,622,195	87	
Payments							
Compensation of employees	293,211,000	(22,876,360)	270,334,640	270,334,645	(5)	100	(b)
Use of goods and services	378,760,540	(19,950,958)	358,809,582	355,518,062	3,291,520	99	(c)
Transfers to other government units	46,860,000	(31,100,000)	15,760,000	15,610,232	149,768	99	(d)
Other grants and transfers	5,500,000	(2,750,000)	2,750,000	2,750,000	-	100	(e)
Social security benefits	15,867,735	(4,920,347)	10,947,388	10,947,388	-	100	(f)
Acquisition of assets	632,081,536	(8,200,000)	623,881,536	454,408,631	169,472,905	73	(g)
Total	1,372,280,811	(89,797,665)	1,282,483,146	1,109,568,958	172,914,188		
Surplus	-	500,000	-	1,291,993	(1,291,993)		

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

Reconciliation table

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	1,291,993
1	Retention monies meant for Supplies(deposit monies)	21,375,906
	Closing Cash and Cash Equivalent as per the statement of Cash flows	22,667,899

- a) The Assembly received 87% of its budget during the year because of delayed disbursement of exchequer from the National Treasury and delayed in execution of development projects.
- b) Employee compensation was utilized as budgeted.
- c) Use of good and services was implemented as planned and budgeted.
- d) Transfers to other government units was implemented as planned and budgeted.
- e) Grants and other transfers were implemented as budgeted.
- f) Social security benefits was utilized as budgeted.
- g) 73% of assets as a result of delayed implementation of development projects which were on going as at the end of year.

15. Notes to the Financial Statements

1. General Information

County Assembly of Marsabit is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are drawn from its mandate as provided for in the Section 8 of County Governments Act (Cap 265). These activities include:

1. Legislation – Marsabit County Assembly make new laws and amend existing County legislation;
2. Representation – Members of County Assembly are elected representatives of the people and nominated members representing interest of special groups;
3. Oversight – County Assembly oversees execution of budget and checks excesses of County executive;
4. Approval of County budget, development plans and borrowings by the County Government – Marsabit County assembly approves and ensures County budget and development plans including CIDP and ADP are subjected to adequate public participation; and Vetting and approval of nominees for appointment to county public offices – Marsabit County Assembly vets to evaluate suitability of nominees to county public offices and subsequently approve their appointment

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).

Basis of Preparation

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

Reporting period

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

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

County Assembly of Marsabit

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

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

Recognition of non-exchange expenses and liabilities

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

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

Purpose and nature of financial instruments

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

Climate change obligations

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

Physical assets

An asset is a resource presently controlled by the County Assembly of Marsabit as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential

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

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	<i>Applicable 1st January 2025</i> 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.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> 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.
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:

**County Assembly of Marsabit
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Standard	Effective date and impact:
	<ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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

Standard	Effective date and impact:
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.

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Standard	Effective date and impact:
	iii. Disclosures that identify and explain the amounts in the County Assembly of Marsabit financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the County Assembly of Marsabit 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.

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b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 27th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations were made on 27th February 2025 and 21st May 2025. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, The County Assembly of Marsabit 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. 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 page 6 of these financial statements.

c) Investment property

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

d) Property, plant and equipment

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

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

f) Tangible Natural Resources

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

Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

i. Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

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Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

ii. Financial liabilities

Classification

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

j) Inventories

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

- i) Raw materials: purchase cost using the weighted average cost method.

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

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

k) Provisions

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

l) Contingent liabilities

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

m) Contingent assets

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

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

r) Borrowing costs

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

s) Related parties

The County Assembly of Marsabit regards a related party as a person or a County Assembly of Marsabit with the ability to exert control individually or jointly, or to exercise significant influence over the County Assembly of Marsabit, or vice versa. Members of key management are regarded as related parties and comprise the Speaker of the county assembly and, Clerk of the county Assembly, Directors and senior managers.

