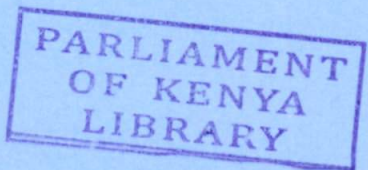


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
*Enhancing Accountability*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**COUNTY ASSEMBLY OF KERICHO**

**FOR THE YEAR ENDED  
30 JUNE, 2025**

PAPERS LAID	
DATE	18/02/2026
TABLED BY	Telegwa
COMMITTEE	_____
CLERK AT THE TABLE	Cherop

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**COUNTY ASSEMBLY OF KERICHO**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2025**

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

1. Acronyms, Abbreviations and Definition of Key Terms .....	ii
2. Key Entity Information and Management.....	iii
3. Governance Statement .....	vii
4. Foreword By the Clerk of The Assembly .....	xxx
5. Statement Of Performance Against County Assembly Predetermined Objectives xxxv	
6. Corporate Social Responsibility Statement/Sustainability Reporting .....	xxxvii
7. Statement of Management Responsibilities .....	xxxix
8. Report of the Independent Auditor, County Assembly of Kericho for the year ended 30 <sup>th</sup> June 2025.....	xli
9. Statement of Financial Performance for the year ended 30 June 2025 .....	1
10. Statement of Financial Position as at 30 June 2025 .....	2
11. Statement of Changes in Net Assets for the year ended 30 June 2025.....	4
12. Statement of Cash Flows for the year ended 30 June 2025.....	5
13. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025.....	6
14. Notes to the Financial Statements .....	8
15. Appendix .....	51

**1. Acronyms, Abbreviations and Definition of Key Terms**

**A. Acronyms and Abbreviations**

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

**B. Definition of Key Terms**

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

**2. Key Entity Information and Management**

**a) Background information**

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly who is the chair of the County Assembly Service Board. He is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 30 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. There are also 17 nominated MCAs representing various categories. The MCAs are responsible for making laws for effective performance of the County Government, approving budgets, plans and policies and playing the oversight role over the County Executive.

**b) Key Management Team**

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

No.	Designation	Name
1.	Speaker of the County Assembly	Hon. Dr. Patrick Mutai
2.	Clerk of the County Assembly	Martin Epus Patrick
3.	Director, Finance	Aggrey Kibet Kirui
4.	Deputy Director	Rose Chelangat
5.	Senior Finance Officer	Cheruiyot Rotich
6.	Deputy Director Supply Chain Management	Raymond Koros
7.	Director Human Resource Manager	Johana Koros
8.	Deputy Director ICT	Alfred Korir

**c) Fiduciary Management**

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

No.	Designation	Name
1.	Accounting Officer- Clerk	Martin Epus
2.	Director, Finance	Aggrey Kirui
3.	Deputy Director Finance	Rose Chelangat
4.	Senior Finance Officer	Cheruiyot Rotich

**Key Entity Information and Management (Continued)**

**d) Fiduciary Oversight Arrangements**

- a. The public and other stakeholders through Public Participation play a significant role and greatly influence decision making and ultimately improving the governance process.
- b. County Budget and Economic Forum, which presents the ideal opportunity to strengthen the engagement between the County Government and the County residents.
- c. The Budget and Appropriation Committee reviews the budget estimates submitted by County Executive and proposes the same for adoption or rejection of the same in the full house of the County Assembly.
- d. Internal Audit unit and Audit Committee undertake periodic reviews of expenditures and make recommendations on improprieties noted.
- e. Independent offices set by law, which are the Office of the Auditor General, and the Controller of Budget for review of programmes to ensure there is no wastage and Value for Money is achieved.
- f. County Assembly Public Accounts and Investment Committee reviews all audit reports submitted by the County Executive.

**e) Entity Headquarters**

**County Assembly of Kericho Headquarters**

P.O. Box 1526-20200,

Kericho County Assembly Offices

Nakuru-Kericho Road

**Kericho-KENYA**

**f) Entity Contacts**

**County Assembly of Kericho Contacts**

Tell :(254) 0745169000

E-mail [info@kerichoassembly.go.ke](mailto:info@kerichoassembly.go.ke)

Website: [assembly.kericho.go.ke](http://assembly.kericho.go.ke)

**g) Entity 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 43-20100  
Kericho

**h) Independent Auditor**

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

**i) Principal Legal Adviser**

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

**j) County Attorney**

Kericho County Government,  
P.O BOX 112-20200,  
KERICHO.

### **3. Governance Statement**

#### **The County Assembly**

The County Assembly is constituted by the MCAs of Kericho county government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the Chairperson of the County Assembly Service Board while the County Assembly Clerk is the secretary.

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

- a) The Speaker of the County Assembly.
- b) The Leader of the Majority Party; and
- c) The Leader of the Minority Party.

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

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

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

#### **a) Select Committees**

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

#### **b) Sectoral Committees**

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

The County Assembly has the following Select and Sectoral committees:

- a) Committee of Powers and Privileges
- b) Public Accounts/Investment Committee
- c) Budget and Appropriations Committee
- d) Liaison Committee
- e) Procedure and Rules Committee
- f) Committee on Appointments
- g) Delegated County Legislation Committee
- h) Audit Committee
- i) Agriculture, Livestock & Fisheries Committee
- j) Education and Child Welfare Committee
- k) Water and Sanitation Committee
- l) Environment, Energy, Forestry, and Natural Resources Committee
- m) Governance, Labour and Social Welfare Committee
- n) Land, Housing, Physical Planning and Settlement Committee
- o) Health Services Committee
- p) Youth, Culture & Social Services Committee
- q) Public Works, Roads and Transport Committee
- r) Trade and Industrialization Committee
- s) Cooperative management, Tourism & Wildlife Committee
- t) Research, Information Technology and E-government Committee
- u) Justice and Legal Affairs Committee
- v) Finance & Economic Planning Committee
- w) Special Interest Group Committee

**c) AGRICULTURE, LIVESTOCK AND FISHERIES**

The Committee on Agriculture, Livestock and Fisheries is contained in the second schedule of the Kericho County Assembly Standing Orders 204 and their function concerns all matters related to agriculture, including crop and animal husbandry, irrigation, livestock sale yards, county abattoirs, plant and animal disease control and fisheries, animal control and welfare, including licensing of dogs and facilities for the accommodation, care and burial of animals and veterinary services (excluding regulation of the profession).

