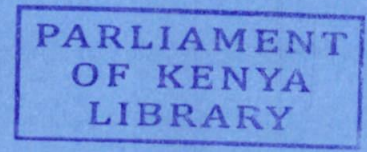
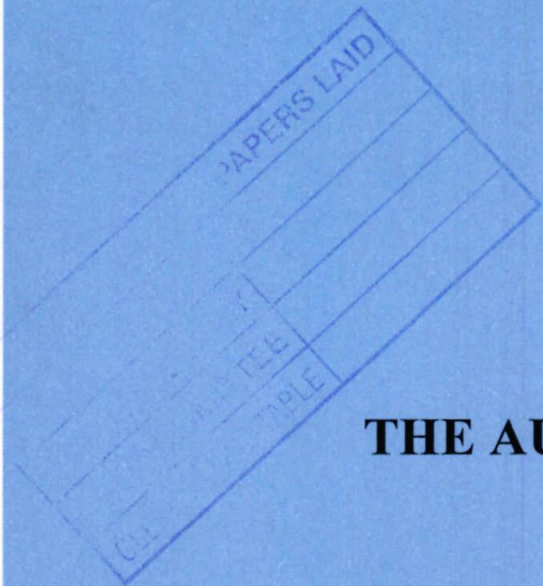


REPUBLIC OF KENYA



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REPORT

OF

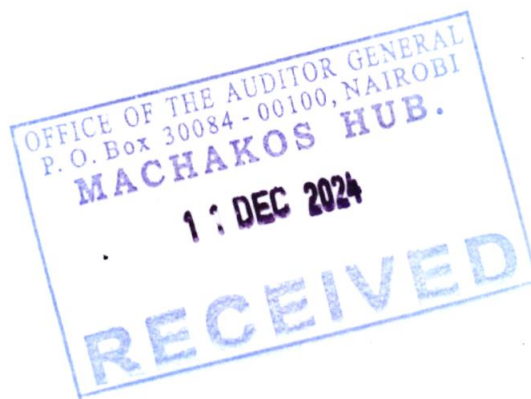
THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF MAKUENI

**FOR THE YEAR ENDED
30 JUNE, 2024**

PAPERS LAID	
DATE	19/2/2025
TABLED BY	Majority leader
COMMITTEE	
CLERK AT THE TABLE	Angela



Revised 30th June 2024



MAKUENI COUNTY ASSEMBLY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

PLATE 131



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1. Acronyms and Glossary of Terms

a) Acronyms

ADP	Annual Development Plan
AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
IPSAS	International Public Sector Accounting Standards
MCA	Member of County Assembly
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
NT	National Treasury
WB	World Bank
Kshs	Kenya Shillings

b) Glossary of Terms

Comparative FY	Means the financial year preceding the current financial year.
Fiduciary Management	Means officers directly involved in management of entity's finances and resources

2.Key Entity Information and Management

(a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 48 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. As at 30th June 2024, The Makueni County Assembly had 47 MCAs after passing on of Hon. Magdalene Kamene Nguluku. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management Team

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

No.	Designation	Name
1.	Speaker of the County Assembly	Hon. Douglas Mbilu
2.	Clerk of the County Assembly	Mr. Kevin Mutuku
3.	Deputy Clerks	Mr. Faustine Mutuku-DCA Mr. Robert Musyoka- DCLSP
3.	Directors	- Mr. Francis Nzyoka-Finance -Miss Esther Musau-L&P
4	Head of Departments	Mr. Abraham Anyegah-Procurement Miss Monica Munene-Payroll Dr Susan Kiilu-HR Miss Diana Mutheu-Hansard Mr. Tomas Ndambuki-L&P Miss. Muteti Rose -committee services Miss Mathuku Catherine-accounts Mr Kilonzo Nathan-Audit Mr Joseph Nzioki-Sergeant at Arms Mr. Lewis Nzuki-ICT Mr. Griffins Mutevu-Budget Mr. Julius Nzumbi-Administration

(c) Fiduciary Management

The key management personnel who held office during the year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer- Clerk	-Mr. Mutuku Kevin Mutua
2.	Director, Financial services	-Mr. Nzyoka Francis Maitha
3.	Assistant Director- Accounts	Miss. Mathuku Catherine
4.	Assistant Director- Procurement	-Mr. Anyegah Abraham Nyakondo

Key Entity Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

The main institution responsible for fiduciary oversight in the County Assembly is the Audit Committee, Finance Committee and the Public Investment and Accounts Committee.

The County Assembly Service Board also plays a role in ensuring that internal controls are applied at all levels and stages of transactions. This entails budgetary oversight, implementation and monitoring role.

(e) Makueni County Assembly Headquarters

Makueni County Assembly buildings,
Off Wote – Makindu road,
P.O. Box 572 – 90300,
Wote, Makueni **NAIROBI, KENYA**

(f) Makueni County Assembly Contacts

Telephone: 0710761116/ 0731663505/ 020 2393005

E-mail: info@makuenicountyassembly.go.ke

Website: www.makueniassembly.go.ke

(g) Makueni County Assembly Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA
2. Other Commercial Banks
Co-operative Bank of Kenya
P.O Box 537-90300
Wote Branch.

(h) Independent Auditor

Auditor General

*Count Government of Makueni
Makueni County Assembly
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Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

(i) Principal Legal Adviser

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

(j) County Attorney

3. Governance Statement

The County Assembly

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

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

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

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

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

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

a) Select Committees

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

b) 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:

- a) Committee of Powers and Privileges
- b) Audit Committee
- c) Public Accounts/Investment Committee
- d) Budget and Appropriations Committee
- e) Special Interest Groups Committee
- f) Committee on Rules and procedure
- g) Broadcasting and Communications
- h) Implementation Committee
- i) Delegated County Legislation
- j) Appointments Committee

- k) Liaison Committee
- l) Assembly Business Committee

a) Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held 8 meetings in FY 2023/24. The committee members during FY 2023/24 were:

Member	Designation	Ward
Hon. Douglas Mbilu-Chairperson	Speaker	
Hon. Reuben Musau Kawai-V/Chairperson	MCA	Kasikeu
Hon. Steve Nzivo Kilonzo	MCA	Makindu
Hon. Mercy Ndinda Mutuku	MCA	Special elect
Hon. Jackline Muthini Kamula	MCA	Special elect
Hon. Jackson Ndolo Kimunyi	MCA	Ukia
Hon. Joseph Mbindyo Matheka	MCA	Kilungu
Hon. Muthiani Mwangangi	MCA	Nguumo
Hon. Magdalene Nduku Mulwa	MCA	Special elect

b) Audit Committee

The audit committee was constituted in 2018. Its mandate is to advise the County Government on institutional risk management and compliance. During the year ended 30th June 2024, the assembly did not have an audit committee in place since the term of the audit committee members had expired. The Makueni county assembly is however in the process of recruiting new audit committee members.

c) Public Accounts/Investment Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held 81 extra sittings to deal with arising matters. The members who served in the committee during the year were:

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Member	Designation	Ward
Hon. Jonathan Kimongo Muunda	MCA	Mavindini
Hon. Cosmas Mutunga Kaleli	MCA	Emali
Hon. Benard Mutua Tivu	MCA	Mbitini
Hon. Elizabeth Muthike Muli	MCA	Special Elect
Hon. Elizabeth Mutindi Kiio	MCA	Special Elect
Hon. Erick Musyoki Katumo	MCA	Thange
Hon. Urbanus Yulu Manzu	MCA	kee
Hon. Mercy Ndinda Mutuku	MCA	Special Elect
Hon. Muthiani Mwangangi	MCA	Nguumo

d) Budget and Appropriations Committee

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

Member	Designation	Ward
Hon. Dennis Mutinda Musyoka	MCA	Kako/waia
Hon. Harrison Mwanzia Mutie	MCA	Ivingo/Nzambani
Hon. Joyce Mwende Wambua	MCA	Special Elect
Hon. Kyalo Mumo	MCA	Tulimani
Hon. Fiametta Mwikali Ndunda	MCA	Special Elect
Hon. Francis Munyao Mutuku	MCA	Kilili Kalamba
Hon. Jackson Muema Mbalu	MCA	Kikumbulyu North
Hon. Joseph Muthini Muema	MCA	Mukaa
Hon. Martina Ngusye Kimilu	MCA	Special Elect

e) Finance and Social Economic Planning Committee

The Committee deals with all matters related to public service policy formulation and implementation; public finance; county public funds/ debt, county development/ integrated/ sectoral and spatial plans; county statistics; liquor and trade licensing, county revenue, emergency fund, County assets, public private partnership & grants, risk management, control of, and accounting for the finances of the county government county audit, procurement and asset disposal, social- economic planning, financial management and its Entities

