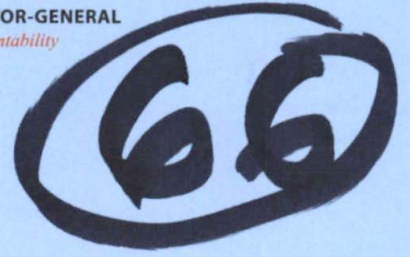


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REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF SAMBURU

PAPERS LAID	
DATE	19/02/2026
TABLED BY	KEDANA OLEKINA
COMMITTEE	
CLERK AT THE TABLE	ABDIRAMAN

FOR THE YEAR ENDED
30 JUNE, 2025

22



Issued on 25th August 2025



(Samburu County Assembly)

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

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

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1. Acronyms, Abbreviations and Definition of Key Terms

A. Acronyms and Abbreviations

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

B. Definition of Key Terms

Example

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

(This list is an indication of acronyms, abbreviations, and key terms; the County entity should include all from the annual report and financial statements prepared)

2. Key Entity Information and Management

(a) Background information

The County Assembly is constituted as per the constitution of Kenya and 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 constituted by twenty-six (26) Members of the County Assembly (MCAs), comprising of fifteen (15) elected and ten (11) nominated members representing the public from their respective wards. The MCAs are responsible for making laws for the effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management Team

The Samburu County Assembly day-to-day management is under the following key organs:

No.	Designation	Name
1.	Speaker of the County Assembly	Hon. Stephen Lenamarle
2.	Clerk of the County Assembly	Hon. Leparleen Fred Lenapeer
3.	Directorate of Finance & Accounting services	Cpa Nelson Joseph Lesorogol
4.	Directorate of Legislative Procedures & Committee services	Simon Lamani Lekupe
5.	Directorate of Human Resources & Administration	Sein Faustine Leshornai
6.	Directorate of Communication and Information Services	Haron Moro Lelenguya

(c) Fiduciary Management

The key management personnel who held office during the year ended 2024/2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer- Clerk	Hon. Leparleen Fred Lenapeer
2.	Finance Director	Cpa Lesorogol Joseph Nelson
3.	Principal Accountant	Cpa Sabato Christopher

a) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

County assembly service board CASB

- An Established Audit committee

- A risk management policy in place

- Established oversight committees i.e. finance committee, budget committee and public and accounts committee

(Provide a brief explanation on fiduciary activities undertaken during the financial year)

b) County Assembly Headquarters

P.O. Box 3-20600

County Assembly Headquarters.

Maralal, KENYA

c) County Assembly Contacts

Telephone: (254) 722 385 184

E-mail: info@samburucountyassembly.go.ke

Website: <http://www.samburuassembly.go.ke/>

d) County Executive/Assembly Bankers

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

2. Kenya Commercial Bank

P.O Box 48400

GPO - Nairobi

e) Independent Auditor

Auditor-General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

f) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

NAIROBI, KENYA

g) County Assembly Legal Advisor.

Office Of The Clerk

P.O Box 3-20600

Maralal-Kenya

3. Governance Statement

The County Assembly

a. Background and roles





The County Assembly is constituted by the MCAs of Samburu county government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the county assembly service board while the county assembly clerk is the secretary. Section 10 (4) of the County Governments Act 2012 provides that a county assembly shall observe the following order of precedence.

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

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

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

b. Profiles

Photo	Name	Qualification And Designation
	Steven Lomiru Lenamarle	The Speaker County Assembly of Samburu
	Fred Lenapeer	The Clerk County Assembly of Samburu
	Christopher Lentukunye	Majority Leader County Assembly of Samburu
	James Koileken Leleruk	Minority Leader County Assembly of Samburu

Sectoral Committees

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:

LEADERSHIP

SPEAKER : **STEPHENN LENAMARLE**
DEPUTY SPEAKER : **JACKSON LELENGEJU**

- 1. Leader of Majority : Hon. Christopher
- 2. Deputy Leader of Majority : Hon. Joseph Lekoren Loloju
- 3. Majority Whip : Hon. Stacy Nareyio Lekirimpoto
- 4. Deputy Majority Whip : Hon. Esther Lenolkulal
- 5. Leader of Minority : Hon. James Koileken Leleruk

SPEAKER'S PANEL

- 1. Hon. Stephen Lenamarle
- 2. Hon. Jackson Layan Lelengeju
- 3. Hon. Jonathan Lemoosa
- 4. Hon. Felix Caunda Lenamparasio
- 5. Hon. Stacy Nareyo Lekirimpoto

	Sectoral Committees	Areas of focus	Current membership
1	Finance, Economic Planning And ICT	County finance and planning, development including statistics; land survey and mapping; boundaries and fencing; housing and electricity and gas reticulation and energy regulation	Hon. Loloju Joseph Lekoren Hon. Lenyakopiro Charity Hon. Hassan Mohamed Asha Hon. Lealmusia Ali Hon. Lemartile Francis Hon. Lpesina Kelvin Hon. Leerte Patrick

2	Cooperative Development, Trade and Tourism	Trade development and regulation including the markets; trade licenses (excluding regulation of professions); fair trading practices, local tourism and cooperative societies	<p>Hon.Lpesina Kelvin</p> <p>Hon.Stacy Nareyio</p> <p>Hon.Lenamatiyo Silapia</p> <p>Hon. Lealmusia Ali</p> <p>Hon. Lemartile Francis</p> <p>Hon.Leleruk James Koileken</p> <p>Hon. Lolosoli Rebecca Samaria</p>
3	Culture, Gender, Social Services, Sports and Youth Affairs	All matters relating to labour, trade union relations, manpower or human resource planning, gender, culture and social welfare. All matters related to cultural activities, public entertainment and public amenities, including betting, casinos and other forms of gambling, racing, liquor licensing, cinemas, video shows and hiring, libraries, museums, sports and cultural activities and facilities and county parks, beaches and recreation facilities; fire fighting services and disaster management, control of drugs and pornography; and annual animal control and welfare, including licensing of dogs and facilities for the accommodation, care and burial of animals	<p>Hon. Lenanguram James</p> <p>Hon. Lolosoli Rebecca</p> <p>Hon.Lorunyei Lawrence</p> <p>Hon. Osman Adan dube</p> <p>Hon. Stacy Nareyo</p> <p>Hon. Lenyakopiro Charity</p> <p>Hon. Ngigi Stephen Kagiri</p>
4	Lands, Physical Planning, Housing and Urban Development	All matters related to lands including; Physical planning, Housing and urban development coordination within the County Government.	<p>Hon. Leerte Patrick</p> <p>Hon. Esther Lenolkulal</p> <p>Hon.Lelenkeju Jackson Layan</p> <p>Hon. Lealmusia Ali</p>

			Hon. Lekuchula David Leinas Hon. Eunice Serah Lekirenyei Hon. Loloju Joseph Lekoren
5	Environment, Water and Natural Resources	All matters related to Environmental conservation and Natural resources including soil and water conservation and forestry and control of air pollution, noise pollution, other public nuisances and outdoor advertising	Hon. Lemartile Francis Ltirisen Hon. Hassan Mohamed Asha Hon. Esther Lenolkulal Hon. Leleruk James Koilek Hon. Lenanguram James Hon. Loregae Jane Nakinyi Hon. Lenamparasio Phelix
6	Agriculture, Livestock, Veterinary Services and Fisheries	All matters related to agriculture, including crop and animal husbandry, livestock sale yards, county abattoirs, plant and animal disease control and fisheries; implementation of specific national government policies on natural resources	Hon. Lenamparasio Phelix Hon. Lenamatiyo Silapia Hon. Christopher Lentukur Hon. Janet Lenama Hon. Leitoro Jeremiah Loitemu Hon. Leerte Patrick Hon. Lolosoli Rebecca Sama
7	Public Works, Roads and Transport	All matters related to County transport, including county roads, street lighting, traffic and parking, public transport and ferries and harbours, excluding the regulation of international and national shipping and matters	Hon. Lekuchula David Leinas Hon. Osman Adan dube

		related thereto; county public works and services including storm water management systems in built up areas and water sanitation services	Hon. Christopher lentukunye Hon. Lenamatiyo Silapia Hon. Lenanguram James Hon. Loregae Jane Nakinyi Hon. Lenamparasio Phelix
8	Medical Services, Public Health and Sanitation	All matters related to County health services including in particular county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, veterinary services (excluding regulation of the profession), cemeteries, funeral parlors and crematoria and refuse removal, refuse dumps and solid waste disposal	Hon. Leitoro Jeremiah Hon. Loregae Jane Nakinyi Hon. Lorunyei Lawrence Hon. Osman Adan dube Hon. Hassan Mohamed Asha Hon. Ngigi Stephen Kagiri
9	Education and vocational training	All matters related to pre-primary education, village polytechnics, home craft centers and childcare youth and children welfare. Youth and children welfare.	Hon. Lorunyei Lawrence Hon. Eunice Serah Lekirenyei Hon. Lemoosa Maura lekuram Hon. Lelenkeju Jackson Layan Hon. Lenyakopiro Charity Hon. Loloju Joseph Lekoren Hon. Lpesina Kelvin