The committee held 59 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

Member	Designation	Ward
Hon. Siele Julius	Chairperson	Waldai
Hon. Chepkemoi Beatrice	Vice Chairperson	Nominated
Hon. Monica Chelangat	Member	Nominated
Hon. Bett Cheruiyot	Member	Ainamoi
Hon. Ruto Anthony	Member	Kipkelion
Hon. Terer Francis	Member	Cheboin
Hon. Kipngeno Kirui	Member	Tebesonik
Hon. Vincent Korir	Member	Londiani
Hon. Simon Koskei	Member	Kunyak

**(d) HEALTH SERVICES**

The Committee on Health Services is established pursuant to the Kericho County Assembly's Standing Order 204 which states it's subject area to be all matters relating to county health services, including, in particular county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, cemeteries, funeral parlours and crematoria.

The committee held 27 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

Member	Designation	Ward
Hon. Bii Erick	Chairperson	Kaplelartet
Hon. Matkeir Isaack	Vice Chairperson	Nominated
Hon. Kipkoech Albert	Member	Soliat
Hon. Maritim David	Member	Chepseon
Hon. Moses Rotich	Member	Tendeno/Sorget

Hon. Tonui Ednah	Member	Nominated
Hon. Haron Rotich	Member	<b>Seretut/Cheptororiet</b>
Hon. Ngetich Gilbert	Member	Kisiara
Hon. Rono Philip	Member	Kamasian

**(e) YOUTH CULTURE AND SOCIAL SERVICES**

The Committee on Youth Culture and Social Services is established pursuant to the Kericho County Assembly's Standing Order 204 which states it's subject area to be all matters relating to youth, persons with disabilities, orphans, vulnerable person, cultural activities public entertainment and public amenities including sport and cultural activities and facilities control of drugs and pornography cinemas video show firefighting services and disaster management.

The committee held 43 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

Member	Designation	Ward
Hon. Anthony Ruto	Chairperson	Kipkelion
Hon. Vincent Koskei	Vice Chairperson	Nominated
Hon. Kemoi Peter	Member	Kapsuser
Hon. Bafina Serem	Member	Nominated
Hon. Kipngeno Kirui	Member	<b>Tebesonik</b>
Hon. Philip Mutai	Member	Kipchimchim
Hon. Evaline Chebwogen	Member	Nominated
Hon. Chepngeno Gabriella	Member	Nominated
Hon. Edna Tonui	Member	Nominated

**(f) PUBLIC WORKS ROADS AND TRANSPORT**

The Committee on Transport, Roads and Public Works is established pursuant to the Kericho County Assembly's Standing Order 204 which states its subject area to be all matters relating to transport, including County Roads, street lighting, traffic and ferries and harbours, excluding the regulation of international and national shipping and matters related thereto; county public works and services including storm water management systems in built-up areas and water and sanitation services.

The committee held 36 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Paul Chirchir	Chairperson	Kapsoit
Hon. Paul Bii	Vice Chairperson	Kapsaos
Hon. Rotich Haron	Member	Cheptororiet/Sertut
Hon. Kipkoech Albert	Member	Soliat
Hon. Gilbert Ngetich	Member	Kisiara
Hon. Ngetich Hezron	Member	Chilchila
Hon Rotich Moses	Member	Tendeno/ Sorget
Hon. Siele Julius	Member	Waldai
Hon. Mercy Gikonyo	Member	Nominated

**(g) JUSTICE AND LEGAL AFFAIRS**

The mandate of the Committee on Justice and Legal Affairs is established pursuant to the Kericho County Assembly Standing Order 204 whose mandates amongst others include to investigate, inquire into and report on all matters and operations with regards to; Constitutional affairs, the administration of law and justice including the election.

The committee held 22 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

Member	Designation	Ward
Hon. Amos Birir	Chairperson	Kapkatet
Hon. Simon Koskei	Vice Chairperson	Kunyak
Hon. Irene Langat	Member	Nominated
Hon. Korir Fancy	Member	Nominated
Hon. Bii Paul	Member	Kapsaos
Hon. Cheruiyot Bett	Member	<b>Ainamoi</b>
Hon. Rotich Moses	Member	Tendeno/Sorget
Hon. Kiprotich Rogony	Member	Sigowet
Hon. Dr. Naaman Rop	Member	Soin

#### (h) LANDS, HOUSING AND PHYSICAL PLANNING

The Committee on Lands, Housing, Physical Planning and Settlement is established pursuant to the Kericho County Assembly's Standing Order 205 which states its subject area to be all matters relating to land surveying and mapping, housing, boundaries and fencing.