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t) Service concession arrangements.

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

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the County Assembly of Marsabit 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

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circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 34. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers 2024/2025
	Kshs	Kshs	Kshs
Recurrent	663,366,693	-	663,366,693
Development	447,494,258	-	447,494,258
Special purpose transfers	-	-	-
Total	1,110,860,951	-	1,110,860,951

7. Miscellaneous Revenue

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

8. Other Incomes

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

9. Employee Costs

Description	2024/2025
	Kshs
Basic salaries of permanent employees	262,563,000
Basic wages for the month of June 2025	27,179,213
Personal allowances – part of salary	-
Gratuity for the members of County Assembly of Marsabit for the months of April, May and June 2025.	3,373,486
Employer contributions to compulsory national social security schemes	7,771,645
Total Employee costs	300,887,343

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10. Use of Goods and Services

Description	2024/2025
	Kshs
Utilities, supplies and services	9,254,000
Communication, supplies and services	6,323,708
Domestic travel and subsistence	96,800,000
Foreign travel and subsistence	36,484,177
Printing, advertising, and information supplies & services	20,229,714
Rentals of produced assets	580,000
Training expenses	27,526,028
Hospitality supplies and services	39,388,568
Insurance costs	38,651,380
Specialized materials and services	9,470,000
Office and general supplies and services	32,461,732
Fuel Oil and Lubricants	7,957,000
Other Operating Expenses	10,786,468
Routine maintenance – vehicles and other transport equipment	8,393,656
Routine maintenance – other assets	10,301,200
Total	354,607,630

11. Transfers to Other Government Entities

Description	2024/2025
	Kshs
Transfers to other County Government entities	15,610,232
Total	15,610,232

12. Depreciation and Amortization Expense

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

13. Other Grants and Subsidies

Description	2024/2025
	Kshs
Membership dues and subscriptions to international organizations	2,750,000
Scholarships and other educational benefits	-
Total Grants and Subsidies	2,750,000

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14. Finance Costs

Description	2024/2025
	Kshs
Interest on bank overdrafts	-
Interest on loans from commercial banks	-
Total finance costs	-

15. Social Benefits

Description	2024/2025
	Kshs
Government Pension and Retirement Benefits	10,947,388
Total social benefit expenses	10,947,388

16. Gain/Loss on Sale of Assets

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

17. Gain/Loss on Foreign Exchange

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

18. Gain/Loss on Fair Value Investments

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

19. Impairment Loss

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

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20. Taxation

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

21. Cash and Cash Equivalents

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Central Bank Of Kenya, Marsabit County Assembly Recurrent(Kshs) 1000198753	68,366	9,451
Central Bank Of Kenya, Marsabit County Assembly Development(Kshs) 1000198761	1,223,627	1,692,342
Central Bank Of Kenya, Marsabit County Assembly Retention(Kshs) 1000761757	21,375,906	-
Total	22,667,899	1,701,793

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

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

Financial Institution	Account number	2024/2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Central Bank Of Kenya, Marsabit County Assembly Recurrent(Kshs)	1000198753	68,366	9,451
Central Bank Of Kenya, Marsabit County Assembly Development(Kshs)	1000198761	1,223,627	1,692,342
Central Bank Of Kenya, Marsabit County Assembly Retention(Kshs)	1000761757	21,375,906	-
Total		22,667,899	1,701,793

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22. Receivables from Exchange Transactions

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

i) Ageing analysis for Receivables

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

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

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

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23. Receivables from Non-Exchange Transactions