Select Committees

The mandate of Select Committees is specifically outlined in the Standing Orders

	Name of Select Committee	Current members
1	County Assembly Business Committee	<ol style="list-style-type: none"> 1. Hon. Stephen Lenamarle 2. Hon. Jackson Lelenkeju 3. Hon. Lentukunye Christopher 4. Hon. Leleruk James 5. Hon. Stacy Nareyio 6. Hon. Charity Lenyakopiro 7. Hon. Jonathan Lemoosaa 8. Hon. Patrick Leerte 9. Janet Lenamalda
2	Committee on Selection	<ol style="list-style-type: none"> 1. Hon.Chirstopher Lentukunye 2. Hon. James Koileken Leleru 3. Hon. Jeremiah Leitoro 4. Hon. Silapia Lenamatiyio 5. Hon. James Lenanguram 6. Hon.Francis Lemartile 7. Hon.David Lekuchula 8. Hon. Rebecca Lolosoli 9. Hon. Lpesina Kelvin Lemantaan
3	County Public Investments and Accounts Committee	<ol style="list-style-type: none"> 1. Francis Lemartile 2. Hon. Ngigi Stephen Kagiri 3. Hon. Esther Lenolkulal 4. Hon. Lemartile Francis Ltirisen 5. Hon. Leitoro Jeremiah Loitemu

4	County Budget and Appropriations Committee	<ol style="list-style-type: none">1. Hon. Lemoosa Maura lekuram2. Hon. Lenamparasio Phelix Caunda3. Hon. Christopher lentukunye4. Hon. Lenamatiyo Silapia5. Hon. Janet Lenamalda6. Hon. Lenyakopiro Charity Pleipa7. Hon. Lekuchula David Leinas8. Hon. Leleruk James Koileken9. Hon. Leitoro Jeremiah Loitemu
5	Committee on Implementation	<ol style="list-style-type: none">1. Hon. Lealmusia Ali2. Hon. Ngigi Stephen Kagiri3. Hon. Leerte Patrick4. Hon. Lenamatiyo Silapia5. Hon. Lenyakopiro Charity Pleipa6. Hon. Eunice Serah Lekirenyei7. Hon. Loregae Jane Nakinyi
6	Committee on Delegated County Legislation	<ol style="list-style-type: none">1. Hon. Lolosoli Rebecca Samaria

		<ol style="list-style-type: none"> 2. Hon. Lenanguram James Ntiituk 3. Hon. Lorunyei Lawrence Sebastia 4. Hon. Stacy Nareyo Lekirimpoto 5. Hon. Esther Lenolkulal 6. Hon. Loloju Joseph Lekoren 7. Hon. Lpesina Kelvin Lemantaan
7	Committee on Appointments	<ol style="list-style-type: none"> 1. Hon. Stephen Lenamarle 2. Hon. Jackson Lelenkeju 3. Hon. Lentukunye Christopher 4. Hon. Leleruk James 5. Hon. Stacy Nareyio 6. Hon. Charity Lenyakopiro 7. Hon. Jonathan Lemoosaa 8. Hon. Patrick Leerte 9. Hon. Janet Lenamalda
8	Procedure and Rules Committee	<ol style="list-style-type: none"> 1. Hon. Stephen Lenamarle 2. Hon. Jackson Layan Lelenkeju- 3. Hon. Lemoosa Maura lekuram 4. Hon. Osman Adan dube 5. Hon. Janet Lenamalda 6. Hon. Stacy Nareyo Lekirimpoto

		<p>7. Hon. Esther Lenolkulal</p> <p>8. Hon. Leleruk James Koileken</p> <p>9. Hon. Lenamparasio Phelix Caunda</p>
9	Liaison Committee	<p>1. Hon. Lelenkeju Jackson Layan</p> <p>2. Hon. Stephen Lenamarle</p> <p>3. Hon. Lealmusia Ali</p> <p>4. Hon. Lolosoli Rebecca Samaria</p> <p>5. Hon. Leleruk James Koileken</p> <p>6. Hon. Loloju Joseph Lekoren</p> <p>7. Hon. Lenamparasio Phelix Caunda</p> <p>8. Hon. Leitoro Jeremiah Loitemu</p> <p>9. Hon. Lemartile Francis Ltirisen</p> <p>10. Hon . Lekuchula David Leinas</p> <p>11. Hon. Lorunyei Lawrence Sebastia</p> <p>12. Hon. Lpesina Kelvin Lemantaan</p> <p>13. Hon. Leerte Patrick</p> <p>14. Hon. Lenanguram James Ntiituk</p> <p>15. Hon, Christopher Lentukunye</p> <p>16. Hon. Lemoosa Maura lekuram</p>
10	Powers and Privileges Committee	<p>1. Hon. Stephen Lenamarle</p> <p>2. Hon. Jackson Layan Lelenkeju</p> <p>3. Hon. Hassan Mohamed Asha</p>

		4. Hon. Lekuchula David Leinas
		5. Hon. Lenanguram James Ntiituk
		6. Hon. Loregae Jane Nakinyi
		7. Hon. Leitoro Jeremiah Loitemu

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

c. 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 Samburu 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.

d. Risk management

- County Assembly of Samburu risk management policy, risk fraud policy, training needs assessment, occupational, safety, and health administration (OSHA) are in place. All the above are effective arrangements for risk management and internal controls; also, they are formal processes to assess changes in the internal and external environment.

e. Compliance

County Assembly of Samburu is a people centred assembly with the best parliamentary practices, we enhanced stakeholder engagement and a professional approach to doing business to promote representation, legislation and oversight in achieving sustainable development for the great people of Samburu County.

The County Assembly of Samburu has embraced the following policies and guidelines.

1. The Kenya Vision 2030
2. Medium Term Plan III (2023 – 2027)
3. The County Integrated Development Plan, 2023-2027
4. County Assembly of Samburu Policies and guidelines
5. The County Assembly of Samburu Strategic plan 2019-2023

6. Annual Development plan

4. Clerk of the County Assembly

These are the financial statements for the County Assembly of Samburu for the financial year ended 30th June 2025, that are prepared in accordance with the standards and formats prescribed by the International Public Sector Accounting Standards - IPSAS (Accrual basis). The report shows the revenue received from the national equitable share versus the expenditure incurred by the county assembly of Samburu in provision of services as per the approved budget.

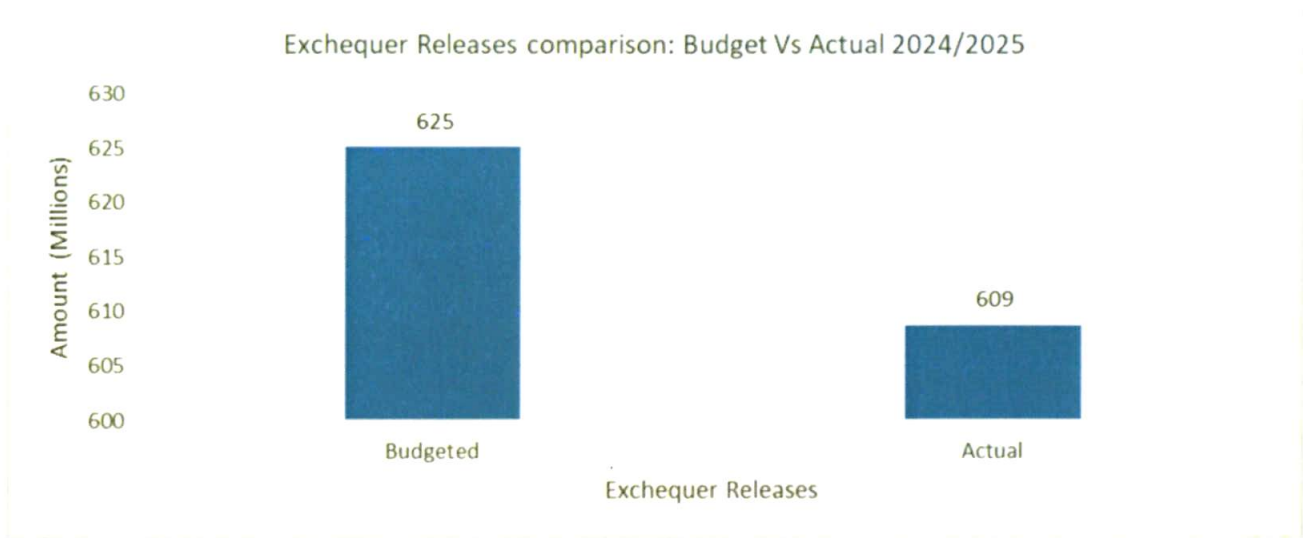
(i) Budget performance

Here explain how the County Assembly has performed in terms of its budget against actual amounts for year based on programmes.