The committee held 57 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

Member	Designation	Ward
Hon. Ngetich Hezron	Chairperson	Chilchila
Hon. Dorah Keino	Vice Chairperson	<b>Nominated</b>
Hon. Korir Vincent	Member	Londiani
Hon. Rotich Haron	Member	Cheptorriet/Sertut
Hon. Chepkemai Beatrice	Member	Nominated
Hon. Bii Erick	Member	Kaplelartet
Hon. Chelangai Monica	Member	Nominated

Hon. Lily Sirma	Member	Nominated
Hon. Tonui Edinah	Member	Nominated

**(i) EDUCATION AND CHILD WELFARE**

The departmental Committee on Education and Child Welfare were established pursuant to the provisions of the Standing Order 204 which outlines its subject area to be **all** matters related to pre-primary education, village polytechnics, home-craft centers, and children’s welfare including child care facilities.

The committee held 51 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. David Maritim	Chairperson	Chepseon
Hon. Langat Irene	Vice Chairperson	<b>Nominated</b>
Hon. Bett Cheruiyot	Member	<b>Ainamoi</b>
Hon. Chebwogen Evelyne	Member	Nominated
Hon. Mutai Philip	Member	Kipchimchim
Hon. Dr Rop Naaman	Member	Soin
Hon. Keino Dorah	Member	Nominated
Hon. Anita Mibey	Member	Chemosot
Hon. Bett Gladys	Member	Nominated

**(j) GOVERNANCE LABOUR AND SOCIAL WELFARE**

The mandate of the Governance Labour and Social Welfare is stipulated in the Kericho County Assembly Standing Order 204 and concerns “all matters relating to labour, trade union relations, manpower or human resource planning, gender, culture and social welfare, county heritage, County

public Service and ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in governance at the local level.

The committee held 46 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Terer Francis	Chairperson	Cheboin
Hon. Martin Cheruiyot	Vice Chairperson	Kapkurgetwet
Hon. Bii Erick	Member	<b>Kaplelartet</b>
Hon. Mercy Gikonyo	Member	Nominated
Hon. Bii Paul	Member	Kapsaos
Hon. Anita Mibey	Member	<b>Chemosot</b>
Hon. Dominic Mutai	Member	<b>Kabianga /Chemamul</b>
Hon. Chepkemai Beatrice	Member	Nominated
Hon. Dorah Keino	Member	Nominated

#### **(k) FINANCE AND ECONOMIC PLANNING**

The Committee on Finance and Economic Planning is established pursuant to the Kericho County Assembly's Standing Order 204 and schedule two which states the subject area of the Committee to be all matters relating to management of public finance and economic planning.

The committee held 41 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Kiprotich Rogony	Chairperson	<b>Sigowet</b>
Hon. Chepngeno Jesca	Vice Chairperson	Nominated

Hon. Kipkoech Albert	Member	<b>Soliat</b>
Hon. Kemoi Peter	Member	Kapsuser
Hon. Birir Amos	Member	Kapkatet
Hon. David Maritim	Member	Chepseon
Hon. Bett Gladys	Member	<b>Nominated</b>
Hon. Langat Richard	Member	<b>Kedowa/Kimugul</b>
Hon. Vincent Koskey	Member	Nominated

**(I) WATER, ENERGY AND SANITATION****Mandate for Water and Sanitation Committee**

The Committee on Water, Energy and Sanitation is established pursuant to the Kericho County Assembly's Standing Order 204 and schedule two which states the subject area of the Committee to be all matters related to implementation of specific county government policies on water distribution, management, regulation; sewerage and sanitation services.

The committee held 48 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Kemoi Peter	Chairperson	Kapsuser
Hon. Lily Sirma	Vice Chairperson	Nominated
Hon. Korir Vincent	Member	Londiani
Hon. Hezron Kipngeno	Member	<b>Chilchila</b>
Hon. Gilbert Ngetich	Member	<b>Kisiara</b>
Hon. Vincent Kirui	Member	<b>Litein</b>
Hon. Eric Bett	Member	<b>Kipchebor</b>
Hon. Dominic Mutai	Member	<b>Kabianga/Chemamul</b>

Hon. Anthony Ruto	Member	Kipkelion
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**(m) ENVIRONMENT, FORESTRY AND NATURAL RESOURCES**

The Committee on Environment Forestry and Natural Resources is established pursuant to the Kericho County Assembly's Standing Order 204 which states the subject area to be all matters relating to implementation of specific county government policies on natural resources and environmental conservation, including soil and water conservation and forestry and control of air pollution, noise pollution, other public nuisances and outdoor advertising, refuse removal, refuse dumps and solid waste disposal and all matters related to electricity and gas reticulation and energy regulation.

The committee held 18 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Gikonyo Mercy	Chairperson	Nominated
Hon. Eric Bett	Vice Chairperson	Kipchebor
Hon. Rono Philip	Member	<b>Kamasian</b>
Hon. Kiprotich Rogony	Member	<b>Sigowet</b>
Hon. Chebwogen Evelyne	Member	<b>Nominated</b>
Hon. Langat winny	Member	Nominated
Hon. Mathew Korir	Member	<b>Chaik</b>
Hon. Langat Richard	Member	<b>Kedowa/Kimugul</b>
Hon. Kibet Bosuben	Member	<b>Cheplanget</b>

**(n) TRADE AND INDUSTRIALIZATION**

The Committee on Trade and Industrialization is established pursuant to the Kericho County Assembly's Standing Order 204 which states the subject area to be all matters related to trade development and regulation, including markets, trade licences (excluding regulation of professions),

fair trading practices, betting, lotteries, casinos and other forms of gambling, racing and liquor licensing.