Member	Designation	Ward
Hon. Kennedy Benedict Maneno	MCA	Kathonzwi
Hon. Daniel Kivuva Musau	MCA	Nguu/ Masumba
Janiffer Kamanthe Mwanthi	MCA	Special Elect
Hon. Sharon Mueni Mutinda	MCA	Special Elect
Hon. Cosmas Mutunga Kaleli	MCA	Emali
Hon. Francis Mwanja Mulwa	MCA	Mtito Andei
Hon. Harrison Mwanzia Mutie	MCA	Ivingo/ Nzambani
Hon. Justus Muema Mwanzia	MCA	Kiima Kiu
Hon. Mercy Ndinda Mutuku	MCA	Special Elect

In addition to the above committees of the County Assembly, the County Assembly has an independent Audit Committee which was constituted in 2018. However, the committee's term had expired by 30th June 2024 and the management is in the process of recruiting new members to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

Communication with all Stakeholders

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

4 Foreword by the Clerk of The Assembly

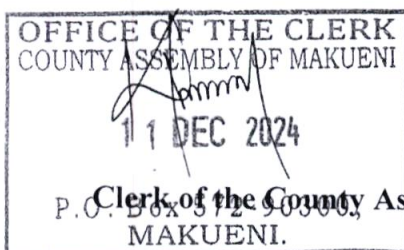
The County Assembly of Makueni is one of the forty-seven (47) County Assemblies in Kenya established under Article 176 (1) of the Constitution of Kenya. As contemplated by Article 177, the Assembly consists of 30 members elected by registered voters of the Wards on the same day as a general election of Members of Parliament, each Ward constituting a single member constituency. The Assembly further consists of 18 special seat members to ensure that 2/3 gender, marginalised and people living with disability are represented as envisaged in the constitution. However, during the year ended 30 June 2024, the Assembly had 17 Special Elect members following the passing on of Hon. Magdalene Kamene Nguluku.

County Assembly of Makueni approved FY 2023/2024 budget was Ksh. 949,001,447 which comprised of Kshs.882,052,960.00 and Kshs. 66,948,487.36 for Recurrent and Development activities respectively.

As at 30th June 2024, the County Assembly of Makueni had received Ksh. 868,057,775 from the County Revenue Fund against its approved budget of Ksh. 949,001,447 hence a budgetary limitation.

Major plans which were accomplished in the FY 2023/2024 include installation of solar system at the Assembly, refurbishing honourable speakers' residence, drilling and installation of borehole in the assembly, finishing and furnishing the waiting bay, installing new CCTVs in the assembly and drilling a bore hole. commissioning of the strategic plan, formulation and establishment of all key policies and procedure manuals, formulate a robust risk management framework, institutionalizing performance management, and staff capacity building.

Sign



Clerk of the County Assembly
P.O. Box 512 90300
MAKUENI.

The County Assembly also subjected 3 bills through public participation

Number	Bill Description	Date passed
1	The Makueni county Trade and public Market bill	18 Aug 2023
2	The Makueni Finance Bill	18 Aug 2023
3	The trade bill	23 Aug 2023

Risk management

Effective arrangements for risk management and internal control

- The assembly has ensured that all its payments are done through the IFMIS system
- The assembly has suggestion boxes for reporting any corruption related cases.
- All the tenders for the assembly projects are awarded through open tender process
- The assembly has a fully functional internal audit department.

Formal processes to identify and assess risk

- The assembly has a risk management policy which is operational
- All the assembly financial reports are audited quarterly by the internal audit department and annually by the office of auditor general

The assembly has a public accounts committee which examines the implantation of the audit report recommendation of the audited financial reports

Compliance

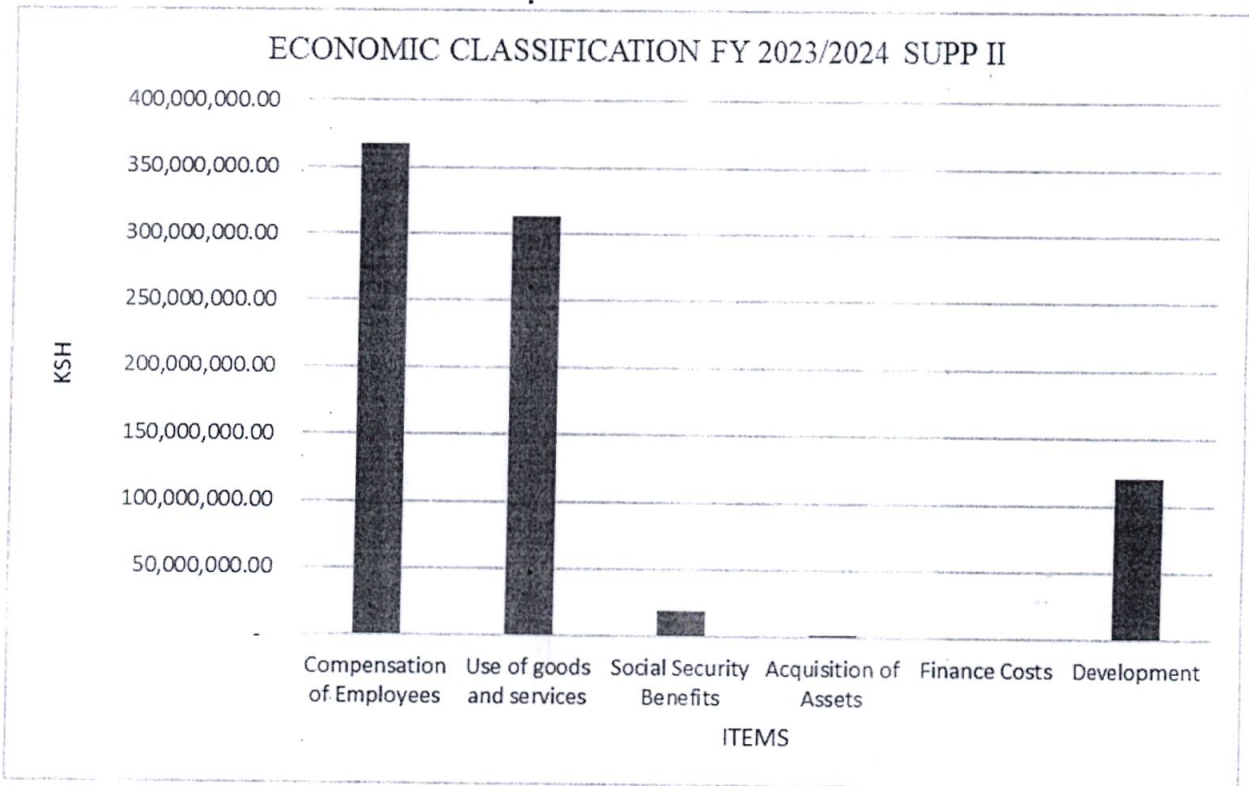
Makueni county assembly is guided by the following laws

- The constitution of Kenya 2010
- The public finance and management act
- Asset and disposal act

Makueni County Assembly prepares its financial reports pursuant to the public finance management act. The reports are audited and discussed at the public accounts committee. All the recommendations from the committee are well complied to.

(i) Budget performance

The budget in operation as at 30th June 2023 was FY 2023/2024 Supplementary budget II, which was approved on 28th June 2023. The total budget was Ksh.949,001,447 which comprised of Ksh. 882,052,960 for Recurrent and Ksh. 66,948,487.36 for Development. The recurrent Budget was comprised of Kshs.399,788,950.58 for Compensation to employees, Ksh 482,264,009.42 which was for use of goods, social security benefits and finance costs



Budget absorption rate

Further analysis of the budget performance indicated that compensation to employees had 93% absorption rate, Use of Goods and Services had 99% absorption rate and development had 39 % absorption rate. The total budget absorption rate was 91.0%.