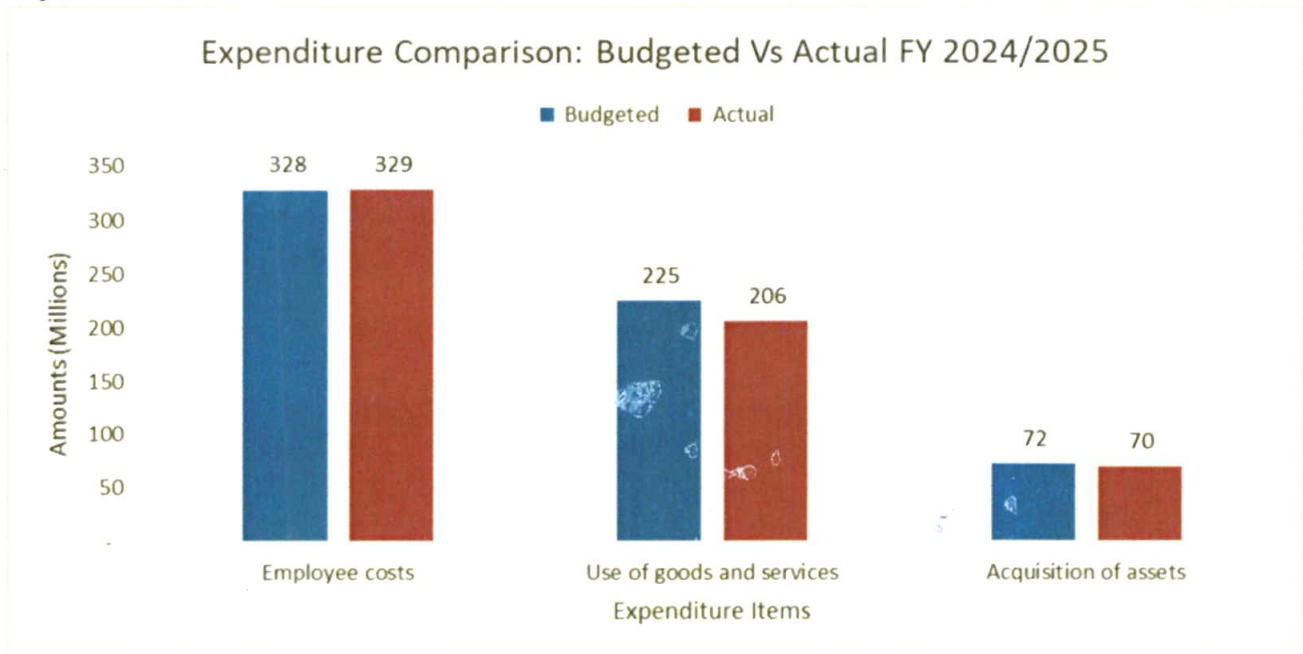
3 RECEIPT/ EXPENSE ITEM	ORIGINAL BUDGET	ADJUSTME NTS	FINAL BUDGET	ACTUAL ON COMPARABL E BASIS	% Utilisat ion
Exchequer Releases	661,430,761	(36,306,040)	625,249,021	608,738,137	97%
Payments	661,430,761	(36,306,040)	625,124,721	604,715,166	97%
SURPLUS /DEFICIT				4,022,971	

The percentage utilization of the exchequer releases was 97% while the percentage utilization of the payments was 97%. There was a surplus of Kshs **4,022,971**. Exchequer releases were 97% funded as per the budget for the financial year 2024/2025.

Revenue/ Exchequer



Expenditure



(i) Operational Performance

The County Assembly also subjected three bills through public participation and other legislation achievements for the financial year as listed below.

Trainings/capacity building of members

1. Training of liaison committee

2. Training of committee on delegated legislation
3. Training of public accounts committee
4. Budget and appropriation committee

Bills

1. Finance Bill, 2024
2. Appropriation Bill, 2024
3. The Samburu County Monitoring and Evaluation Bill, 2024
4. The Samburu County Health Improvement Financing Bill, 2025

Approvals

1. Approval of CFSP
2. Approval of ADP

(ii) Performance of key development projects

Here is a clear, professional summary of the development projects undertaken by the Samburu County Assembly during the financial year ended 30 June 2024, with the total cost of Kshs. 63,417,086

Summary of Development Projects — Samburu County Assembly (Year ended 30 June 2024)

Projects undertaken:

- Furniture for the new County Assembly offices
- Networking and cabling of the new County Assembly offices
- Equipping of the kitchen and cafeteria in the new building
- Ward office curtains and furniture
- Speaker's residence: raised water tank stand
- Speaker's residence: solar panels installation
- Speaker's residence: ablution block
- Landscaping

(iii) Comment on value-for-money achievements

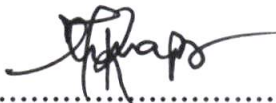
From the above development projects, the assembly has enough office space for the members and staff to operate from. Additionally, the assembly has adequate committee rooms for the committees to operate in.

The assembly offices are well equipped with furniture and requisite systems that make the assembly to function effectively.

The cafeteria will ensure that the welfare of the staff and members is taken care of which will ensure high productivity of employees and members.

(iv) Challenges and Recommended Way Forward

- Inadequate ceilings set by commission on revenue allocation. This has in effect limited the assembly achievements.
- Ageing assembly vehicle pushing maintenance costs to unmanageable levels and increased vehicle down time. This has in return increased the cost of hiring vehicles
- Unresolved budget issues by the national commissions on benefits to members and members of staff
- Late forwarding and approval of supplementary budget for year 2024/2025 affected the operations of the assembly.
- Delay in disbursement of assembly exchequers from the national treasury slowed down the operations of the assembly.



.....
Name: Fred Lenapeer

Clerk of the County Assembly

5. Statement of Performance against Predetermined Objectives

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 in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

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

Program	Objective	Outcome	Indicator	Performance
Legislation	To enhance Legislation process in the Assembly	Full knowledge of Assembly procedures and practices by all members	1 Budget passed 1 CFSP adopted 1 ADP adopted	In FY 24/25 MCA's carried out exposure visits and ward visits. They also attended Assembly plenary and committees. They adhered to strict codes of Ethics and conduct for MCAs.
Oversight	To improve on the oversight function in the Assembly	Prudent distribution and absorption of County Resources Transparent and Effective oversight	Trainings carried out Oversight field visits undertaken	Realistic implementation of Quarterly work plans Adherence to Budget cycle Ensured financial commitments reflect the policy programs of the County

				Increased public participation in the budget preparation phase
Representation	To enhance representation role of members of County Assembly	Increase County legislation comprising of Citizen Priorities Increase Citizen priorities in County Development plans	99% Attendance of Assembly business 97% on Budget implementation	Encouraged public participation in the Assembly processes MCAs encouraged to use various digital platforms to access and disseminate Assembly information

6. Corporate Social Responsibility Statement/Sustainability Reporting

Samburu County Assembly exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on three pillars: legislation, oversight and representation. The Assembly endeavoured to reach out to the public and show case the Assembly's activities where it organised and participated in various forums in order to interact with the public. This enabled the Assembly to inspire public confidence and trust to the public as well as establish networks and partnership with key stakeholders like media, business community, NGO's, community based organisation, religious based organisation, Judiciary, provincial administration and professionals. Below is a brief highlight of our achievements in each pillar

a) Sustainability strategy and profile –

The Assembly as part of its sustainability measures ensured that there is Monitoring and Evaluation framework that ensured implementation of the Strategic Plan and its review based on the set key performance indicators. The Assembly has a risk policy that identifies risk factors that hinder the implementation of strategic plan and develops appropriate mitigating strategy.

b) Environmental performance

The County Assembly of Samburu is duly registered with DOSH (Directorate of Occupational Safety and Health), it has appointed Occupational Safety and Health Committee which conducts assessment of work environment and recommends to the Management Committee on any improvements to be carried out.

c) Employee welfare

The County Assembly has a welfare committee that take care of general wellness of the Assembly staff and members. It also takes care of working conditions, benefits, sports, grievances and representation issues relating to the welfare of the staff. It has mandates like being voice of the people, handling wellness of the staff members, handling staff complains and sensitizing staff on the importance of the welfare as well as implementation of the policy. Also in place is a Safety and Health Committee, which deals with safety of the staff, and Members.

d) Market place practices-

The organisation should outline its efforts to:

a) Responsible Supply chain and supplier relations-

Samburu county assembly endeavours to maintain good relationship with its suppliers. We fast track the payment of suppliers by honouring their contracts as soon as we get funding from the national treasury. As a result, by end of this financial year we had minimal pending bills. Any advertisement made by the Assembly is usually done via the website or the local newspaper to reach as many citizens as possible.

b) Responsible ethical practices-

Samburu County Assembly is a Corruption free environment. We ensure responsible competition practices by advertising for various procurement tenders through our website and through the national newspaper. Suppliers are given an equal opportunity to apply for the tenders to promote fair competition. Evaluation is done and the award is given to the best-suited supplier

c) Stewardship of goods and services

County Assembly of Samburu has safeguarded all his goods and service providers through respective departments.

e) Community Engagements

The Assembly contributed to communities and Schools fund kitty where a number of vulnerable households were given food and financial support to supplement their livelihood.