The committee held 25 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Richard Langat	Chairperson	Kedowa/Kimugul
Hon. Kibet Bosuben	Vice Chairperson	<b>Cheplanget</b>
Hon. Terer Francis	Member	Cheboin
Hon. Chepngeno Jessica	Member	<b>Nominated</b>
Hon. Opille Noela	Member	Nominated
Hon. Julb ius Siele	Member	<b>Waldai</b>
Hon. Winny Langat	Member	Nominated
Hon. Martin Cheruiyot	Member	<b>Kapkugerwet</b>
Hon. Sirma Lilly	Member	Nominated

**(o) COOPERATIVE MANAGEMENT, TOURISM AND WILDLIFE**

The committee on Cooperative Management, Tourism and Wildlife was established pursuant to Standing Order number 204 and approved by the County Assembly in February 2023. The mandate of the committee on Cooperative Management, Tourism and Wildlife is contained in the second schedule of the Kericho County Assembly Standing Orders and concerns all matters related to cooperative societies, local tourism, museums, county parks, beaches and recreational facilities.

The committee held 14 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Mutai Philip	Chairperson	Kipchimchim
Hon. Mathew Korir	Vice Chairperson	<b>Chaik</b>

Hon. Rono Philip	Member	Kamasian
Hon. Korir Fancy	Member	Nominated
Hon. Paul Chirchir	Member	<b>Kapsoit</b>
Hon. Birir Amos	Member	Kapkatet
Hon. Bett Gladys	Member	Nominated
Hon. Opille Noela	Member	Nominated
Hon. Vincent Koskei	Member	Nominated

**(p) RESEARCH, INFORMATION TECHNOLOGY AND E- GOVERNMENT**

The Committee on Research, Information Technology and E-Government is established pursuant to the Kericho County Assembly's Standing Order 204 which states the subject area to be all matters related to county communication, information, broadcasting, development and management, and hiring, libraries, research and county technological advancement.

The committee held 25 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Bett Gladys	Chairperson	Nominated
Hon. Kirui Vincent	Vice Chairperson	Litein
Hon. Serem Bavina	Member	Nominated
Hon. Chepngeno Gabriella	Member	Nominated
Hon. Matkeir Isack	Member	Nominated
Hon. Jessica Chepngeno	Member	Nominated
Hon. Gilbert Ngetich	Member	Kisiara
Hon. Albert Kipkoech	Member	Soliat
Hon. Kemoi Peter	Member	Kapsuser

**(q) BUDGET AND APPROPRIATIONS**

The Kericho County Assembly Standing Order 200 established the Budget and Appropriation committee whose mandate is as follows:-

- (a) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget,
- (b) Discuss and review the estimates and make recommendations to the Assembly;
- (c) Examine the County Budget Policy Statement presented to the Assembly;
- (d) Examine Bills related to the county budget, including Appropriations Bills; and
- (e) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

The committee held 21 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

Member	Designation	Ward
Hon. Albert Kipkoech	Chairperson	Soliat
Hon. Kiprotich Rogony	Vice Chairperson	Sigowet
Hon. Anita Cheron Mibey	Member	Chemosot
Hon. Vincent Kipkirui Korir	Member	Londiani
Hon. Richard Cheruiyot	Member	Kedowa/Kimugul
Hon. David Kipkorir Maritim	Member	Chepseon
Hon. Simon Koskei	Member	Kunyak
Hon. Philip Rono	Member	Kamasian
Hon. Hezron Kipngeno	Member	Chilchila
Hon. Moses Cheruiyot	Member	Tendeno/Sorget
Hon. Anthony Ruto	Member	Kipkelion
Hon. Paul Kibiegon Chirchir	Member	Kapsoit

Hon. Cheruiyot Bett	Member	Ainamoi
Hon. Martin Kiplangat	Member	Kapkurgerwet
Hon. Eric Kipkirui Bett	Member	Kipchebor
Hon. Philip Kipngeno Mutai	Member	Kipchimchim
Hon Paul Kiptoo Bii	Member	Kapsaos
Hon. Gilbert Kiprob Ngetich	Member	Kisiara
Hon Kipngeno Kirui	Member	Tebesonik
Hon. Francis Kiplangat Terer	Member	Cheboin
Hon. Vincent Kipngeno Kirui	Member	Litein
Hon. Hillary Kibet Bosuben	Member	Cheplanget
Hon Amos Kimutai Birir	Member	Kapkatet
Hon Dominic Kipkirui Mutai	Member	Kabianga/Chemamul
Hon. Julius Kipkorir Siele	Member	Waldai
Hon. Haron Kipkemoi Rotich	Member	Cheptororiet/Sertut
Hon. Mathew Kipkirui Korir	Member	Chaik
Hon Peter Kibet Kemoi	Member	Kapsuser
Hon. Erick Kiprop Bii	Member	Kaplelartet
Hon. Naaman Kipsigei Rop	Member	Soin
Hon.Edinah Tonui	Member	Nominated

**(r) COMMITTEE ON IMPLEMENTATION**

The mandate of the Committee on Implementation is stipulated in the Kericho County Assembly Standing Order 202 and “involves scrutinizing the resolutions of the assembly (including adopted Committee reports), petitions and the undertakings given by the County Executive Committee and examine:-

- a) Whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented: and whether such implementation has taken place within the minimum time necessary; and
- b) Whether or not legislation passed by the Assembly has been operationalised and where operationalised, the extent to which such operationalisation has taken place within the minimum time necessary.