TABLE 1: BUDGET ABSORPTION RATE

No.	Classification	Approved Budget (Ksh.)	Budget expenditure (Ksh.)	Budget absorption rate %
1	compensation to employees	399,788,950	371,730,253	93%
2	Use of Goods and Services	455,541,165	448,356,798	98%
3	Social security benefits	15,241,373	15,241,373	100%
4	Finance costs	5,105,215	5,105,215	100%
6	Acquisition of assets	6376257	6376257	100%
5	Development	66,948,487	19,603,472	29%
	Total	949,001,447	866,413,368	91%

(ii) Operational Performance

A) Laws and policies passed during the year

NO.	LEGISLATION	DATE APPROVED	EXPECTED IMPACT
1.	The Makueni County Supplementary Appropriation Bill, 2023	21 December, 2023	To authorize the revision of a sum of money out of the County Revenue Fund and its application towards the service for the year ending on the 30 th June, 2024, and to appropriate that sum and a sum voted on account by the County Assembly for certain public services and purposes.
2.	The Makueni County Trade and public Market Bill, 2023	6 th September, 2023	a) To put in place the framework and mechanisms for mobilization and facilitation of the county government, communities and other stakeholders to respond effectively.
3.	The Makueni County Finance Bill, 2022	17 October, 2023	To provide for the imposition of fees, charges, licenses, rents or rates for services pursuant to

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NO.	LEGISLATION	DATE APPROVED	EXPECTED IMPACT
			Article 209 and 210 of the Constitution of Kenya, 2010.
4.	The Makueni county Supplementary Appropriation Bill, 2023	17 th October, 2023	To authorize the revision of a sum of money out of the County Revenue Fund and its application towards the service for the year ending on the 30 th June, 2024, and to appropriate that sum and a sum voted on account by the County Assembly for certain public services and purposes.
5.	The Makueni county Appropriation Bill, 2023	21, Nov 2023	To authorize the issue of a sum of money out of the County Revenue Fund and its application towards the service for the year ending on the 30 th June, 2024, and to appropriate that sum and a sum voted on account by the County Assembly for certain public services and purposes.

b) BUDGET APPROVAL PROCESS

The County Assembly's FY 2023/24 budget estimates and the supplementary budgets for the FY 2023/2024 were approved pursuant to the provisions of Sections (130) & (131) and Section (135) of the Public Finance Management Act, 2012 respectively as read together with the County Assembly Standing Order No. (237)

Tabulated below is a chronological procedure used to approve the FY 2023/2024 Supplementary Budgets and the FY 2023/2024 Budget Estimates.

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2023/24 SUPPLEMENTARY BUDGET I AND APPROPRIATION BILL 2023			
Paper Laid	Public Participation	Reporting	Appropriation Bill
-Supplementary Budget Laid by the Majority Leader on 2 nd November, 2023. - Committed to the Sectoral Committees to report to the Budget Committee within 21 days	Public Participation conducted between 3 rd and 9 th November, 2023	Report of the Budget Committee tabled on 10 th November, 2023 and approved. All legislative procedures were adhered to.	-1 st Reading Done on 11 th November, 2023 and committed to the Budget Committee -Waiving Publication period done on 11/11/2023 -Reporting Done -2 nd reading done on 11/11/2023 -Committee of the Whole done on 11/11/2023 -3 rd Reading Done on 11/11/2023 -Vellum copy forwarded to the Governor for Assent

2022 SUPPLEMENTARY BUDGET II AND APPROPRIATION BILL 2023			
Paper Laid	Public Participation	Reporting	Appropriation Bill
-Supplementary Budget Laid by the Majority Leader on 19 th March, 2024. - Committed to the Sectoral Committees to report to the Budget Committee within 21 days.	Public Participation conducted between 20 th and 23 rd March, 2024	Report of the Budget Committee tabled on 24 th March, 2024 and approved. All legislative procedures were adhered to.	-1 st Reading Done on 25 th March, 2024 and committed to the Budget Committee -Waiving Publication period done on 25/03/2024 -Reporting Done -2 nd reading done on 25/03/2024 -Committee of the Whole done on 25/03/2024 -3 rd Reading Done on 25/03/2024 -Vellum copy forwarded to the Governor for Assent

C)The Committees of the Assembly

Committees in the Assembly are smaller units or groups of Members of the County Assembly that allow the Assembly to perform several functions simultaneously, and provides the opportunity for more detailed investigation and discussions before findings and outcomes of these Committee meetings are presented as Committee Reports to the broader group for debate and adoption.

The general roles of Committees in the Assembly are-

- i. Oversight on the Executive

- ii. Initiating legislative proposals
- iii. Scrutiny of legislative proposals and Bills
- iv. Conducting investigations and reporting to the plenary for action
- v. Reviewing and approving the budget and expenditure
- vi. Auditing accounts of government and public agencies
- vii. Housekeeping, including orderly management of the business of the House
- viii. Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments
- ix. To vet and report on appointments where the Constitution or any law requires the Assembly to approve

There are six types of Committees in the County Assembly of Makueni.

These include;

- i. Committee of the whole House
- ii. Housekeeping Committees
- iii. Investigatory/watchdog Committees;
- iv. Other Select Committees Committees
- v. Sectoral/departmental Committees

Adhoc Select Committees

D)Highlight on Committee Services Department,successes over period under review.

Committees are one of the greatest resources of the Assembly and conduct a wide-range of inquiries into policy issues and Government decisions. During the Sittings of Select Committees during the period committees undertook the following;

- i) Members of the County Assembly processed evidence from County Government Executive Committee Members, experts, relevant stake holders, the public and the relevant organizations. (168 reports)
- ii) Members of the County Assembly scrutinized the work of individual Government Departments; (33 - Departmental reports)
- iii)Members of the County Assembly invited and summed witnesses during inquiries. (4 - PIAC Reports)
- iv)vetting of nominees to public office (3 – Reports)
- v) Initiation of legislation and formulation of policies. (Bill trackers)

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The operations of the Committees are under the direct supervision of the Liaison Committee. Staff of the Committee Services Department provide support for Committees. The Clerk of the Assembly is the head of all Committee clerks and is assisted by the Deputy Clerk and other Clerks Assistants. The role of Committee clerks during the period under review was to:

- i. Make all administrative arrangements for meetings, public hearings, and visits;
- ii. Prepare briefing materials for the committee.
- iii. Liaise closely with Members, government departments, and other institutions, including the Auditor General, the Controller of Budget, among others, and the public to ensure the effective inquiry of matters and the timely presentation of reports to the House.
- iv. Write Committee minutes during meetings.
- v. Ensure that Committee documents are properly filed and kept
- vi. Draft Committee reports, background position papers on enquiries and briefing papers, and preparing committee documents for debate and/or adoption in the House.
- vii. Provide information, advice and executive support to Assembly committees
- viii. Provide procedural and other advice to Committee Chairs and Members. The advice covers a wide range of issues including parliamentary privilege, Committee powers and statutory interpretation.
- ix. Assist and enhance Members' roles and contributions as Committee Members and Chairs;
- x. Facilitate public sector and community awareness of, and involvement in, Committee work
- xi. Provide independent research, drafting and impartial procedural support to committees.
- xii. Administration of oath to witnesses and maintaining the list of witnesses.
- xiii. Tracking and the implementation of the decisions of the Committee.
- xiv. Consult and review with the chair on regular basis the committees programme among others

Oversight role of the County Assembly

A County Assembly, while respecting the principle of the separation of powers, may exercise oversight role over the County Executive Committee and any other county executive organ(s) pursuant to Article 185 (3) of the Constitution. The Assembly may receive and approve plans and policies for the management and exploitation of the county's resources as well as for the development and management of its infrastructure and institutions pursuant to Section (4) of the same Article.

Notwithstanding the oversight role undertaken by various committees the County Assembly (Whole-House) undertook oversight over the County Executive Departments as follows:-

i) Oversight on County Technical Training Institutes

The objectives of the exercise are as follows:-

1. Establish the student's population and staffing in the CTTI.
2. Review the curriculum offered and whether the institution gets capitation for the students.
3. Establish the state of infrastructure within the institutions.
4. Establish if the institutions are connected to electricity and have stand by generators.
5. Establish whether there are conflicts arising from land ownership issues.
6. Establish whether the institution has schemes of service for the staff, what are the requirements for one to be a manager.
7. Review the establishment and operationalization of the Board of management:-
 - i. What is the tenure of the BOM?
 - ii. What is the process of renewal of the BOM and was the process followed in the current board?
 - iii. When was the appointment date of the current board and when does it expire?

(iii) Performance of key development projects

a)Key Projects Narrative

The county assembly has been implementing projects in every financial year since the year 2014. Various key projects have been implemented for enhancing smooth and efficiency operations of the Assembly namely;

I. Construction of the new chamber.

The County Assembly new Chamber was constructed in the FY2017/2018 with the objective of creating more space for Hon. Members for plenary sittings while in Assembly sessions. This was done after the old chamber was burnt down, the objective being to Improve working environment.