The Assembly participated in peace reconciliation meetings in various wards that were affected by cattle rustling and insecurity during the year

7. Statement of Management Responsibilities

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

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

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

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

Further the Clerk confirms that the 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 Samburu County Assembly financial statements were approved and signed by the Clerk for on

25/81 2025



.....
Name: Fred Lenapeer

Clerk of County Assembly

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of County Assembly of Samburu set out on pages 1 to 56, which comprise of the statement of

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of County Assembly of Samburu as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the County Governments Act, 2012, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of financial position and Note 21 to the financial statements reflect cash and cash equivalents balance of Kshs.4,156,824 while the statement of cash flows reflects a balance of Kshs.4,023,196 for the same item, resulting in an unreconciled variance of Kshs.133,628. Further, the statement of financial position reflects trade and other payables balance of Kshs.133,628 while the disclosure Note 32 to the financial statements reflects a balance of Kshs.16,644,512, resulting in an unreconciled variance of Kshs.16,510,884. In addition, the statement of comparison of budget and actual amounts reflects total final budget payments of Kshs.625,124,721 while a recast of the amount resulted to Kshs.625,249,021, resulting in an unreconciled variance of Kshs.124,300.

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

2. Unsupported Hospitality Supplies and Services Expenditure

The statement of financial performance and Note 10 to the financial statements reflect use of goods and services expenditure amounting to Kshs.205,979,830, which include hospitality supplies and services totalling Kshs.21,028,567. However, out of this amount, expenditure totalling Kshs.8,288,870 was not supported by approved requisitions from user departments and procurement documents.

In the circumstances, the accuracy and completeness of hospitality supplies and services totalling to Kshs.21,028,567 could not be confirmed.

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

in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Kshs.625,249,021 and Kshs.608,738,137 respectively, resulting to a shortfall of Kshs.16,510,884.

The shortfall in receipts affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year's Matters

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

Other Information

Management is responsible for the Other Information set out on pages iii to xxvii which comprise of Key Entity Information and Management, Governance Statement, Clerk of the County Assembly, Statement of Performance Against Predetermined Objectives, 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 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 Commitments Beyond the Statutory Deadline

Review of procurement records indicated that an expenditure commitment for building renovation and repair services by a local company at a contract sum of Kshs.51,506,951 was made after 31 May, 2024 without the written approval of the Accounting Officer. This was contrary to Regulation 50(1) of the Public Finance Management (County Governments) Regulations, 2015, which provides that all commitments for the supply of goods or services shall be done not later than the 31 May each year except with the express approval of the Accounting Officer in writing.

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

2. Non-Compliance with Data Protection Requirements

Audit review established that County Assembly of Samburu had not registered with the Office of the Data Protection Commissioner (ODPC) as a data controller and data processor, despite actively collecting, processing, and storing personal data of staff, members of the county assembly, and service providers during the year under review. This was contrary to Section 18(1) of Data Protection Act, 2019 which requires that no person shall act as a data controller or data processor unless registered with the Data Commissioner.

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

3. Employee Costs

The statement of financial performance and Note 9 to the financial statements reflect employee costs of Kshs.328,783,340. However, the following irregularities were observed:

3.1 Over Commitment of Salaries

Review of the payroll revealed that fifteen (15) employees received net pay amounts below one-third of their basic pay, contrary to Section 19(3) of the Employment Act, 2007 which provides that the total amount of deductions of an employee's wages shall not exceed two-thirds of such wages.

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

3.2 Non-Remittance of Statutory Deductions

Review of the Integrated Payroll and Personnel Database (IPPD) and the manual payroll revealed unremitted statutory deductions amounting to Kshs.4,883,598 in respect of LAPFUND, LAPTRUST, and NHIF/SHA. This was contrary to Section 19(4) of the Employment Act, 2007 which provides that an employer who deducts an amount from an employee's remuneration in accordance with subsection (1)(a), (f), (g) and (h) of the Act shall pay the amount so deducted in accordance with the time period and other requirements specified in the law, agreement, court order or arbitration as the case may be.

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

3.3 Unauthorized Expenditure on Compensation of Employees

Review of the statement of comparison of budget and actual amounts revealed an over-expenditure of Kshs.961,588 under compensation of employees against the approved budgeted payments. However, Management did not provide evidence of authorization or a supplementary budget to support or justify the excess expenditure. This was contrary to Section 149(1) and (2) of the Public Finance Management Act, 2012, which require Accounting Officers to ensure that public funds are used in a lawful and authorized manner and that expenditure does not exceed the amount appropriated or otherwise authorized for the purpose.

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

3.4 Irregular Payment of Special Salary Allowances

Review of the Integrated Payroll and Personnel Database (IPPD) revealed that six (6) County Assembly employees were paid special salary allowances amounting to Kshs.650,010. However, Management did not provide justification and documentation to support how the rates for these payments were determined. This was contrary to the Salaries and Remuneration Commission (SRC) Circular No. SRC/TS/CGOVT/3/16 dated 29 July, 2013, on remuneration and benefits for staff serving in County Assemblies.

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

3.5 Irregular Payment of Mileage Allowances

The employee costs of Kshs.328,783,340 include personal allowances – part of salary amounting to Kshs.136,996,270, which in turn include Kshs.23,205,128 paid as mileage

allowances to Members of the County Assembly during the year under review. The payments were made based on monthly claims submitted by the Members for distances exceeding forty-five (45) kilometers to their respective areas of representation. This was contrary to the provisions of the Kenya Gazette Notice Vol. CXXIV—No. 145 of 27 July, 2022, which set out the remuneration and benefits for state officers in County Assemblies and prescribed a fixed mileage allowance payable through the payroll system. Further, the mileage claims were computed using the distance to the furthest point of the wards rather than from the County Headquarters to the Members' homes of residence, contrary to the Gazette Notice requirements.

In the circumstances, the regularity and value for money on the mileage allowance expenditure amounting to Kshs.23,205,128 could not be confirmed.

3.6 Irregular Recruitment of Staff

During the year under review, the County Assembly Service Board recruited thirty-three (33) staff across various cadres. However, there was no documentary evidence of declaration of vacant positions by the authorized officer to the County Assembly Service Board in accordance with the procedures set out in the County Governments Act, 2012. In addition, there was no evidence that the County Assembly Service Board advertised for the positions as required by Section 20 County Assembly Human Resource Policies and Procedures Manual, 2018 which states that will advertise all vacant posts in a manner that reaches the widest pool of potential applicants and allow for at least 21 days before closing the advert.

Further, the recruitment was conducted through various Board minutes rather than through open and competitive selection, thereby undermining the principles of fair competition and merit as required under Article 232(1)(g) of the Constitution of Kenya, 2010. Review of personal files for recruited officers revealed that several files lacked copies of academic and professional certificates, making it impossible to confirm the qualifications of the appointed officers.

In the circumstances, Management was in breach of the law and the regularity of the recruitment could not be confirmed.

3.7 Lack of Ethnic Diversity in Staff Composition

Examination of the payroll for County Assembly during the month of June, 2025 indicated that a total of 90 permanent employees out of which seventy-nine (79) or approximately (88%) were from the same ethnic community, accounting for more than one third of the total staff. Further, during the year under review, the County Assembly recruited thirty-four (34) employees for various positions. Review of the employment records indicated that all or 100% of the recruited employees were from one dominant ethnic group. This was contrary to Section 7 of the National Cohesion and Integration Act, 2008, stipulating that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff

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

3.8 Non-Compliance with the Persons Living with Disabilities Act, 2003

During the year under review, the County Assembly had a total of ninety (90) employees, out of which only one (1) person with disability was recruited, which translates to 0.01%. This was contrary to Section 13 of the Persons with Disabilities Act, 2003 on Rights and Privileges of Persons with Disabilities which requires the County Assembly to implement the principle that at least five percent (5%) of all appointments are for persons with disabilities.