The committee held 43 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Moses Rotich	Chairperson	<b>Tendeno/Sorget</b>
Hon. Evalyne Chebwogen	Vice Chairperson	Nominated
Hon. Cheruiyot Bett	Member	Ainamoi
Hon. Anthony Ruto	Member	Kipkelion
Hon. Gilbert Ngetich	Member	Kisiara
Hon. Philip Rono	Member	Kamasian
Hon. Terer Francis	Member	Cheboin
Hon. Mutai Philiph	Member	<b>Kipchimchim</b>
Hon. Julius Siele	Member	<b>Waldai</b>

#### **(s) POWERS AND PRIVILEGES**

The mandate of the Committee on Powers and Privileges as stipulated in the Powers and privileges Act is to exercise all the powers and privileges bestowed by the constitution and statute, including the power to summon witnesses, receive evidence and to request for and receive papers and documents from the Government and the public.

The committee held 22 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

Member	Designation	Ward
Hon. Dr. Patrick Mutai	Chairperson	Speaker
Hon. Evalyne Chebwogen	Vice Chairperson	Nominated
Hon. Cheruiyot Bett	Member	<b>Ainamoi</b>
Hon. Paul Bii	Member	Kapsaos
Hon. Jesca Chepngeno	Member	Nominated
Hon. Philip Mutai	Member	Kipchimchim
Hon. Philip Rono	Member	Kamasian
Hon. Chepkemoi Beatrice	Member	<b>Nominated</b>
Hon. Haron Rotich	Member	Cheptorriet/Sertut

**(t) AUDIT COMMITTEE**

The audit committee was constituted in 2021 and its term renewed in May, 2024 for the second and last term. Its mandate is to advise the County Assembly on institutional risk management and compliance. The committee held 4 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

Member	Designation
Dr. Patricia Chepkwony	Chairperson
CPA Kipkemoi Cheruiyot	Vice Chairperson
CPA Winny Chepkemoi	Member
CPA Denis Koros	Secretary

**(u) PUBLIC ACCOUNTS AND INVESTMENT COMMITTEE**

The County Public Investments and Accounts Committee is stipulated in the Kericho County Assembly Standing Order 199 shall be responsible for-

- a) The examination of the accounts showing the appropriations of the sum voted by the Assembly to meet the public expenditure and of such other accounts laid before the Assembly as the Committee may think fit.
- b) The examination of the reports, accounts and workings of the county public investment the examination, in the context of the autonomy and efficiency of the county public investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices:
  - i. Matters of major County or National Government policy as distinct from business or commercial functions of the public investments;
  - ii. Matters of day-to-day administration; and,
  - iii. Matters for the consideration of which machinery is established by any special statute under which a particular county public investment is established.

The committee held 23 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Vincent Korir	Chairperson	Londiani
Hon. Monica Chelangat	Vice Chairperson	Nominated
Hon. Albert Kipkoech	Member	Soliat
Hon Hezron Ngetich	Member	Chilchila
Hon. Paul Chirchir	Member	Kapsoit
Hon. Hillary Bosuben	Member	Cheplanget
Hon. Eric Bett	Member	<b>Kipchebor</b>
Hon. Korir Mathew	Member	<b>Chaik</b>
Hon. Kiprotich Rogony	Member	Sigowet

**(v) DELEGATED COUNTY LEGISLATION COMMITTEE**

Committee on Delegated Legislation function is to scrutinize all statutory instruments and submit the same to the County Assembly for deliberation.

The committee held 17 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Haron Rotich	Chairperson	Seretut/Cheptororiet
Hon. Anita Mibey	Vice Chairperson	Chemosot
Hon. Dr.Naaman Rop	Member	Soin
Hon. Fancy Korir	Member	Nominated
Hon. Bavina Serem	Member	Nominated
Hon. Opile Noella	Member	Nominated
Hon. Kirui Vincent	Member	Litein
Hon. Langat Irene	Member	Nominated
Hon. Martin Cheruiyot	Member	Kapkurgewet

**(w) PROCEDURE AND RULES COMMITTEE**

The Committee is established pursuant to Standing Order 201 whose mandate is to consider and report on all matters relating to the standing orders.

The committee held 10 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Dr. Patrick Mutai	Chairperson	Speaker
Hon. Kipngeno Kirui	Vice Chairperson	Tebesunik
Hon. Voncent Koskei	Member	Nominated
Hon. Winny Langat	Member	Nominated

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

Hon. Eric Bii	Member	Kaplelaret
Hon. Philip Mutai	Member	Kipchimchim
Hon. Haron Rotich	Member	Seretut/Cheptorriet
Hon. Jesca Chepngeno	Member	Nominated
Hon. Cheruiyot Bett	Member	Ainamoi

**(x) HOUSE BUSINESS COMMITTEE**

The mandate of the House Business Committee as stipulated in the Kericho County Assembly Standing Order 165 which is to prepare and if necessary, from time to time adjust the Assembly Calendar with the approval of the County Assembly; Monitor and oversee the implementation of the Assembly Business and programmes; Implement the Standing Orders respecting the scheduling or programming of the business of the Assembly and the functioning of the Committees of the Assembly; determine the order in which the reports of committees shall be debated in the assembly; may take decisions and issue directives and guidelines to prioritize or postpone any business of the assembly acting with the concurrence of the Leader of the Majority Party or the Leader of the Minority Party as the case may be; and consider such matters as may from time to time arise in connection with the business of the Assembly and shall have and perform such powers and functions as are conferred on and ascribed to it by these standing orders or from time to time by the Assembly.

The committee held 64 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Dr. Patrick Mutai	Chairperson	Speaker
Hon. Dorah Keino	Vice Chairperson	Nominated
Hon. Haron Rotich	Member	Seretut/Cheptorriet
Hon. Philip Rono	Member	<b>Kamasian</b>
Hon. Moses Rotich	Member	Tendeno/Sorget
Hon. Gilbert Ngetich	Member	Kisiara

Hon. Beatrice Chepkemoi	Member	Nominated
Hon. Cheruiyot Bett	Member	Ainamoi
Hon. Gladys Bett	Member	Nominated

**(y) COMMITTEE ON SELECTION**

The mandate of the Committee on Selection as stipulated in the Kericho County Assembly Standing Order 166[1] is to nominate members to serve in Committees, save for the membership of the Assembly Business Committee and Committee on Appointments.