II. Construction of the new office block A.

The new office block was constructed in the FY 2015/2016 with a target of creating more office space for the Hon. Members and staff to operate in in requirement of HOSHA requirements. The first phase of the building is Complete and in in use.

III. Landscaping and cabro works.

This project was implemented in the FY2018/2019 and its objective was to create more parking slots and improve physical appearance of the County Assembly.

IV. Construction of speaker's residence and staff quarters.

The main objective for constructing the Speaker's residence was to reduce the wage bill and to effect smooth operations of the Speaker and his staff in line with the advisory from the salaries and remuneration commission. The project was done in the FY 2016/2017. Increased convenience has been noted.

V. Construction of cafeteria

This project was initiated in the FY2015/2016 with objective of improving county assembly operations in terms of hospitality. The facility became operational in the FY2021/2022. Since then, staff and Hon. Members have had ease in having meals close to the office hence no time wastage. This has also reduced the Exposure of Members to COVID-19 Pandemic.

VI. Construction of prefabs block

The main reason for this project which was done in the FY 2014/2015 was to create temporal space as the Assembly waited for construction and furnishing of the new office block. Even though its purpose was temporal but today it is still in use thus no wastage of resources.

VII. Construction of elevated steel water tank

The project was done in the FY2020/2021. Its purpose is to curb water shortages in the Assembly. It is operational and in good condition.

VIII. Construction of Waiting Bay

This project was initiated in the FY 2020/2021 to create space for visitors and committee meetings. Construction is complete awaiting equipping and commissioning for use.

IX. Installation of Hansard systems

The project was done in the FY2020/2021. The main objective for the hansard system was to improve hansard production regarding committee and plenary sittings in the Assembly. It was also meant to improve effective proceedings during plenary and committee sittings.

X. Construction of new office block B

Phase one of the project was budgeted in the FY 2020/2021. The construction of new office block B was initiated to create more working space for the staff members. This was completed but more funding is needed for finishing and furnishing.

XI Furnishing the waiting bay

The project was done in the FY 2022/2023. The waiting bay was built in the year 2020. The furnishing of the waiting bay was initiated to create more space for visitors visiting the county assembly.

XII Installation of new CCTVS

The project was done in the FY 2022/23. This project was initiated to enhance security in the county assembly precincts.

XIII Drilling of borehole

This project was done in the financial year 2022/23 in the assembly compound and the major aim was to provide sufficient water in the assembly following frequent water rationing from the water company.

Key development projects included in financial year 2022/23 procurement plan

a) Car shades

The car shades is a project aimed at increasing the parking space in the assembly compound. Once completed, it will provide convenience of parking to the honorable members and the staff of makueni county ty assembly

b) Finishing and equipping the new office block

Equipping and finishing of the new office block is was a project for the financial year 2022/23. Once the project is complete, it will provide a conducive environment for the staff of makueni county assembly to work from

Efforts to ensure responsible competition

- The Makueni county Assembly uses open tender or request for quotations in procuring their services and goods thus making the process to be free and participatory by all citizens
- Introduction of the E-procurement system in procurement process starting with evaluation to award using the IFMIS system.
- The formation of a Corruption Committee and training of the same by EACC officers on the mandate which will help in corruption prevention in the Assembly operations.
- -Continued registration of suppliers during the FY and quotations given on rotational basis.
- Tenders are advertised online for transparency
- Payment of suppliers are done on a FIFO basis.

(iv) Comment on value-for-money achievements

The County assembly absorption of the recurrent budget by 91% and Development budget by 29% as at the end of the year and through this facilitated the general function of the Assembly in achieving its mandate.

The County Assembly during the FY approved policies, which directly improved the welfare citizens of the County.

Makueni county assembly engaged in football tournaments and ligi mashinani with the locals.

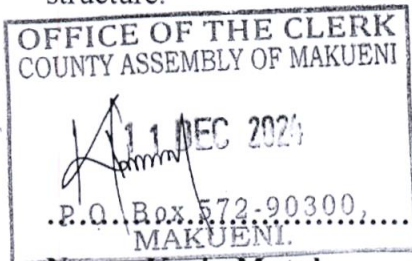
(v) Challenges and Recommended Way Forward

-Delay in funds disbursements from the National Government, which led to the Assemblies Operations being paralysed affecting its oversight role.

-Lack of County Assembly autonomy in fiscal management in of its resources. The long process by the Assembly to access funds through the County Treasury by the Controller of Budget affected operations of the Assembly.

Count Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

- Delay in funds disbursements from the National Government, which led to the Assemblies Operations being paralysed affecting its oversight role.
- Lack of County Assembly autonomy in fiscal management in of its resources. The long process by the Assembly to access funds through the County Treasury by the Controller of Budget affected operations of the Assembly.
- Political interference affecting operations this need to be addressed by separating the two arms of the Government for the Assembly to perform better oversight roles.
- Lack of resources. This has led to lack of trainings and promotion of staff due to budget ceilings.
- Staffing challenge due to CRA ceilings. The ceilings for the Assembly of 100 staff need to be addressed and increased to align the number with the Staff establishment and organizational structure.



Name: Kevin Mutuku

Clerk of the County Assembly

5 Statement of Performance Against County Assembly Predetermined Objectives

Guidance

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

Strategic development objectives

The key mandate of the County Assembly of Makueni is legislation, oversight, and representation. To achieve this, the Assembly’s program was documented in terms of objective, key performance indicators, and output. Below is the performance of the Assembly in FY 2023/24.

Program 1	Objective	Outcome	Indicator	Performance	Remarks
Legislation, oversight and representation	7 Bills passed into Acts of the County Assembly	Improved service delivery to citizens	No of bills passed in the County Assembly	In FY 2023/24 number of bills were passed 7	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	% Increase in efficient Assembly operation	8 standing orders were reviewed	Enhanced professional development of MCAs – Review standing orders
Program 2	professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	% Increase in efficient Assembly operation	4bills passed in the County Assembly	MCA were trained on capacity building

6. Corporate Social Responsibility Statement/Sustainability Reporting

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

a) Sustainability strategy and profile –

To achieve Corporate Social Responsibility (CSR) this goal and shape, the Assembly Accounting Officer incentives in the intended direction requires substantial investments in the enforcement infrastructure and in human expertise which are in place in the Assembly.

b) Environmental performance

The Makueni County Environment and Climate Change Policy which was approved on 6th April, 2022. Provides for a legal framework to facilitate a coordinated, coherent and effective response to the local, national and global challenges and opportunities presented by climate change. An overarching mainstreaming approach has been adopted to ensure the integration of climate change considerations into development planning, budgeting and implementation in all sectors and at all levels of government. This Policy therefore aims to enhance adaptive capacity and build resilience to climate variability and change, while promoting a low carbon development pathway

c) Employee welfare

Makueni County Assembly is an equal employer which considers gender ratio while hiring. The institution has been approved and adopted the HR policy; Gender policy 2020 has also been adopted and approved

d) Market place practices-

a) Responsible Supply chain and supplier relations-

It strictly adheres to the laid down procedures of procurement strictly using the IFMIS. The Assembly pays their contractors in time.

b) Responsible ethical practices-

Makueni County Assembly adheres to Non-discriminatory treatment. This is done by ensuring inclusion and equitable treatment of all stakeholders (including employees and the suppliers of

goods and services to the institution regardless of factors such as age, race, or sexual orientation Marketing and advertisement-Makueni county Assembly advertises their contracts on the widely supplies daily newspapers to give members of the public a fair chance to apply

c) Stewardship of goods and services

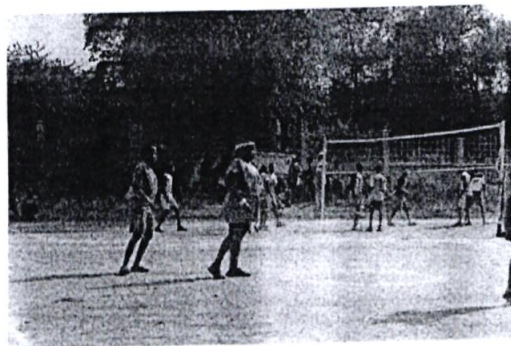
Makueni County Assembly has ensured environmental stewardship by reducing pollution and emissions in the compounds and also the institution is in the process of installing solar systems. Also Makueni county assembly responsible planning, management, and use of resources with the aim of ensuring their sustainability.

e) Community Engagements

Makueni county assembly staff engages in charitable events and welfare. During the Financial year 2023/24, the Institution participated in the following events:

- *Ligi Mashinani*

The Makueni Volleyball team engaged teams from the county in competition and awareness on what the Assembly does on oversight activities done by the Institution



- *Sports day*

The institution organised a sports day which involved various players from other institutions in the Assembly grounds. This helped in team building among the staff and Hon Members



7. Statement Of Management Responsibilities

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

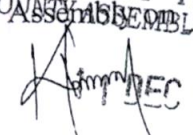
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) 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 Cash 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's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2024, 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's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 15th DEC 2024.