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

3.9 Non-Compliance with Approved Staffing Level Ceiling

Review of the Assembly payroll revealed that the Assembly had a total of one hundred and eighty-eight (188) employees. This exceeded the maximum recommended staff complement by eighty-eight (88) positions. This was contrary to the Commission on Revenue Allocation (CRA) Circular No. CRA/FA/01 VOL. II (22) dated 28 June, 2018, which provides guidance on optimal staffing levels for County Assemblies to ensure fiscal sustainability and efficiency in public expenditure.

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

3.10 Payment of Salaries through Manual Payroll

Review of the County Assembly payroll revealed that the Assembly maintained two parallel payroll systems during the year under review. One payroll was processed through the Integrated Personnel and Payroll Database (IPPD) comprising ninety (90) employees and Members of the County Assembly (MCAs), while the other was maintained manually in an Excel spreadsheet covering one hundred and eighteen (118) employees and four (4) MCAs. No satisfactory explanation was provided for maintaining a large number of employees outside the IPPD system.

In the circumstances, the reliability of the payroll data could not be confirmed.

4. Irregular Expenditure on Domestic Travel and Subsistence

The statement of financial performance and Note 10 to the financial statements reflect use of goods and services expenditure of Kshs.205,979,830 which includes domestic travel and subsistence expenditure amounting to Kshs.51,613,872. Included in this balance is an amount of Kshs.201,000 paid to six (6) Members of the County Assembly to attend a workshop held in Rumuruti. All the participants were drawn from the Samburu County Assembly. However, no justification was provided why the workshop could not be conducted within Samburu County, where the majority of the participants were based. This was contrary to National Treasury Circular No. 20/2015 dated 4 November, 2015, Part (VI)(12), which requires that all workshops and retreats whose participants are drawn from one duty station be held within the precincts of that duty station in order to curtail public expenditure. Further, there was no evidence such as signed acknowledgements to confirm receipt of the funds by the participants.

The regularity and value for money on the expenditure amounting to Kshs.201,000 could not be confirmed.

5. Non-Implementation of E-Procurement System

The County Assembly did not implement the e-Procurement system and there was no publication of public procurement information. It was noted that tenders were neither maintained nor publicized on the Assembly's official website, and bids could not be submitted through the same platform. Further, the Assembly did not regularly update and publicize a comprehensive list of all registered suppliers, contractors, and consultants pre-qualified to meet its procurement needs. This was contrary to the provisions of Executive Order No. 2 of 2018, which requires all public entities to maintain and continuously update a complete and accurate list of tenders through platforms such as the e-Citizen portal, the Public Procurement Regulatory Authority (PPRA) website, public notice boards, and other official government publications.

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

6. Irregular Payment of Annual Subscriptions to Society of County Assembly Clerks

The statement of financial performance and Note 10 to the financial statements reflect use of goods and services expenditure of Kshs.205,979,830 which includes other operating expenses expenditure amounting to Kshs.12,404,400. Included in the balance is an amount of Kshs.1,500,000 paid as annual subscriptions to the Society of Clerks at The Table (SOCATT). However, Management did not provide any legal authority or justification to demonstrate that the expenditure constituted a lawful charge to public funds, in accordance with Article 201(d) of the Constitution of Kenya, 2010, which emphasizes prudent and responsible use of public resources.

In the circumstances, the regularity and value for money on the expenditure amounting to Kshs.1,500,000 could not be confirmed.

7. Irregular Foreign Travel and Subsistence Expenditure

The statement of financial performance and Note 10 to the financial statements reflect use of goods and services expenditure of Kshs.205,979,830, which includes foreign travel and subsistence expenditure totalling Kshs.19,284,982. Included in the expenditure is an amount of Kshs.1,178,398 paid to an officer to attend training on Effective Leadership and Management of Committees held in Singapore from 7 December to 14 December, 2024.

However, audit review revealed that training needs assessment was not conducted to justify the relevance of the training, contrary to Section H1(5) and H3(3) of the Human Resource Policies and Procedure Manuals for the Public Service, 2016. Further, critical travel documentation including air tickets, boarding passes, passport stamps, work tickets, taxi receipts were a copy of the attendance registers and certificate of participation was not provided to show that the officer attended the training. In addition, back-to-office report was not presented to document learnings or benefits derived from the trip.

In the circumstances, the value for money for the expenditure of Kshs.1,178,398 could not be confirmed.

8. Irregular Procurement of Office Stationery

The County Assembly made a payment of Kshs.534,000 to a local supplier for the purchase and delivery of office stationery and services. However, review of the payment voucher and other procurement documents revealed that Quotations were received on 3 February, 2024 but opened on 7 February, 2024, contrary to Section 78(3) of the Public Procurement and Asset Disposal Act, 2015, which requires tenders to be opened immediately after the submission. Further, the purchase order was issued on 7 February, 2024, before the formal notification of award dated 23 February, 2024 while the delivery notes and invoice lacked delivery dates, and no store records were provided to confirm receipt or issuance of the stationery. In addition, the professional opinion from the Head of Procurement to the Accounting Officer was not provided for audit review, in contravention of Section 84(1) of the Public Procurement and Asset Disposal Act, 2015.

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

9. Irregular Engagement of External Legal Services

The statement of financial performance and Note 10 to the financial statements reflect use of goods and services amounting to Kshs.205,979,830, which included other operating expenses totalling to Kshs.12,404,400. Included in this amount was Kshs.4,470,000 paid to a local law firm in August, 2024 for legislative drafting of the Samburu County Solid Waste Management Bill, 2024, Sand Harvesting Bill, 2024, County Zoning and Parking Bill, 2024, Water Bill, 2024, and Heritage Bill, 2024. However, Management disclosed that the law firm was also engaged in other legal matters, but no list or status of such cases was provided for audit verification. Further, review of the Integrated Payroll and Personnel Database (IPPD) showed that the Assembly had two (2) legal officers on its payroll, yet no explanation was provided as to their specific roles or why they could not handle the County Assembly's legal assignments internally.

In the circumstances, value for money on the legal fees expenditure amounting to Kshs.4,470,000 could not be confirmed.

10. Doubtful Payment of Imprest During Public Participation

The statement of financial performance and Note 10 to the financial statements reflect use of goods and services balance of Kshs.205,979,830, which includes domestic travel and subsistence expenses balance of Kshs.51,613,872. The balance includes an amount of Kshs.1,323,600 paid to an officer vide an un-serialized payment voucher dated 20 May, 2025 to facilitate public participation in the County Annual Development Plan for the 2025/2026 financial year. However, the payment approval by the Authorized Imprest Expenditure (AIE) holder was dated 20 May, 2025, whereas the bank statement indicates that the payment was made earlier on 9 October, 2024. No explanation was provided for this inconsistency. Further, while the participants received Kshs.1,500 each, the basis for determining the payment rate per member of the public attending the meetings was not documented or explained.

In the circumstances, the regularity of the expenditure of Kshs.1,323,600 could not be confirmed.

11. Non-Establishment of a County Assembly Fund

The County Assembly Service Board had not established a County Assembly Fund as at time of audit in October, 2025, contrary to Section 34(1) of the County Assembly Services Act, 2017 which states that there is established for each County, a fund to be known as the County Assembly Fund.

In the circumstances, the County Assembly was in breach of 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. Unauthorized Voided Payments

Review of IFMIS records for the year under review revealed that one hundred and twenty-six (126) payment transactions, amounting to Kshs.108,144,319.75, were processed and subsequently voided or canceled during the year. However, no documentary evidence was provided to support the authorization or justification for voiding these transactions, which had already been presented to and approved by the Controller of Budget (CoB). In addition, there was no evidence to confirm that the CoB was notified or authorized the reversal of these payments, or the necessary adjustments to reflect the voided amounts.

In the circumstances, internal controls over payment processing, authorization, and transaction reversal were weak and ineffective.

2. Ineffective Audit Committee

Review of the internal audit function revealed that the unit lacked operational independence, as it did not have a dedicated budget to support the execution of its mandate. In addition, the unit was understaffed, with only one officer responsible for all internal audit activities. Internal audit reports were issued semi-annually instead of

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

quarterly, contrary to The National Treasury's Internal Audit Guidelines issued in March, 2016. Further, the Audit Committee convened only once in March, 2025, contrary to The National Treasury's Internal Audit Guidelines (March, 2016) and Regulation 172(1) of the Public Finance Management (County Governments) Regulations, 2015, which require the Audit Committee to meet at least once every three months.

In the circumstances, the effectiveness, independence, and oversight role of the internal audit function could not be confirmed.