Further, Standing Orders 196 of the Kericho County Standing Orders provides that *'Unless a more regular interval is prescribed under any written law or these Standing Orders, each select committee shall submit half yearly Progress reports to the Liaison Committee.'*

The committee held 3 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

Member	Designation	Ward
Hon. Philip Rono	Chairperson	Kamasian
Hon. Gilbert Ngetich	Vice Chairperson	Kisiara
Hon. Martin Cheruiyot	Member	Kapkurgerwet
Hon. Albert Kipkoech	Member	Soliat
Hon. Richard Langat	Member	Kedowa/Kimugul
Hon. Hezron Kipngeno	Member	Chilchila
Hon. Peter Kemoi	Member	Kapsuser
Hon. Beatrice Chepkemoi	Member	Nominated
Hon. Eric Bii	Member	Kaplelartet

**(z) COMMITTEE ON APPOINTMENTS**

The Committee on Appointments was established pursuant to Kericho County Assembly Standing Order 198. Standing Order 198 provides that *the Committee on Appointments shall consider for approval by the Assembly, appointments under Article 179 (2) of the Constitution of Kenya (County Executive Committee Members).*

The committee held 18 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

Member	Designation	Ward
Hon. Dr. Patrick C. Mutai	Chairperson	Speaker
Hon. Philip Rono	Vice Chairperson	Kamasian
Hon. Cheruiyot Bett	Member	Ainamoi
Hon. Terer Francis	Member	Cheboin
Hon. Rogony Kiprotich	Member	Sigowet
Hon. Julis Siele	Member	Waldai
Hon. David Maritim	Member	Chepseon
Hon. Anthony Ruto	Member	Kipkelion
Hon. Bii Eric	Member	Kaplelartet

**(aa) SPEAKERS PANEL**

The Speaker's Panel is stipulated in the Kericho County Assembly Standing Order 16[1] which is a panel consisting of the Speaker and four other members of the County Assembly to be known as the First, Second, Third and Fourth Panelist who shall be entitled to exercise all the powers vested in the Chairperson of Committees of the Whole.

The committee held 66 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

Member	Designation	Ward
Hon. Dr. Patrick Mutai	Chairperson	Speaker
Hon. Cheruiyot Bett	Vice Chairperson	Ainamoi
Hon. Philip Mutai	Member	Kipchimchim
Hon. Dorah Keino	Member	Nominated

Hon. Jesca Chepngeno	Member	Nominated
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**[A ] Special Interest Group**

Comprise all nominated members of the county assembly whose functions is to advocate the interest of the various groups each member represent

The committee held 36 meetings in FY 2024/2025. The committee members during FY 2024/25 were:

Member	Designation	Ward
Hon.Edinah Tonui	Chairperson	Nominated
Hon. Winny Langat	Vicechairperson	Nominated
Hon.Matkeir Isaack	Member	Nominated
Hon.Vincent Koskei	Member	Nominated
Hon.Noella Opille	Member	Nominated
Hon.Gabriela Chepngeno	Member	Nominated
Hon.Beatrice Chepkemioi	Member	Nominated
Hon.Jesca Chepngeno	Member	Nominated
Hon.Bavina Serem	Member	Nominated
Hon.Fancy Korir	Member	Nominated
Hon.Dorah Keino	Member	Nominated
HonEvaline Chebwogen	Member	Nominated
Hon.Gladys Bett	Member	Nominated
Hon.Lily Sirma	Member	Nominated
Hon.Monica Chelangat	Member	Nominated
Hon.Irine Langat	Member	Nominated
Hon.Mercy Gikonyo	Member	Nominated

**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 Assembly held public participation on the County Integrated Development Plan (CIDP) for the FY 2023 -2027 in the 30 wards between the dates of 8<sup>th</sup> -12<sup>th</sup> May 2023. The County Assembly also held public participation on the County Budget Estimates for the FY 2023/2024 on 5<sup>th</sup> June 2023 in all the sub counties. Public Participation and stakeholder engagement is important as in ensures the public and stakeholder’s expectations are aligned to the County Service delivery charter.

### **Risk management**

The County Assembly Service Board in this financial year approved the Risk Management policy which sets out the risk management framework for all the activities within the County Assembly Service Board.

### **Compliance**

The County Assembly operations are guided by the following laws:

1. Constitution of Kenya;
2. County Government Act 2012;
3. County Assembly Services Act,2017;
4. Public Procurement and Disposal Act 2015;
5. County Assemblies Powers and Privileges Act,2017;
6. Petition to County Assembly (Procedures) Act,2020;
7. Public Appointments (County Assembly Approvals ) Act; and
8. County Assembly Internal Policies- Career progression guide, Transport Policy, Human Resource Manual, Training Policy, Airtime Policy, Internship policy and code of conduct for public and state officers.

The County Assembly is in compliance with the said laws.