OFFICE OF THE CLERK
COUNTY ASSEMBLY OF MAKUENI

15th DEC 2024
P.O. Box 572
Name: Kevin Mutuku
CLERK
MAKUENI

Clerk of the County Assembly

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF MAKUENI FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Makueni set out on pages 1 to 27, which comprise of the statement of financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Assembly of Makueni as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Legal Expenses

The statement of receipts and payments reflect use of goods and services expenditure of Kshs.448,356,798 which, as disclosed in Note 3 to the financial statements includes other operating expenses amounting to Kshs.137,885,533. Included in the other operating expenses is Kshs.4,375,000 paid to a legal firm which was not supported with documents to show how the legal fees was determined.

In the circumstances, the accuracy and propriety of legal expenses amounting to Kshs.4,375,000 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Makueni 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

Pending Accounts Payables

Annex 1 to the financial statements on analysis of pending accounts payable reflects a balance of Kshs.82,087,023. Review of payment records for the year revealed that no

Report of the Auditor-General on County Assembly of Makueni for the year ended 30 June, 2024

payment had been made to suppliers during the year under review. Although Management explained that they have prioritized to pay the suppliers after the supplementary budget is received, no evidence was provided to confirm that the payables had been budgeted for.

Failure to settle the bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent years as they form a first charge.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or given any explanation for the failure to adhere to the provisions of the Public Sector Accounting Standards Board reporting template.

Other Information

Management is responsible for the other information set out on page iii to xxix which comprise of Key Entity Information and Management, Governance Statement, Forward by The Clerk of the Assembly, Statement of Performance Against County Assembly Predetermined Objectives, Corporate Social Responsibility Statement/Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Award of Contracts to Suppliers

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects use of goods and services amounting to Kshs.448,356,798 which includes an amount of Kshs.71,730,040 for domestic travel and subsistence. Included in domestic travel and subsistence is an expenditure of Kshs.17,045,975 incurred on payment of hiring of conference, retreat, and workshops facilities for members of County Assembly and staff in Nairobi, Machakos and Mombasa Counties. This is contrary to Regulation 151 (1), (2) and (3) of Public Procurement and Asset Disposal Regulations, 2020 which states that for purposes of Sections 157(4)(d) of the Act Counties, Sub Counties and constituencies shall be regions where exclusive preference and reservations schemes shall apply where citizen contractors are based and operate and shall be given exclusive preference when participating in procurements using funds from the County government or any devolved Fund except where it is established that local capacity is not available.

In addition, the officers who participated in the activities were paid a total of Kshs.48,073,200 for domestic travel and subsistence allowances.

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

2. Irregular Payments During Oversight and Public Participation

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects an expenditure of Kshs.448,356,798 in respect to use of goods and services which includes an amount of Kshs.137,885,533 for other operating expenses. Included in other operating expenses is an amount of Kshs.12,782,029 and Kshs.32,774,350 incurred on oversight and public participation activities respectfully.

Review of sampled payment vouchers revealed that Members of County Assembly (MCAs) were paid an amount of Kshs.50,000 and Kshs.70,000 each for every facilitation on public participation and oversight activities undertaken respectively. However, the rates have not been specified by Salaries and Remuneration Commission in the Gazette notice on Remuneration and Benefits for State Officers dated 9 August, 2022. In addition, each participating MCA was paid transport facilitation allowance of Kshs.6,000 or Kshs.8,000 per day regardless of the distance travelled.

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

3. Delayed Exchequer Receipts and Failure to Observe Cut-off Period

Review of revenue and expenditure records indicated that exchequer receipts totalling Kshs.137,098,324 were received in the month of June and July 2024. In addition, Kshs.56,011,901 was paid out between 1st July and 12th July 2024 for various purposes. Although Management explained that The National Treasury delayed in releasing funds, no evidence was provided on the measures put in place to observe cut off period in future. This is contrary to Regulation 97 (1) of the Public Financial Management (County Governments) Regulations, 2015 which provides that, the accounts of the County Government entities shall record transactions which take place during a financial year running from the 1 July to the 30 June.

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

4. Long Outstanding Third-Party Deposits and Retentions

The statement of financial assets and liabilities reflects third party deposits and retentions balance of Kshs.8,898,304 as disclosed in Note 9 to the financial statements. Analysis of data provided for accounts payables as at 30 June 2024 revealed that Kshs.7,456,876 or approximately 84% of the payables relate to retention monies for various contractors which had been outstanding for over two (2) years. This is contrary to Regulation 41 (2) and (3) of the Public Finance Management (County Governments) Regulations, 2015 which provides that debt service payments shall be a first charge on the County Revenue Fund and the Accounting Officer shall ensure this is done to the extent possible that the County Government does not default on debt obligations.

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

5. Non-Compliance with Staff Ethnic Diversity Composition

Review of records revealed that the County Assembly had nine (9) vacant posts at entry level during the year under review which were all filled by candidates from the dominant ethnic community in the County. This is contrary to Section 65(1)(e) of the County Government Act, 2012 which states that in selecting candidates for appointment, the County Public Service Board shall consider the need to ensure that at least thirty percent

of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the County.

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

6. Non-Compliance with One-Third Basic Salary Rule

Review of the payroll revealed that twenty-two (22) Members of County Assembly (MCAs) and seven (7) members of staff received a net salary of less than one-third of their basic salary. In addition, four (4) members of the County Assembly had a negative salary. This is contrary to Section 19 (3) of the Employment Act, 2007 which states that the total amount of deduction of the wages of an employee shall not exceed two-third (2/3) of such wages.

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

7. Irregular Procurements in Ward Offices

Ward Offices made procurements totalling Kshs.54,987,616 using low-value procurement method contrary to Section 107(a) of the Public Procurement and Asset Disposal Act, 2015 which provides that items procured on low value method are those items that are not procured on a regular or frequent basis and are not covered in framework agreement. In addition, the expenditure was not supported by Electronic Tax Register (ETR) receipts signed by the officer undertaking the cash purchases.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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. Use of Manual Payroll

Review of records provided for audit revealed that Management of the County Assembly operated two (2) payroll systems namely, a manual (Excel format) payroll system and the Integrated Personnel and Payroll Database (IPPD) system. Out of the total compensation of employees of Kshs.371,730,253, an amount of Kshs.11,328,263 was paid through the manual payroll system. The use of manual system involves manual calculation of deductions to arrive at net monthly pay, and constant updates of data, which makes it prone to human errors and manipulation.

In the circumstances, the effectiveness of internal controls on manual payroll processing could not be confirmed.

2. Non-Establishment of an Audit Committee

Review of operations and governance structures of the County Assembly revealed that the Assembly operated without an audit committee during the year under review, the previous committee members' tenure having expired on 1 January 2021. In addition, the internal auditor operated without an approved workplan and there was no follow up on the implementation of the recommendations of internal and external auditors. This is contrary to Section 155 (5) of the Public Finance Management Act, 2012 which provides for establishment of an audit committee.

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

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

Responsibilities of 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 (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

Those charged with governance are responsible for overseeing the 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 for 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

19 December, 2024

9.Statement of Receipts and Payments for The Year Ended 30th June 2024

STATEMENT OF RECEIPTS AND PAYMENTS

	Note	30-Jun-24 Kshs	2022/2023 Kshs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	868,057,775	935,101,972
TOTAL RECEIPTS		868,057,775	935,101,972
PAYMENTS			
Compensation of Employees	2	371,730,253	373,648,801
Use of goods and services	3	448,356,798	381,390,355
Transfers to Other Government Entities	4	-	99,791,531
Social Security Benefits	5	15,241,373	40,885,622
Acquisition of Assets	6	25,979,730	35,660,804
Finance Costs	7	5,105,215	1,884,331
TOTAL PAYMENTS		866,413,369	933,261,445
SURPLUS/DEFICIT		1,644,406	1,840,527

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 11/12/24 2024 and signed by:

OFFICE OF THE CLERK
COUNTY ASSEMBLY OF MAKUENI

Name: **Kevin Mutuku**
Clerk of the Assembly
P.O. Box 572-90300,
MAKUENI.