3. Lack of Strategic ICT Framework

Audit review revealed that the Assembly had not developed an Information and Communication Technology (ICT) Strategic Plan and had not established the requisite ICT Steering Committee and ICT Strategic Committee to provide oversight and strategic direction for ICT operations.

In the circumstances, ICT governance, coordination, and strategic alignment could not be confirmed.

4. Use of Personal Emails for Official Business

Interview of the ICT Department officers revealed that all County Assembly staff were using personal emails for official business as they did not have official email addresses despite the County Assembly official email being reported in the financial statement under key information and management. This was contrary to the Head of Public Service Circular SH/ADM 23(1) dated 14 June, 2022 Government ICT Standards, 2019 prescribing that all Ministries, Counties, Departments and Agencies (MCDAs) shall acquire and ensure appropriate use and management of E-mail and Instant messaging applications.

In the circumstances, information security may be compromised by the use of personal email for official communication.

5. Lack of Risk Management Policy

Management did not provide evidence of the existence of a Risk Management Policy to guide on risk management assessment and formulation of risk mitigation strategies in the year under review. This was contrary to the Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires Accounting Officer to develop risk management strategies which include fraud prevention mechanisms and internal control that builds robust business operation.

In the circumstances, the effectiveness of risk management in the County Assembly could not be confirmed.

6. Unlawful Creation of Employment Positions Past the Staff Establishment

The County Assembly maintained an approved staff establishment outlining the optimal number of staff required for each cadre, the number in post, and the resultant variance.

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However, the Assembly recruited an additional seventeen (17) staff members beyond the approved staff establishment.

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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48


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

of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 December, 2025

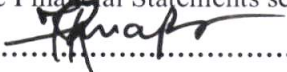
Appendix I Prior Year's Audit Matters

S/No.	Year	Audit Issue
1.	2023/2024	Current Asset Balance
2.	2023/2024	Variance in Pending Accounts Payables
3.	2023/2024	Unsupported Expenditure on Legal Services
4.	2023/2024	Unconfirmed Transfers to Other Government Entities
5.	2023/2024	Presentation of the Financial Statements
6.	2023/2024	Unauthorized Voided Payments
7.	2023/2024	Irregular Procurement of Catering Services
8.	2023/2024	Non-Adherence to Regulations on Training Expenditure
9.	2023/2024	Non-Compliance with the One-Third of Basic Salary Rule
10.	2023/2024	Non-Compliance with Law on Ethnic Composition
11.	2023/2024	Irregular Payment on Subscriptions to Society of Clerks
12.	2023/2024	Irregularities in the Procurement of Library Books
13.	2023/2024	Delay in Completion of the Construction of County Assembly Chambers
14.	2023/2024	Non-Establishment of a County Assembly Fund
15.	2023/2024	Late Commitment for Supply of Services
16.	2023/2024	Lack of Independence for the Internal Audit Department
17.	2023/2024	Ineffective Audit Committee
18.	2023/2024	Lack of ICT Strategic Plan, approved policy and ICT Steering Committee
19.	2023/2024	Use of Personal Emails for Official Government Business
20.	2023/2024	Lack of Risk Management Policy

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

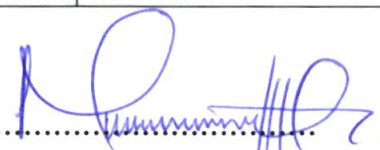
	Notes	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	625,249,021
Miscellaneous Revenue	7	-
Total		625,249,021
Revenue from exchange transactions		
Other income	8	-
Total revenue		625,249,021
Expenses		
Employee costs	9	328,783,340
Use of goods and services	10	205,979,830
Transfers to other Government Entities	11	-
Depreciation and amortization expense	12	-
Other Grants and Subsidies	13	-
Finance costs	14	-
Social Benefits	15	-
Total expenses		534,763,170
Gain/(loss) on sale of assets	16	-
Gain/Loss on Foreign Exchange	17	-
Gain/Loss on fair value of investments	18	-
Impairment loss	19	-
Surplus/Deficit for the year		90,485,851
Taxation	20	-
Net Surplus/Deficit		90,485,851

The Financial Statements set out on pages i to 61 were signed by:



Name: Fred Lenapeer

Clerk of The County Assembly



Name: Lesorogol J. Nelson

Director Finance and Accounts

ICPAK M/No. 22366

10. Statement of Financial Position as at 30 June 2025


	Notes	2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	21	4,156,824	225
Receivables from Exchange Transactions	22	-	-
Receivables from Non-Exchange Transactions	23	16,510,884	-
Inventories	24	-	-
Current portion of investments	25	-	-
Total Current Assets		20,667,708	225
Non-Current Assets			
Receivables from Exchange Transactions	22(b)	-	-
Non- Current portion of investments	25	-	-
Property, Plant and Equipment	26	51,356,346	-
Intangible Assets	27	-	-
Investment Property	28	-	-
Right-of-use assets	29	-	-
Biological Assets	30	-	-
Tangible Natural Resources	31	-	-
Total Non- Current Assets		51,356,346	-
Total Assets (A)		72,024,054	225
Liabilities			
Current Liabilities			
Trade and Other Payables	32	133,628	18,595,650
Refundable Deposits and Prepayments	33	-	-
Current Provision	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Employee Benefit Obligation	37	-	-
Current Portion of Borrowings	38	-	-
Total Current Liabilities		133,628	18,595,650
Non-Current Liabilities			

(Indicate actual name of the entity)

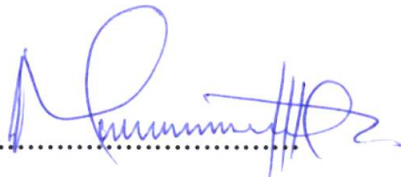
Annual Report and Financial Statements for the year ended June 30, 2025.

	Notes	2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Non-Current Provisions	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Non-Current Employee Benefit Obligation	37	-	-
Borrowings – Non-Current Portion	38	-	-
Service Concession Liability	39	-	-
Total Non- Current Liabilities		-	-
Total Liabilities (B)		133,628	18,595,650
Net Assets(A-B)		71,890,426	(18,595,425)
Represented By:			
Reserves		-	-
Accumulated Surplus		71,890,426	(18,595,425)
Capital Fund		-	-
Net Assets		71,890,426	(18,595,425)

The financial statements set out on pages i to 61 were signed by:


.....

Name: Fred Lenapeer
Clerk of The County Assembly


.....

Name: Lesorogol J. Nelson
Director Finance and Accounts
ICPAK M/No. 22366

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

	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30th June 2024 (cash basis)				
Adjustments:				
Recognition of assets	225			225
Recognition of liabilities	(18,595,425)			(18,595,425)
As at July 1, 2024	(18,595,200)	-	-	(18,595,200)
Return to CRF	(225)			(225)
Surplus/ deficit for the year	90,485,851			90,485,851
Other changes (specify)		-	-	-
As at June 30, 2025	71,890,426	-	-	71,890,426

Note:

1. For items that are not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.
3. Entities have liberty to add additional reserves as appropriate. For all reserves presented provide the nature and purpose.

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

		2024-2025
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		608,738,137
Miscellaneous Revenue		-
Other income		-
Total receipts		608,738,137
Payments		
Employee costs		(328,783,340)
Use of goods and services		(205,979,830)
Transfers to other Government Entities		-
Other Grants and Subsidies		-
Finance costs		-
Social Benefits		-
Total payments		(534,763,170)
Net cash flows from/(used in) operating activities	40	73,974,967
Cash flows from investing activities		
Purchase of PPE		(69,951,996)
Purchase Intangible assets		-
Proceeds from sale of PPE		-
Proceeds from sale of Biological Assets		-
Purchase of investments		-
Sale of investments		-
Net cash flows from/(used in) investing activities		(69,951,996)
Cash flows from financing activities		
Returns to CRF		-
Proceeds from borrowings		-
Repayment of borrowings		-
Net cash flows from financing Activities		-
Net increase/(decrease) in cash & Cash equivalents		4,022,971
Cash and cash equivalents at 1 July	21	225
Cash and cash equivalents at 30 June	21	4,023,196

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

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

Recurrent and Development Budgets Combined

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carry overs (Special Purpose A/c)						
Receipts						
Transfers from the CRF	661,430,761	(36,181,740)	625,249,021	608,738,137	16,510,884	97%
Other receipts	-	-	-	-	-	0%
Total Receipts	661,430,761	(36,181,740)	625,249,021	608,738,137	16,510,884	97%
Payments					-	0%
Compensation of employees	346,786,806	(18,965,054)	327,821,752	328,783,340	(961,588)	100%
Use of goods and services	247,162,561	(22,233,496)	224,929,065	205,979,830	18,949,235	92%
Subsidies	-	-	-	-	-	0%
Transfers to other government units	-	-	-	-	-	0%
Other grants and transfers	-	-	-	-	-	0%
Social security benefits	-	-	-	-	-	0%
Acquisition of assets	67,481,394	5,016,810	72,498,204	69,951,996	2,546,208	96%
Finance costs, including loan interest	-	-	-	-	-	0%
Repayment of principal on borrowings	-	-	-	-	-	0%
Other payments	-	-	-	-	-	0%
Total	661,430,761	(36,306,040)	625,124,721	604,715,166	20,533,855	97%
Surplus	-	-	-	4,022,971	(4,022,971)	

(Indicate actual name of the entity)

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

Reconciliation table

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	4,022,971
1	Amount Returned to CRF	225
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	4,023,196

Budget Notes

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14).
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29).