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

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

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

24. Inventories

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

Detailed disclosure on inventories

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

25. Investments

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

d) Movement of Equity Investments

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

Notes to the Financial Statements (Continued)

e) Shareholding in other entities

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

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

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Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
Depreciation Rate		2-10%	10-16.67%	2-20%	12.5%	33.3%	x%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	430,857,313	-	430,857,313
Additions	-	89,808,024	-	-	5,138,000	-	-	96,854,004	-	191,800,028
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-	-
As At June 2025	-	89,808,024	-	-	5,138,000	-	-	527,711,317	-	622,657,341
Depreciation And Impairment										
Depreciation for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-	-
As At June, 2025	-	-	-	-	-	-	-	-	-	-
Net Book Values										
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	430,857,313	-	430,857,313
As At June, 2025	-	89,808,024	-	-	5,138,000	-	-	527,711,317	-	622,657,341

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Notes to the Financial Statements (Continued)

27. Intangible Assets

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

28. Investment Property

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

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Notes to the Financial Statements (Continued)

29. Right-of-use assets

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

30. Biological Assets

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

31. Tangible Natural Resources

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

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Notes to the Financial Statements (Continued)

32. Trade and Other Payables

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables- Deposit/use of goods	21,375,906		910,432	
Trade payables- acquisitions/construction of assets	168,248,710		430,857,313	
Employee payables- June 2025 Salary	27,179,213		-	
Total trade and other payables	216,803,829		431,767,745	
Ageing analysis: (Trade and other payables)	2024/2025	%	Opening balance	% of the Total
Under one year	216,803,829	100%	431,767,745	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	216,803,829		431,767,745	

33. Refundable Deposits and Prepayments

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

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Notes to the Financial Statements (Continued)

34. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	-	-
Additional provisions	-	3,373,486	-	3,373,486
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Total provisions year end	-	3,373,486	-	3,373,486
Current Provisions	-	3,373,486	-	3,373,486
Non-Current Provisions	-	-	-	-

35. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

Notes to the Financial Statements (Continued)

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36. Deferred Income

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

The deferred income movement is as follows:

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

Notes to the Financial Statements (Continued)

37. Employee Benefit Obligations

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

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

Recognition of Retirement Benefit Asset/ Liability

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

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

b) Amounts recognized in the Statement of Financial Position

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

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The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The County Assembly of Marsabit obligation under the scheme is limited to specific contributions legislated from time to time. Other than NSSF the Entity does not have a defined contribution scheme. Employees contribute 6% while employers contribute 6% of employee's monthly pensionable income. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

38. Borrowings

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

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

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39. Service Concession Arrangements Liability

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

40. Cash Generated from Operations

	2024/2025
	Kshs
Surplus for the year before tax	426,019,855
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Adjustments	49,842,470
Increase in receivables	212,766,134
Increase in deferred income	-
Increase in payables	(211,551,928)
Increase in payments received in advance	-
Net cash flow from operating activities	477,076,531

41. Financial Risk Management

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

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The County Assembly of Marsabit financial risk management objectives and policies are detailed below:

i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the County Assembly of Marsabit 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 County Assembly of Marsabit maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

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

(NB: The totals column should tie to the individual elements of credit risk disclosed in the County Assembly of Marsabit statement of financial position)

Financial Risk Management

The County Assembly of Marsabit does not have outstanding debts from employees.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the County Assembly of Marsabit directors, who have built an appropriate liquidity risk management framework for the management of the County Assembly of Marsabit short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

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

Financial Risk Management

iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the County Assembly of Marsabit 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 County Assembly of Marsabit Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the County Assembly of Marsabit exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The County Assembly of Marsabit does not have transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

Financial Risk Management

The carrying amount of the *County Assembly of Marsabit* foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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

Financial Risk Management

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

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
20xx			
Euro	10%	-	-
USD	10%	-	-
20xx-1			
Euro	10%	-	-

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USD	10%	-	-
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b) Interest rate risk

Interest rate risk is the risk that the County Assembly of Marsabit financial condition may be adversely affected as a result of changes in interest rate levels. The County Assembly of Marsabit 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 County Assembly of Marsabit deposits.

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

The County Assembly of Marsabit does not deal with foreign currency and hence its not affected by fluctuations of interest rates.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *County Assembly of Marsabit* market assumptions.