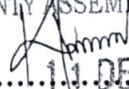
.....*Francis*.....

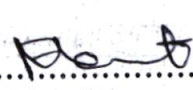
Name: **Francis Nzyoka**
Director financial services
ICPAK Member Number:13020

10.Statement Of Financial Assets and Liabilities As At 30th June 2024

	Note	30-Jun-23 KShs	2021/2022 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8A	12,696,413	11,630,893
Total Cash and cash equivalent		12,696,413	11,630,893
TOTAL FINANCIAL ASSETS			
		12,696,413	11,630,893
FINANCIAL LIABILITIES			
Third party deposits and retentions	9	8,898,304	9,477,191
NET FINANCIAL ASSETS		3,798,108	2,153,702
REPRESENTED BY			
Fund balance b/fwd	10	2,153,702	313,175
Surplus/Deficit for the year		1,644,406	1,840,527
NET FINANCIAL POSITION		3,798,108	2,153,702

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 11/12 2024 and signed by:

OFFICE OF THE CLERK
 COUNTY ASSEMBLY OF MAKUENI

 11 DEC 2024
 Name: Kevin Mutuku
 P.O. Box 572-90300,
 Clerk of the Assembly
 MAKUENI


 Name: Francis Nzyoka
 Director, Financial Services
 ICPAK Member Number:13020

11. Statement Of Cash Flows for The Period Ended 30th June 2024

	Note	30-Jun-24 KShs	2022/2023 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	868,057,775	935,101,972
		868,057,775	935,101,972
Payments for operating expenses			
Compensation of Employees	2	371,730,253	373,648,801
Use of goods and services	3	448,356,798	381,390,355
Transfers to Other Government Entities	4	-	99,791,531
Social Security Benefits	5	15,241,373	40,885,622.31
Finance Costs	7	5,105,215	1,884,331
		840,433,639	897,600,641
Adjusted for:			
Increase/(Decrease) in Accounts Payable:	18	-	1,351,206
		578,887	1,351,206
		(578,887)	1,351,206
Net cash flow from operating activities		27,045,250	38,852,537
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	25,979,730	35,660,804
Net cash flows from Investing Activities		(25,979,730)	(35,660,804)
NET INCREASE IN CASH AND CASH EQUIVALENT		1,065,519	3,191,733
Cash and cash equivalent at BEGINNING of the year		11,630,893	8,439,160.00
Cash and cash equivalent at END of the year		12,696,413	11,630,893

The explanatory notes to these financial statements form an integral part of the financial

statements. The financial statements were approved on 11/12/2024 2024 and signed by:

STATEMENTS OF FINANCIAL STATEMENTS
 COUNTY ASSEMBLY OF MAKUENI
 11 DEC 2024
 Name: **Kevin Mutuku**
 Clerk of the Assembly
 P.O. Box 572-90300,
 MAKUENI

.....
 Name: **Francis Nzyoka**
 Director Financial Services
 ICPAK Member Number: 13020

Count Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

12.Statement Of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30th June 2024

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	a	b	c=a+b	d	e=c-d	f=(d/c*%)
RECEIPTS	KShs	KShs	KShs	KShs	KShs	%
Transfers from the County Treasury/Exchequer Releases	949,001,447	-	949,001,447	868,057,775	80,943,672	91%
TOTAL	949,001,447	-	949,001,447	868,057,775	80,943,672	91
PAYMENTS						
Compensation of Employees	399,788,951		399,788,951	371,730,253	28,058,697	93%
Use of goods and services	450,024,186		450,024,186	448,356,798	1,667,389	100%
Social Security Benefits	15,242,173		15,242,173	15,241,373	800	100%
Acquisition of Assets	78,837,137		78,837,137	25,979,730	52,857,407	33%
Finance Costs	5,109,000		5,109,000	5,105,215	3,785	100%
TOTAL	949,001,447		949,001,447	866,413,369	82,588,078	91%
SURPLUS/ DEFICIT	-	-	-	1,644,406		0%

The Makueni County Assembly financial statements were approved on 11/12/24 2024 and signed by:

Count Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

OFFICE OF THE CLERK
COUNTY ASSEMBLY OF MAKUENI
Kevin Mutuku
11 DEC 2024
Name: **Kevin Mutuku**
P.O. Box 572-90300,
Clerk of the Assembly

Francis Nzyoka

Name: **Francis Nzyoka**
Director Financial Services
ICPAK Member Number: **13020**

Count Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

12A Statement of Comparison Of Budget & Actual Amounts: Recurrent for the year ended 30th June 2024

Receipt/Expense Item	Original Budget	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	a	c=a+b	d	e=c-d	f=(d/c*%)
RECEIPTS	KShs	KShs	KShs	KShs	%
Transfers from the County Treasury/ Exchequer Releases	882,052,960	882,052,960	846,569,149	35,483,811	96%
TOTAL	882,052,960.00	882,052,960.00	846,569,149.00	35,483,811.00	96%
PAYMENTS					
Compensation of Employees	399,788,951	399,788,951	371,730,253.31	28,058,697	93%
Use of goods and services	450,024,186	450,024,186	448,356,797.68	1,667,389	100%
Social Security Benefits	15,242,173	15,242,173	15,241,372.56	800	100%
Acquisition of Assets under rec budget					
Purchase of Vehicles and Other Transport Equipment	5,435,100	5,435,100	0.00	5,435,100	0%
Purchase of Household and Institutional Equipment/Mca tablet	2,495,050	2,495,050	2,421,278.00	73,772	97%
Purchase of ICT Equipment	2,988,500	2,988,500	2,988,500.00	-	100%
Purchase of furniture	970,000	970,000	966,480.00	3,520	100%
Finance Costs	5,109,000	5,109,000	5,105,215.25	(331,215)	100%
TOTAL	882,052,960	882,052,960	846,809,897	34,908,063	96%

The Makueni County Assembly financial statements were approved on 11/12/24 2024 and signed by:

.....

Count Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

OFFICE OF THE CLERK
COUNTY ASSEMBLY OF MAKUENI
.....
Name: Kevin Mutuku
11 DEC 2024
Clerk of the Assembly
P.O. Box 572-90300,
MAKUENI.

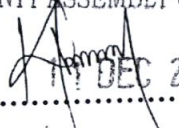


Name: Francis Nzyoka
Director, Financial services
ICPAK Member Number: 13020

Count Government of Makueni
 Makueni County Assembly
 Annual Report and Financial Statements For the year ended 30th June 2024

12B Statement Of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 2024

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	a	b	c=a+b	d	e=c-d	f=(d/c*%)
	KShs	KShs	KShs	KShs	KShs	%
RECEIPTS						
Transfers from the County Treasury/ Exchequer Releases	66,948,487	-	66,948,487	21,488,626	45,459,861	32%
TOTAL	66,948,487	-	66,948,487	21,488,626	45,459,861	32%
PAYMENTS						
Acquisition of Assets	66,948,487	-	66,948,487	19,603,472	47,345,015	29%
TOTAL	66,948,487	-	66,948,487.36	19,603,472	47,345,015	29%

OFFICE OF THE CLERK
 COUNTY ASSEMBLY OF MAKUENI

 DEC 2024

Name: Kevin Mutukoo,
 MAKUENI
 Clerk of the Assembly

The entire financial statements were approved on 11/12/2024 and signed by:



Name: Francis Nzyoka
 Director, Financial Services
 ICPAK Member Number: 13020

*County Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024*

13. Budget Execution By Programmes And Sub-Programmes

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization	Percentage
	KShs	KShs	KShs	KShs	KShs	
RECEIPTS						
Transfers from the County Treasury/ Exchequer Releases	949,001,447	-	949,001,447	868,057,775	80,943,672	91%
Other Receipts	-	-	-	-	-	0%
TOTAL	949,001,447	-	949,001,447	868,057,775	80,943,672	91
PAYMENTS						
Compensation of Employees	399,788,951		399,788,951	371,730,253	28,058,697	93%
Use of goods and services	450,024,186		450,024,186	448,356,798	1,667,389	100%
Social Security Benefits	15,242,173		15,242,173	15,241,373	800	100%
Acquisition of Assets	78,837,137		78,837,137	25,979,730	52,857,407	33%
Finance Costs	5,109,000		5,109,000	5,105,215	3,785	100%
TOTAL	949,001,447		949,001,447	866,413,369	82,588,078	91%
SURPLUS/ DEFICIT	-	-	-	1,644,406		0%

14 Significant Accounting Policies

The Significant accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include third party deposits and retentions. The statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on some classes of receivables and payables as outlined above.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

The financial statements are for the *Makueni* County Assembly. The financial statements encompass the reporting entity as specified in section 164 of PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

The County Assembly recognises all receipts from the various sources when the event occurs, and the related cash has been received by the Assembly.