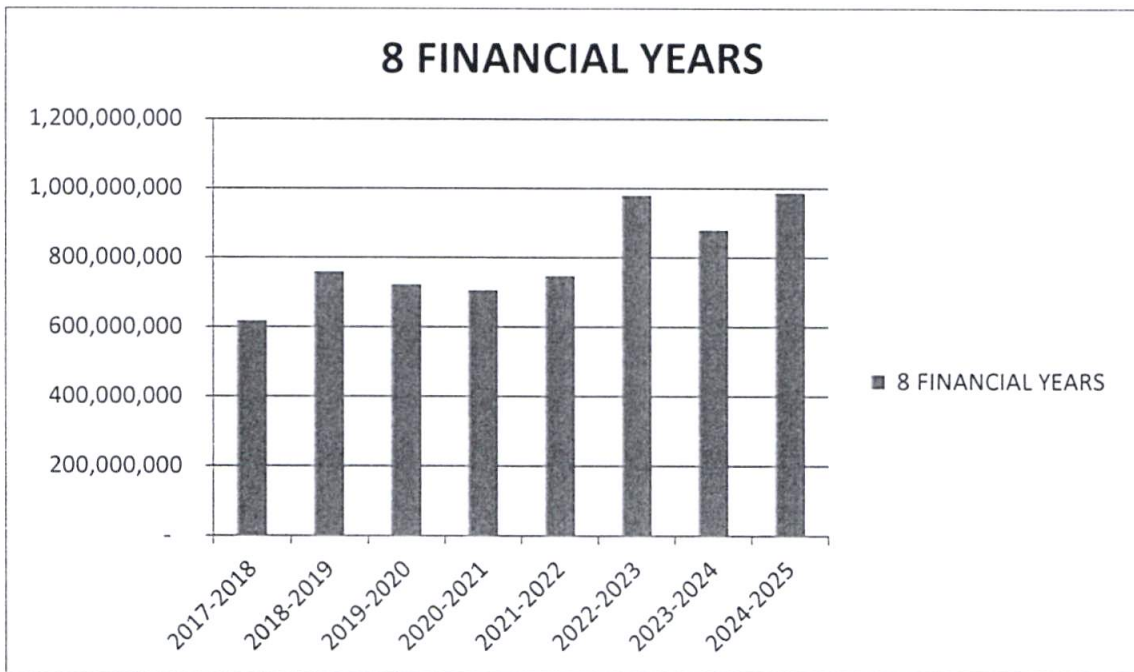
4. Foreword By the Clerk of The Assembly

a. Budget performance

This is the County Assembly of Kericho financial statements and reports for the 2024-2025 financial period ending 30<sup>th</sup> June 2025. This report was prepared and presented as required by Section 168 of the Public Financial Management (PFM) Act 2012. The report expounds on the revenues received from national equitable share alongside the expenditure incurred by the County Assembly in service provision during the financial year.

During the FY 2024-2025, the County Assembly received its amount of Ksh. 933,153,761 against the budget of Ksh 987,067,517 The Assembly spent the money based on the budget vote heads and it lived within its budget vote heads. There were no major deviations from the vote heads and there were no pending bills. However there are on going development works amounting to Kshs 13,266,890.

**BUDGET LINES FOR THE 8 FINANCIAL YEARS**

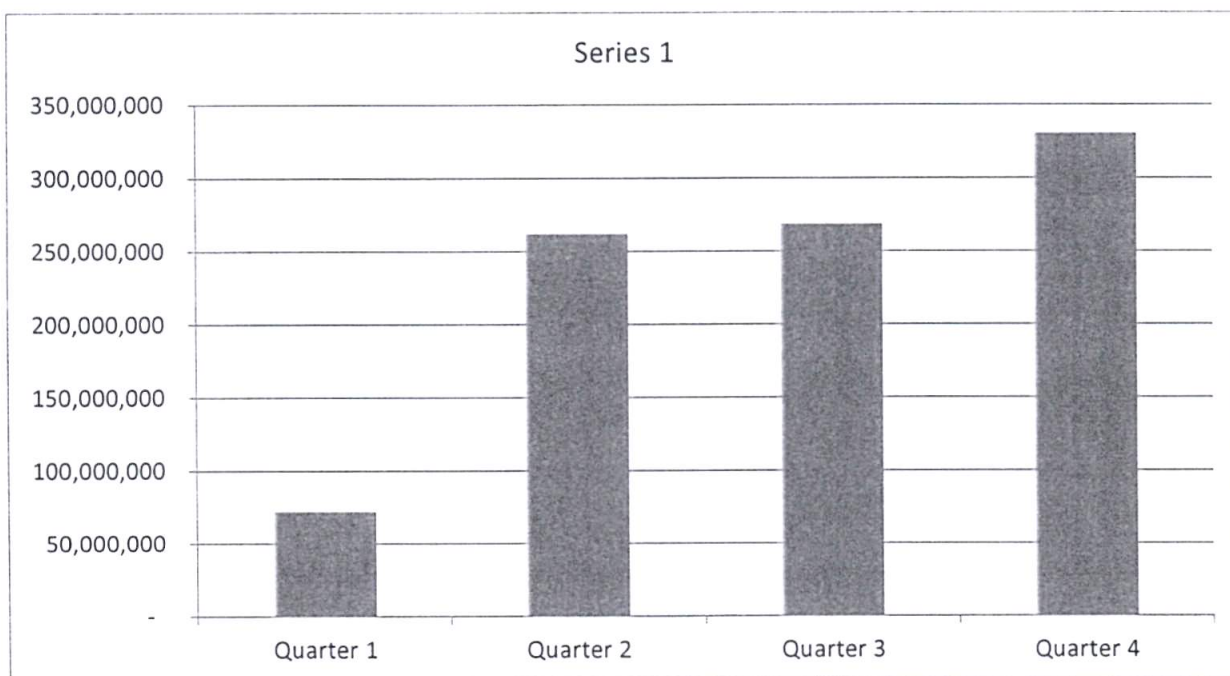


The County Assembly budget increased between the first three (3) financial years, drop slightly in the financial year 2017/2018, and increased in the financial year 2018/2019 because of development aspect. In the financial year 2019/2020, it decreased slightly due to decrease in the

development aspect allocation as shown by the line graph above. In the financial year 2020-2021 it also decreased slightly to amount of Ksh. 689,331,476 due to decrease in the development aspect. In the Financial year 2021-2022 it increased due to the Development aspect. In the financial year 2022-2023 had the largest budget of Ksh.979, 487,827 because of the aspect of car reimbursement for the members of the County Assembly. In the financial year 2023-2024, County Assembly had an amount of Ksh.880, 123,744 available for spending. Ksh.820,153,741.