14. Notes to the Financial Statements

1. General Information

Samburu County Assembly is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are legislation, oversight, and representation.

2. Statement of Compliance and Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33. (The Samburu County Assembly is compliant to accrual basis of accounting and we are in the process of being fully compliant). These financial statements were authorised for issue by the accounting officer on 25.08.2025

Basis of Preparation

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

Reporting period

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

Notes to the financial statements

Critical accounting judgements

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

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

Recognition of non-exchange expenses and liabilities

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

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

Purpose and nature of financial instruments

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

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual

scenario of 143 MtCO₂eq. Entities commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.

Standard	Effective date and impact:
	The standard also introduces a public sector specific measurement bases called the current operational value.

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

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

iii) Early adoption of standards

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

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

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2020/2025 was approved by the County Assembly on 25.05.2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of Samburu on the 2024/2025 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

Notes to the Financial Statements (Continued)

Budget information (continued)

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

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 3 year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

e) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

f) Tangible Natural Resources

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

Leases

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

that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes to the Financial Statements (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

Notes to the Financial Statements (Continued)

j) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

a. Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

k) Inventories

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

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

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

l) Provisions

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

m) Contingent liabilities

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

Notes to the Financial Statements (Continued)

n) Contingent assets

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

o) Nature and purpose of reserves

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

p) Changes in accounting policies and estimates

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

q) Employee benefits

Retirement benefit plans

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

r) Foreign currency transactions

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

different from those at which they were initially reported are recognized in surplus or deficit in the period.

Notes to the Financial Statements (Continued)

s) Borrowing costs

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

t) Related parties

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

u) Service concession arrangements.

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

v) Cash and cash equivalents

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

Notes to the Financial Statements (Continued)

w) Comparative figures

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

x) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 20xx.

Notes to the Financial Statements (Continued)**5. Significant Judgments and Sources of Estimation Uncertainty**

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers 2024-2025
	Kshs	Kshs	Kshs
Recurrent	557,171,977	-	557,171,977
Development	68,077,044	-	68,077,044
Special purpose transfers	-	-	-
Total	625,249,021	-	625,249,021

7. Miscellaneous Revenue

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

8. Other Incomes

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

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

Notes to the Financial Statements (Continued)

9. Employee Costs

Description	2024-2025
	Kshs
Basic salaries of permanent employees	167,764,152
Basic wages of temporary employees	-
Personal allowances – part of salary	136,996,270
Pension and other social security contributions	-
Employer contributions to compulsory national social security schemes	24,022,918
Employer contributions to compulsory national health insurance schemes	-
Employer contribution to compulsory housing scheme	-
Other social benefit schemes	-
Other personnel costs	-
Total Employee costs	328,783,340

* Other personnel costs- please provide a brief explanation for these costs

10. Use of Goods and Services

Description	2024-2025
	Kshs
Utilities, supplies and services	865,909
Communication, supplies and services	266,200
Domestic travel and subsistence	51,613,872
Foreign travel and subsistence	19,284,982
Printing, advertising, and information supplies & services	4,038,247
Rentals of produced assets	19,657,800
Training expenses	31,412,684
Hospitality supplies and services	21,028,567
Insurance costs	21,200,000
Specialized materials and services	4,402,012
Other operating expenses <i>including bank Charges</i>	12,404,400
Office and general supplies and services	3,873,950
Fuel Oil and Lubricants	7,334,814
Routine maintenance – vehicles and other transport equipment	6,923,953
Routine maintenance – other assets	1,672,440
Total	205,979,830

Notes to the Financial Statements (Continued)

11. Transfers to Other Government Entities

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

12. Depreciation and Amortization Expense

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

13. Other Grants and Subsidies

Description	2024-2025
	Kshs
Membership dues and subscriptions to international organizations	-
Scholarships and other educational benefits	-
Emergency relief and refugee assistance	-
Grants to small businesses, cooperatives, and self employed	-
Subsidies to Public entities	-
Subsidies to Private entities	-
Total Grants and Subsidies	-

14. Finance Costs

Description	2024-2025
	Kshs
Interest Payments on Guaranteed Debt Taken over by Govt	-
Interest on Domestic Borrowings (Non-Govt)	-
Interest on Borrowings from Other Government Units	-
Interest on bank overdrafts	-
Interest on loans from commercial banks	-
Total finance costs	-

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

Notes to the Financial Statements (Continued)

15. Social Benefits

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

16. Gain/Loss on Sale of Assets

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

17. Gain/Loss on Foreign Exchange

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

18. Gain/Loss on Fair Value Investments

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

19. Impairment Loss

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

Notes to the Financial Statements (Continued)

20. Taxation

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

21. Cash and Cash Equivalents

Description	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Recurrent Account	9,946	225
Development Account	4,013,250	-
Deposits Account	133,628	-
Special Purpose Accounts	-	-
Other operating commercial accounts (<i>Specify</i>)	-	-
Total	4,156,824	225

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

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

Financial Institution	Account number	2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Recurrent Accounts			
<i>SAMBURU COUNTY RECURRENT - KES</i>	1000195517	9,946	225
Development Accounts			
<i>SAMBURU COUNTY DEVELOPMENT - KES</i>	1000195525	4,013,250	-
Deposits Accounts			
<i>CBK00003</i>	1000201948	133,628	-
Total		4,156,824	-

Notes to the Financial Statements (Continued)

22. Receivables from Exchange Transactions

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

i) Ageing analysis for Receivables

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

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

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

Notes to the Financial Statements (Continued)

23. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Other debtors (non-exchange transactions)	16,510,884		-	
Less: impairment allowance	-		-	
Total receivables from non- exchange transactions	16,510,884		-	
Ageing Analysis- Receivables from non-exchange transactions	Insert Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	-	-	-
Between 1-2 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

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

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

Notes to the Financial Statements (Continued)

24. Inventories

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

Detailed disclosure on inventories

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

25. Investments

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

d) Movement of Equity Investments

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

Notes to the Financial Statements (Continued)**e) Shareholding in other entities**

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

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
Depreciation Rate		2-10%	10-16.67%	2-20%	12.5%	33.3%	x%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-	-	-
Additions				3,345,350	5,238,413			42,772,584		51,356,346
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-	-
As At /Jun 2025	-	-	-	3,345,350	5,238,413	-	-	42,772,584	-	51,356,346
Depreciation and Impairment										
Depreciation for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-	-
As at Jun 20xx	-	-	-	-	-	-	-	-	-	-
Net Book Values	-	-	-	3,345,350	5,238,413	-	-	42,772,584	-	51,356,346
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-	-	-
As At June, 2025	-	-	-	3,345,350	5,238,413	-	-	42,772,584	-	51,356,346

(Include a brief description of WIP as a footer.)

Notes to the Financial Statements (Continued)

27. Intangible Assets

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

28. Investment Property

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

(This note applies to investment property held at cost. For investment property held at fair value, changes in fair value should go through the statement of financial performance).