These two types of inputs have created the following fair value hierarchy:

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

Notes to the Financial Statements (Continued)

Financial Risk Management

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

	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs

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

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

42. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

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

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

43. Segment Information

The County Assembly of Marsabit does not operate in different geographical regions or in departments for the year ended 30th June 2025.

44. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

Contingent Liabilities

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

(Give details)

45. Capital Commitments

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

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Notes to the Financial Statements (Continued)

46. Program for Results (PforR) Disclosure

The County Assembly of Marsabit did not *Programs for Results (PforR)* for the period ended 30th June 2025.

47. Events after the Reporting Period

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

48. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

49. Currency

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

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16. Appendix

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Basis for Qualified Opinion			
1	Non-Disclosure of Retentions Deductions	The County Assembly of Marsabit has since opened a retention account with Central Bank of Kenya.	Resolved	
	Emphasis of Matter			
2	Budgetary Control and Performance	The underfunding and under-performance of the budget is because most of these works or projects are ongoing and hence the contractors only received amount due to them as per percentage of completion.	Resolved	
3	Long Outstanding Accounts Payables	The analysis of accounts payables has been provided in our revised financial statements.	Resolved	
	Other Matter			
4	Unresolved Prior Year Matters	The management has put in place mechanisms to address all the issues that were raised by the auditors regarding unresolved prior year matters.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Basis for Conclusion			
5	Non-Compliance with the One-Third of Basic Salary Rule	The breach on one-third rule for the 4 officers was occasioned by a new statutory obligation i.e. housing levy recovery which commenced in August 2023. Further all employees have been advised to reorganize their voluntary deductions so as to comply with one-third rule due to changing legal circumstances, and have since complied.	Resolved	
6	Avoidable Expenditure on Report Writing	The County Assembly Service Board (CASB) decides on the venue for training and meetings for members of county Assembly.	Resolved	
7	Delayed Completion of the Construction of County Assembly Chambers	The construction of Assembly Chamber was temporarily halted following Capping of Chamber ceiling at KES 250,000,000.00 by The Commission of Revenue Allocation which was done much later after the chamber construction work has progressed. The capped amount was way below its awarded cost.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		There were a number of correspondences between Marsabit County Assembly, Commission on Revenue Allocation and State Department of Public Works and Housing trying to justify why the assembly should be exempted from the Expenditure ceiling. The matter was later escalated to senate but it was not resolved in good time to allow the County Assembly Chamber construction works to Progress.		
8	Irregular Payments on Subscriptions and Membership	County assemblies Forum (CAF) is a registered society under the societies Act Cap 108 of the laws of Kenya whose registration certificate numbers is 42066. This entity is very valuable for all 47 County Assemblies as it promotes networking as well as coordinating inter-governmental relations in Kenya through institutionalization of the law making process in the Counties, representation, advancement of oversight capacities of County assemblies, the linkage with	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>National government and stake holders who include general public.</p> <p>During the financial year the said expenditures was budgeted for under budget item code 2620101 (County Assemblies Forum (CAF) and Society of Clerks At-The-Table (SOCATT))</p>		
9	Irregular Payment of Rental Allowance to the Speaker	<p>The County assembly of Marsabit initiated the process of the Construction of Speakers residence in January, 2024 through public advertisement for the tender. After a lengthy procurement processes that involved advertisement, re-advertisement and stand-still period, contract agreement was finally signed and actual construction began in May, 2024. The residence has since been completed during the financial year 2024/2025.</p>	Resolved	
10	Failure to Establish County Assembly Fund	<p>The Marsabit County Assembly Service Board is in the process of developing</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		regulations under section 45 of the County Assembly Services Act to operationalize the Fund and address the procedural gaps. Additionally, the amendments to the Act are being considered to align it with principles of financial autonomy and separation of powers envisaged in County Assemblies.		
11	Staff Payment Outside Integrated Payroll and Personnel Database	The County Assembly of Marsabit took a decision to enrol the partisan staff who were outside the payroll into the Integrated Payroll and Personnel Database (IPPD).	Resolved	
	Basis for Conclusion			
12	Failure to Establish an Audit Committee	The Audit Committee vacancies were advertised in August 2023 but processing of the applications was delayed by numerous Board Membership tussles following conflicting party interests. Nevertheless, the Board conducted the interviews and finally awarded appointments to the Chairperson and Two	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Other Members of Audit Committee with effect from 05th August, 2024.		
13	Lack of Risk Management Policy and Disaster Recovery Plan	The County Assembly of Marsabit has developed Risk Management Policy which entails among other things, risk assessment.	Resolved	
14	Lack of ICT Strategic Plan and ICT Steering Committee	The County Assembly of Marsabit has put in place ICT and further constituted ICT Steering Committee.	Resolved	
15	Use of Personal Email Address for Official Government Business	The County Assembly did not have its official mail domain up until September 2022. Upon its establishment, a general directive was given through internal memo (copy enclosed) that all official businesses of the County Assembly requiring electronic communication be done vide official email addresses. The County Assembly is committed to abiding by the directive.	Resolved	