Significant Accounting Policies (Continued)

i) Transfers from the Exchequer/ County Treasury

Transfer from the Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

ii) Other Receipts

Other receipts relate to receipts such as tender fees among others. These are recognised in the financial statements when the associated cash is received.

b) Recognition of payments

The entity recognises all expenses when the event occurs, and the related cash has actually been paid out by the entity.

i) Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

ii) Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

iii) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

Significant Accounting Policies (Continued)

4. In-kind contributions

In-kind contributions are donations that are made to the *Makueni County Assembly* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *Makueni County Assembly* includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

5. Third Party Payments

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program, a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the county government is detailed in the notes to this financial statement.

6. Cash and cash equivalents

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

7. Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2024, this amounted to Kshs 8,898,304 compared to Kshs 9,477,191 in prior period as indicated on note 15. *There were no other restrictions on cash during the year.*

Significant Accounting Policies (Continued)

8. Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

9. Third party deposits and retention

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

10. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

11. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *Makueni County Assembly* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

Significant Accounting Policies (Continued)

12. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The Makueni County Assembly does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

13. Contingent Assets

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

Significant Accounting Policies (Continued)

14. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 28 June 2023 for the period 1st July 2023 to 30 June 2024 as required by law. There was 2 number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

15. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

16. Subsequent events

Events after submission of the financial year end financial statements to County Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of the County Treasury.

17. Prior Period Adjustment

During the year, errors that have been corrected are disclosed *under note 26* explaining the nature and amounts.

18. Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

15 Notes to the Financial Statements

1. Transfer From CRF

	30-Jun-24	30-Jun-23
	Kshs	KShs
Total Exchequer Releases for quarter 1	194,827,452	117,466,023
Total Exchequer Releases for quarter 2	260,369,598	217,170,830
Total Exchequer Releases for quarter 3	149,797,783	173,699,506
Total Exchequer Releases for quarter 4	263,062,942	426,765,613
Cumulative amount	868,057,775	935,101,972

*Count Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024*

Notes to the Financial Statements

2 Compensation Of Employees

	30-Jun-24	30 June 2023
	KShs	KShs
Basic salaries of permanent employees	129,023,346	151,095,990
Basic wages of temporary employees ward	37,957,547	30,379,073
Basic wages of Casual employees in assembly	4,451,122	1,529,112
Personal allowances paid as part of salary	174,465,733	176,447,132
Allowances paid to CASB members as retainer	5,289,733	-
Employer Contribution to compulsory National Social Schemes	3,476,995	864,583
Pension and other social security contributions	17,065,778	13,332,911
Total	371,730,253	373,648,801

Notes To the Financial Statements (Continued)

3. Use Of Goods And Services

	30-Jun-24	30-Jun-23
	KShs	KShs
Utilities, supplies and services	3,455,920	2,819,154
Communication, supplies and services	3,856,679	4,645,889
Domestic travel and subsistence	71,730,040	72,896,888
Foreign travel and subsistence	20,137,574	5,689,256
Printing, advertising and information supplies & services	2,085,693	3,827,922
Training expenses	13,588,820	15,894,361
Rentals of produced assets	706,430	3,671,500
Hospitality supplies and services	39,945,711	36,302,108
Insurance costs	33,229,320	31,936,676
Specialized materials and services	993,930	475,525
Office and general supplies and services	12,916,640	10,523,573
Fuel, oil and lubricants	7,975,440	7,260,648
Other operating expenses	137,885,533	134,352,072
Car reimbursement	61,936,000	43,941,073
Routine maintenance – vehicles and other transport equipment	7,621,294	4,858,830
Routine maintenance – other assets	23,933,904	2,294,880
Total	448,356,798	381,390,355

Count Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

Notes To the Financial Statements (Continued)

4. Transfers To Other Government Entities

Description	June 2024	
	Kshs	Kshs
Transfers to national government entities	-	-
Transfers to other county assembly entities		
Mortgage scheme/fund	-	99,791,531
Others (insert name of budget agency)	-	-
Total	-	99,791,531

Notes To The Financial Statements (Continued)

5 Social Security Benefits

	30 June 2024	30 June 2023
	Kshs	Kshs
Government Pension and Retirement Benefits	15,241,373	40,885,622
Social Security Benefits	-	-
Employer Social Benefits	-	-
Total	15,241,373	40,885,622

*County Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024*

Notes To The Financial Statements (Continued)

6 Acquisition Of Assets

Non-Financial Assets	30-Jun-24	
	KShs	Shs
Construction and Civil Works	19,603,472	18,880,044
Purchase of Vehicles and Other Transport Equipment	0	9,160,000
Purchase of Household and Institutional Equipment/Mca tablet	2,421,278	5,112,610
Purchase of ICT Equipment	2,988,500	2,508,150
Purchase of furniture	966,480	
Total acquisition of financial assets		
Total	25,979,730	35,660,804

*Count Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024*

Notes To The Financial Statements (Continued)

7. Finance Costs

	30 June 2024	30 June 2023
	Kshs	Kshs
Interest payments on foreign borrowings	-	-
Bank Charges	5,105,215	1,884,331
Interest on domestic borrowings (non-govt)	-	-
Interest on borrowings from other government units	-	-
Total	5,105,215	1,884,331

8. Cash And Bank Balances

8A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	30 June 2024	30 June 2023
			Kshs	Kshs
CBK AC NO Makueni County Assembly Development Account Ksh	10000199199	Development	1,885,154	902,458
CBK AC NO Makueni County Assembly Reccurrent Account Ksh	1000199188	Recurrent	460	1,541
Co-operative Bank Makueni County Assembly Ksh	11415339155500	Deposit	10,810,798	10,726,894
Total			12,696,413	11,630,893

*Count Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024*

Notes To The Financial Statements (Continued)

9. Third Party Deposits and Advances

Description	30 June 2024		30 June 2023	
	Kshs		Kshs	
Deposits				
Retentions	8,898,304		9,477,191	
Total	8,898,304		9,477,191	
Ageing analysis (third party deposits and advances)	30 June 2024	% of the Total	June 23	% of the Total
Under one year	1,369,718	15	71709	7
1-2 years	71,709	8	6,093,476	64
2-3 years	6,093,476	68	1,363,400	14
Over 3 years	1,363,400	15	1,948,606	20
Total (tie to above total)	8,898,303	100	9,477,191	100

10. Fund Balance Brought Forward

Description	30 June 2024		30 June 2023	
	Kshs		Kshs	
Bank Accounts	11,630,893		8,439,159	
Imprests and advances				
Third party deposits and retentions	(9,477,191)		(8,125,985)	
Total	2,153,702		313,175	

11. Changes In Third-Party Deposits and Retentions

Description	30 June 2024		30 June 2023	
	Kshs		Kshs	
Opening Third Party Deposits and Retention As At 1 st July 2023	9,477,191		8,125,985	
Closing Third Party Deposits and Retention As At 30 th June 2024	8,898,304		9,477,191	
Change In Third Party Deposits and Retention	(578,887)		1,351,206	

*Count Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024*

Notes To The Financial Statements (Continued)

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

	Bal 22/23	Additions for the year 23/24	Paid during the year 23/24	Bal c/f 23/24
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Buildings	2,082,908	0	2,082,908	
Construction Of Civil Works				0
Supply Of Goods		6,806,175		6,806,175
Supply Of Services	4191586	75,280,848	4,191,586	75,280,848
Total	6,274,494	82,087,023	6,274,494	82,087,023

Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Assembly:

- i) Members of County Assembly.
- ii) Key management personnel that include the Clerk of the Assembly and heads of departments.
- iii) The County Executive.
- iv) County Ministries and Departments.
- v) Other County Government entities including corporations, funds and boards.
- vi) The National Government.
- vii) Other County Governments; and
- viii) State Corporations and Semi-Autonomous Government Agencies.