Notes to the Financial Statements (Continued)

29. Right-of-use assets

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

30. Biological Assets

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

31. Tangible Natural Resources

	<i>Sub- soil assets</i>	<i>Water</i>	<i>Wildlife</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 20xx	-	-	-	-
Additions	-	-	-	-
As at June 20xx	-	-	-	-
Accumulated Depreciation				
As at 1 July 20xx	-	-	-	-
Charge for the year	-	-	-	-
As at June 20xx	-	-	-	-
Carrying Amount				
As at June 20xx	-	-	-	-

Notes to the Financial Statements (Continued)

32. Trade and Other Payables

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	16,510,884		18,595,650	
Payments received in advance	-		-	
Employee payables	-		-	
Third-party payments	133,628		-	
Other payables	-		-	
Total trade and other payables	16,644,512		18,595,650	
Ageing analysis: (Trade and other payables)	Current FY	%	Opening balance	% of the Total
Under one year	16,644,512	100%	18,595,650	100%
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (tie to above total)	16,644,512	100%	18,595,650	100%

33. Refundable Deposits and Prepayments

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

Notes to the Financial Statements (Continued)

34. Provisions

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

35. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-

Total	-
--------------	---

Notes to the Financial Statements (Continued)

36. Deferred Income

Description	<i>Insert Current FY</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
National Government	-	-
International Funders	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

The deferred income movement is as follows:

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

Notes to the Financial Statements (Continued)

37. Employee Benefit Obligations

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

Retirement benefit Asset/ Liability (Applicable to Pensions)

The Entity operates a defined benefit scheme for all full-time employees from July 1, 2024. The scheme is administered by the clerk while luptrust are the custodians of the scheme. The scheme is based on 31% percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at xxx June xxx by xxx actuarial valuers. On this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

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

Notes to the Financial Statements (Continued)

Recognition of Retirement Benefit Asset/ Liability

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

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

- b) Amounts
recognized in the Statement of Financial Position

	<i>30-06-2025</i>	<i>Opening Statement 1st July 2024</i>
Description	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others	-	-
Net asset or liability arising from defined benefit obligation	-	-

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. XXX per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by Iaptrust Pension Fund. Employees contribute willingly while employers contribute 31% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

Notes to the Financial Statements (Continued)

38. Borrowings

Description	30-june-2025
	Kshs
a) External borrowings	
Balance at beginning of the year	-
External borrowings during the year	-
Repayments of during the year	-
Balance at end of the year	-
b) Domestic borrowings	
Balance at beginning of the year	-
Domestic borrowings during the year	-
Repayments during the year	-
Balance at end of the year	-
Balance at end of the period- domestic and External borrowings c = (a+b)	-

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

	30-June-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organisation'	-	-
Sterling Pound Denominated Loan From 'Y Organisation'	-	-
Euro Denominated Loan from Z Organisation'	-	-
Domestic Borrowings		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Total /Balance at end of The Year	-	-

Notes to the Financial Statements (Continued)

Description	30-June-2025	Opening
	Ksh	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

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

39. Service Concession Arrangements Liability

Description	30-June-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

40. Cash Generated from Operations

	30-June-2025
	Kshs
Surplus for the year before tax	90,485,851
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Increase in inventory	-
Increase in receivables	(16,510,884)
Increase in deferred income	-
Increase in payables	(18,729,278)
Increase in payments received in advance	-
Net cash flow from operating activities	55,245,689

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

Notes to the Financial Statements (Continued)

41. Financial Risk Management

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

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

i) Credit risk

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

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

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

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

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

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

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

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

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

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

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

a) Foreign currency risk

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

Notes to the Financial Statements (Continued)

Financial Risk Management

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

Current FY

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

Financial Risk Management

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

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2025			
Euro	10%	-	-
USD	10%	-	-
2025-1			
Euro	10%	-	-
USD	10%	-	-

Notes to the Financial Statements (Continued)

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (20xx: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (20xx – KShs xxx)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Entity's market assumptions. These two types of inputs have created the following fair value hierarchy:

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

data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

Notes to the Financial Statements (Continued)

Financial Risk Management

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

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

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

iv) Capital Risk Management

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

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

Notes to the Financial Statements (Continued)

42. Related Party Disclosures**Nature of related party relationships**

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

Government of Kenya

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

Other related parties include:

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

	<i>June 30th 2025</i>
	Kshs
Transactions with related parties	
a) Sales to related parties	
Others (specify) e.g. interest and bank charges	-
Total	-
B) purchases from related parties	
Purchases of electricity from KPLC	-
Purchase of water from govt service providers	-
Rent expenses paid to govt agencies	-
Training and conference fees paid to govt. Agencies	-
Others (specify)	-
Total	-
b) Grants /transfers from the government	
Grants from national govt	-
Grants from county government	-
Donations in kind	-
Total	-
c) Expenses incurred on behalf of related party	
Payments of salaries and wages for xxx employees	-
Payments for goods and services for xxx	-
Total	-
d) Key management compensation	
Compensation to key management	-
Total	-

43. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Entity to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments)

44. Contingent Assets and Contingent Liabilities**Contingent Assets**

	<i>June 30th 2025</i>
	Kshs
Contingent Assets	
Insurance Reimbursements	-
Assets Arising from Determination Of Court Cases	-
Reimbursable Indemnities and Guarantees	-
Receivables From Other Government Entities	-
Others (Specify)	-
Total	-

(Give details)

Contingent Liabilities

	<i>June 30th 2025</i>
	Kshs
Contingent Liabilities	-
Court Case xx against the Entity	-
Bank Guarantees in Favour of Subsidiary	-
Contingent Liabilities arising from Contracts Including PPPs	-
Others (Specify)	-
Total	-

(Give details)

45. Capital Commitments

Capital Commitments	<i>June 30th 2025</i>
	Kshs
Authorised for	-
Authorised and contracted for	-
Total	-

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

Notes to the Financial Statements (Continued)

46. Program for Results (PforR) Disclosure

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

Name of P for R: xxxxxx		Name of Financing Partners: xxx and xxx				
Expenditure Details*	Opening Cumulative for Previous FYs		Current FY		Total Cumulative	
	Budget	Actual	Budget	Actual	Budget	Actual
Program code						
Sub-program						
Sub-program						
Sub-total						
Program code						
Sub-program						
Sub-program						
Sub-total						
Total	-	-	-	-	-	-

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

47. Events after the Reporting Period

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

48. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

49. Currency

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>management on risk management assessment and formulation of risk mitigation strategies in the year under review. This is contrary to the Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires accounting officer to develop risk management strategies which include fraud prevention mechanisms and internal control that builds robust business operation.</p>	<p>due to strict audit timelines, but it is in place. See the annexure</p>		
278	<p>Lack of Independence for the Internal Audit Department</p> <p>A review of Samburu County Assembly internal audit function revealed that the department lacked functional independence since it did not have an independent budget to enable it to accomplish its mandate. It was also observed that the department lacked adequate number of personnel since it had only one (1) employee to ensure</p>	<p>This is to confirm that audit committee is in place and fully functional.</p> <p>There was a recruitment done for principal internal Auditor which was successful after our Principal Internal Auditor secured director position in the County Executive.</p> <p>Further two, (2) of our staffs were</p>		

15. Appendix

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
281	<p>Use of Personal Emails for Official Government Business</p> <p>An interview with the ICT Department revealed that all of the workers were using personal emails for official government business and does not have an official email address despite being reported in the financial statement under key information and management.</p> <p>This consequently, makes work/confidential correspondences prone to reach the unintended recipients and a risk of security breach for confidential and private official government information. ICT security standards not adhered to</p>	<p>This is to confirm that all official staff email accounts have been successfully set up and are readily in use. Example of one is:</p> <p>nelsonlesorogol@samburuassembly.go.ke</p>		
282	<p>Lack of Risk Management Policy</p> <p>The Management did not provide evidence of the existence of a Risk Management Policy to guide its</p>	<p>We can confirm that Risk Management policy is in place. We may not have issued the policy during the audit process</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the progress of an audit assignment, the internal auditor shall issue a signed written report after each internal audit assignment that is objective, clear, concise and timely.			

Guidance Notes:

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



.....
Fred Lenapeer

Clerk

Date:

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>that it effectively discharged its duties.</p> <p>In addition, the approved internal audit charter and the annual work plan that ought to have been submitted to the audit committee by 15 February each financial year was not provided for review contrary to Regulation 163 (1) of the Public Finance Management-County Government Regulations,2015 which states that Internal audit planning shall be carried out on the basis of risk assessment and shall be set out in a three-year strategic plan on the basis of which an annual internal audit activity plan shall developed.</p> <p>Further, the internal audit reports from the internal auditor for year under review were not provided for audit contrary to Regulation 164(3)(c) of the Public Finance Management-County Government Regulations, 2015 which states that when updating the management of</p>	<p>transferred internally to department of Audit to support in discharging duties.</p> <p>Therefore, this is to confirm that Internal audit department is fully functional.</p>		

Appendix II: Projects implemented by Samburu County Assembly

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

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

Samburu County Assembly
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Appendix IV: Transfers from Other Government Entities

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

Appendix VII: Disaster Expenditure Reporting Template

Column I Programme	Column II Sub-programme	Column III Disaster Type	Column IV Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Column V Expenditure item	Column VI Amount (Kshs.)	Column VII Comments

Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land					
Buildings and structures					
Transport equipment					
Office equipment, furniture and fittings		5,238,413			5,238,413
ICT Equipment					
Machinery and Equipment					
Biological assets					
Infrastructure Assets- Roads, Rails		3,345,350			3,345,350
Heritage and cultural assets					
Intangible assets					
Work in Progress		42,772,584			42,772,584
Total		51,356,346			51,356,346