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CPA Chare Mato Chare

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Accounting Officer – Marsabit County Assembly

Date: 26th August 2025.

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Appendix II: Projects implemented by County Assembly of Marsabit during financial year 2024/2025.

Sno	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Payment for furnishing of Laisamis ward office	2,599,908	2,599,908	100%	2,599,908	2,599,908	National Treasury
2	Payment for renovation works at Sagante ward office	1,999,925	1,999,925	100%	1,999,925	1,999,925	National Treasury
3	Payment for construction of Korr/Ngurnit ward office.	4,899,028	4,899,028	100%	4,899,028	4,899,028	National Treasury
4	Payment for Furnishing And Equipping Of Ward Office - Kargi Ward	2,099,948	2,099,948	100%	2,099,948	2,099,948	National Treasury
5	Payment for erection and completion of guard house and Landscaping works –Moyale Township Ward	2,699,680	2,699,680	100%	2,699,680	2,699,680	National Treasury
6	Payment for Installation Of Solar Panels At Laisamis Ward Office.	1,797,420	1,797,420	100%	1,797,420	1,797,420	National Treasury
7	Payment for erection of electric fence at Karare Ward Office.	2,999,934	2,999,934	100%	2,999,934	2,999,934	National Treasury
8	Payment for construction of Butiye ward offices.	3,998,288	3,998,288	100%	3,998,288	3,998,288	National Treasury
9	Payment for construction of Turbi ward offices.	4,500,000	4,500,000	100%	4,500,000	4,500,000	National Treasury
10	Payment for erection and completion of guard house and fencing works Sololo Ward offices.	4,896,975	4,896,975	100%	4,896,975	4,896,975	National Treasury
11	Payment for construction of ward offices at Laisamis Ward offices.	4,899,698	4,899,698	100%	4,899,698	4,899,698	National Treasury
12	Construction of underground water tank for speakers residence.	4,980,000	4,980,000	100%	4,980,000	4,980,000	National Treasury

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Appendix IV: Transfers from Other Government Entities

The County Assembly of Marsabit did not have transfers from other government entities for the period ended 30th June 2025.

Appendix VI: Reporting of Climate Relevant Expenditures

The County Assembly of Marsabit did not incur on any expenditure on climate related activities for the period ended 30th June 2025.

Appendix VII: Disaster Expenditure Reporting Template

The Assembly did not incur any expenditure relating to any disaster within the period ended 30th June 2025.

Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land	-	-			-
Buildings and structures	529,586,840	89,808,024			619,394,864
Transport equipment	65,535,000	-			65,535,000
Office equipment, furniture and fittings	110,224,530	5,138,000			115,362,530
ICT Equipment	6,000,000	-			6,000,000
Work in Progress		359,462,607			359,462,607
Total	711,346,370	454,408,631			1,165,755,001