*Count Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024*

	30 June 2024	
	Kshs	
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	175,635,270	175,635,270
Key Management Compensation (Clerk and Heads of departments)	52,494,372	51,372,272
Total Compensation to Key Management		
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car and mortgage schemes		
Transfers to other entities under the Assembly		
Total Transfers to related parties		
<u>Transfers from related parties</u>		
Transfers from the CRF	868,057,775	935,101,972
Payments made on behalf of the County Assembly by other Government Agencies		
(Insert any other transfers received)		
Total Transfers from related parties		

*County Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024*

1. Progress On Follow On Prior Year Auditor's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. of the audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Non-compliance with law on development expenditure threshold	The issue was resolved by ensuring more absorption of the development budget	Not Resolved	2024
2	Non-compliance with law on domestic travel and subsistence allowance	The issue was resolved by ensuring that all the activities which can be conducted in the assembly are conducted in the assembly as guided by the auditor	Not Resolved	2024
3	Failure to comply with the ceiling for ward operations cost	The management resolved the issue by ensuring strict adherence to relevant circular	Not Resolved	2024
4.	Irregular oversight and public participation expenses	The management resolved the issue by ensuring strict adherence to relevant circular	Not Resolved	2024

Count Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

OFFICE OF THE CLERK
COUNTY ASSEMBLY OF MAKUENI
11 DEC 2024
P.O. Box 572-80300.....
MAKUENI.
Clerk of the County Assembly

Date

*Count Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024*

16 Annexes

Annex 1 – Analysis Of Pending Accounts Payable

Supplier of Goods or Services	Date invoiced/ contracted	Balance at the beginning of the year	Addition During the year	paid During the year	Bal C/F
		b	c	d=a+b-c	
Construction Of Buildings					
1. Construction					
2. Ever one builders		2,082,908		2,082,908	
Sub-Total					
SUPPLY OF SERVICES					
3. Supply of services		4,191,586		4,191,586	
4. Panari Hotel			150,000		150,000
5. Kaiti Foods Limited			453,600		453,600
6. Starling Bird Hotel			94,400		94,400
7. Starling Bird Hotel			201,600		201,600
8. Wote Water Company			138,440		138,440
9. Mudo Enterprises			158,920		158,920
10. Planet Telesource Venture			2,992,675		2,992,675
11. Red Bird Capital Ventures			398,950		398,950

*County Government of Makueni
Makueni County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024*

Supplier of Goods or Services	Date invoiced/ contracted	Balance at the beginning of the year	Addition During the year	paid During the year	Balance
12. The Star Publications Limited			56,432		56,432
13. Weston Hotel			151,200		151,200
14. Mombasa Beach Hotel			152,000		152,000
15. SOCATT in Kenyan Legislatures			270,000		270,000
16. Nation Media Group PLC			111,812		111,812
17. Jet Inn Gardens Hotel			174,200		174,200
18. Nation Media Group PLC			60,146		60,146
19. Synergy Development Systems Limited			81,113		81,113
20. Primate Tours Ltd			34,655		34,655
21. Primate Tours Ltd			85,600		85,600
22. Primate Tours Ltd			104,090		104,090
23. Primate Tours Ltd			62,085		62,085
24. Kenya School of Law			104,999		104,999
25. Starling Bird Hotel			112,000		112,000
26. Beulah Glitz			240,000		240,000
27. Postal Corporation of Kenya			7,910		7,910
28. Primate Tours Ltd			107,570		107,570
29. Primate Tours Ltd			1474230		1,474,230
30. Kenya Power and Lighting Company			11,430		11,430

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Supplier of Goods or Services	Date invoiced/ contracted	Balance at the beginning of the year	Additions During the year	paid During the year	Bal C/F
31. Kenya Power and Lighting Company			548,683		548,683
32. Ethics and Integrity Institute			986,580		986,580
33. Institute of Human Resource Management			75,400		75,400
34. Starling Bird Hotel			115,200		115,200
35. GA Insurance Ltd			610,113		610,113
36. Starling Bird Hotel			336,000		336,000
37. Primate Tours Ltd			1,081,160		1,081,160
38. Starling Bird Hotel			320,800		320,800
39. Primate tours			390,000		390,000
40. Kisinga Merehants			592,300		592,300
41. Redbird Capital			399,460		399,460
42. Kambooni Auto Garage			41,000		41,000
43. Kambooni Auto Garage			157,760		157,760
44. Kambooni Auto Garage			38,860		38,860
45. Kambooni Auto Garage			42,804		42,804
46. Kambooni Auto Garage			15,000		15,000
47. Kambooni Auto Garage			69,484		69,484
48. Kambooni Auto Garage			91,756		91,756
49. Kambooni Auto Garage			15,000		15,000

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Supplier of Goods or Services	Date invoiced/ contracted	Balance at the beginning of the year	Addition During the year	paid During the year	Balance
50. Captain Garage			34,800		34,800
51. Weston Hotel			317,000		317,000
52. Summit Paramount Security Limited			171,680		171,680
53. Rentokil Initials			148,738		148,738
54. Primate tours			510,000		510,000
55. Primate tours			439,540		439,540
56. Primate tours			34,800		34,800
57. Intelligent business center			970,920		970,920
58. ICPACK			174,000		174,000
59. primate tours			1,081,160		1081160
60. primate tours			14,300		14,300
61. primate tours			30,600		30,600
62. O.N Makau			2,223,000		2,223,000
63. Kambooni Auto Garage			119,480		119,480
64. Kambooni Auto Garage			696,000		696,000
65. Kambooni Auto Garage			46,500		46,500
66. Julimwash Auto garage			43,500		43,500
67. Kambooni Auto Garage			35,900		35,900
68. Wote Water and Sewerage Company			101,954		101,954

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Supplier of Goods or Services	Date invoiced/ contracted	Balance at the beginning of the year	Addition During the year	paid During the year	Bal C/F
69. Citycom oil ltd			4,000		4,000
70. Paul Mutava			10,740		10,740
71. Sayyarati Limited			152,900		152,900
72. Kambooni Auto Garage			30,000		30,000
73. Primate tours			390,000		390,000
74. CFAO mobility Kenya			621,469		621,469
75. Kambooni Auto Garage			85,260		85,260
76. Kambooni Auto Garage			40,000		40,000
77. Kambooni Auto Garage			19,998		19,998
78. Kambooni Auto Garage			103,900		103,900
79. Kambooni Auto Garage			30,400		30,400
80. Captain Garage			54,800		54,800
81. Captain Garage			69,900		69,900
82. Captain Garage			109,700		109,700
83. Captain Garage			149,850		149,850
84. Kambooni Auto Garage			79,500		79,500
85. Sayyarati Limited			58,500		58,500
86. CFAO mobility Kenya			621,468		621,468
87. Kambooni Auto Garage			157,760		157,760

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Supplier of Goods or Services	Date invoiced/ contracted	Balance at the beginning of the year	Addition During the year	paid During the year	Balance
88. Kambooni Auto Garage			41,000		41,000
89. Beulah Glitz			160,000		160,000
90. Kambooni Auto Garage			15,000		15,000
91. Kambooni Auto Garage			15,000		15,000
92. Kambooni Auto Garage			91,756		91,756
93. Kambooni Auto Garage			69,484		69,484
94. Kambooni Auto Garage			42,804		42,804
95. Kambooni Auto Garage			38,860		38,860
96. Salary for the month of June 2024			50,905,508		50,905,508
97. Sub-Total			75,280,848		75,280,848
98. Supply Of Goods					
99. Planet Telesource			2,992,675		2,992,675
100. Wellpoint Investments Limited			2,999,500		2,999,500
101. wote water and sewerage co.			814,000		814,000
102. Sub-Total			6,806,175		6,806,175
103. Grand Total					
Note: Pending bills comprise goods and services rendered and invoiced but not yet settled as at the end of the year.		6,274,494	82,087,023	6,274,494	82,087,023

Annex 2 – Summary Of Non-Current Asset Register

Asset class	Historical Cost b/f (Kshs) 2023	Additions during the year (Kshs) 2024	Disposals during the 2024 (Kshs)	Transfers in/(out) 2024	Historical Cost c/f (Kshs) 2024
Land	292,602,436				292,602,436
Buildings and structures	18,880,044	19,603,472			38,483,516
Transport equipment	26,200,700	4,526,268			30,726,968
Office equipment, furniture and fittings	8,504,210	2,421,278			10,925,488
ICT equipment	10,261,000	3,954,980			14,215,980
Machinery and equipment	14,348,412				14,348,412
Biological assets					
Infrastructure assets					
Heritage and cultural assets					
Intangible assets					
Work in progress					
Total	370,796,802	30,505,998			401,302,800

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