The County Assembly received Kshs 933,153,761 available for spending against the budget of Kshs 987,067,517 was received in the four quarters of the financial year as shown below.

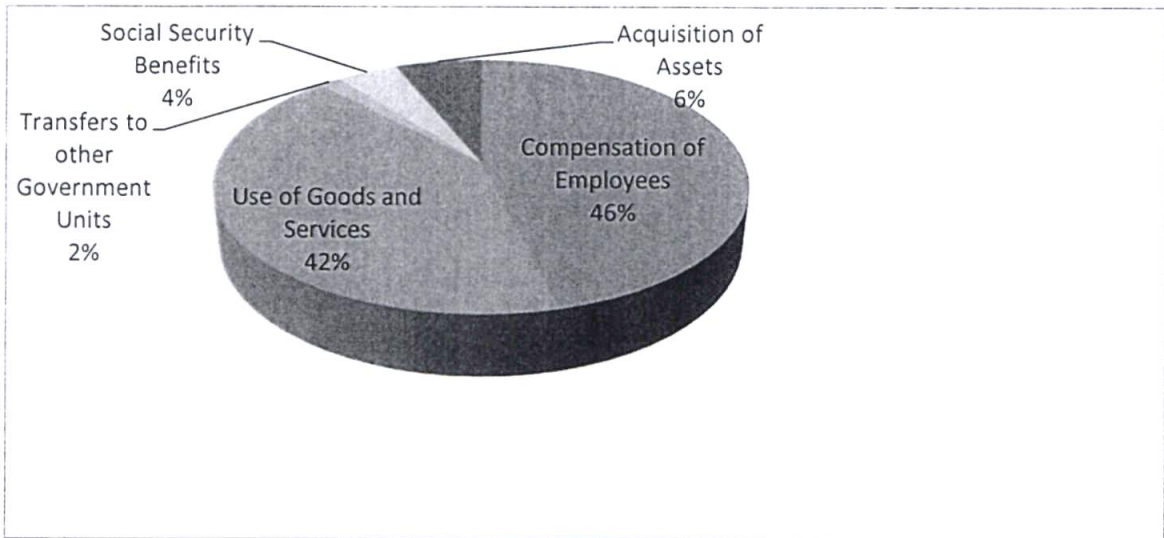
**TOTAL RECEIPTS FOR THE FINANCIAL YEAR 2024-2025**



From the bar graph above, much of the funds were received in the fourth quarter.

The County Assembly had cumulative expenditure of Ksh.933,153,761 that translates to approximately 94.54% of total funds available for spending in 2024-2025 financial year.

**TOTAL EXPENDITURE FOR THE FINANCIAL YEAR 2024-2025**



As per the pie chart, 42% of the expenditure was for use of goods and services, and 46% for compensation of employees. Transfer to other government entities got an allocation of 2% of the total expenditure and Acquisition of assets at 6% respectively. Social security Benefits was at 4%.

**(i) Operational Performance**

(a) Laws passed by County Assembly

NO	POLICY/LAW TITLE	COMMENTS
1	County Fiscal Strategy Paper, 2025	It highlights budget ceilings for each department.
2	Annual Development Plan for the FY 2024/2025	This plan outlines developmental programmes that will be carried out by each department for the said financial year
3	Debt Management Strategy Paper, 2025	This paper outlines the County debt and strategy put in place to settle the debts.
4	Budget Estimates for the FY 2024/2025	It highlights the priority programmes and estimates for each programme.
5	The Kericho County Supplementary	To authorize the issue of certain sums of money

	Appropriation Act, 2025.	out of the County Revenue Fund and their application towards the service of the year ending on the 30 <sup>th</sup> June, 2025 and to appropriate those sums for certain public services and purposes.
6.	Kericho County Finance Bill,2025	This bill provides for charges on various fees and permits to be collected by the county
7.	Kericho County Supplementary Budget Estimates 2024/2025	This outlines the budget estimates for the year ending 30 <sup>th</sup> June, 2025.
8.	The Kericho County Supplementary Appropriation (No.2) Act, 2025	To authorize the issue of certain sums of money out of the County Revenue Fund and their Application towards the service of the year ending on the 30 <sup>th</sup> June, 2025 and to appropriate those sums for certain public services and purposes.

**(a) Dates When Budget was passed**

NO	Budget	Dates
1	Budget Estimates FY 2024-2025	30 <sup>th</sup> June, 2025
2	Supplementary Budget 1 FY 2024-2025	12 <sup>th</sup> March, 2025

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

Since the beginning of Assembly in April 2013 to date, it has the following development projects;

1. Improvement and furnishing of the County Assembly Chamber
2. Construction of perimeter wall around the County Assembly
3. Refurbishment of the County Assembly building
4. Purchase of Speaker's residence land
5. Lighting on the perimeter wall
6. Installation of the cabros on the County Assembly Car Park
7. Electrification of the County Assembly Perimeter wall

8. Extension of the County Assembly perimeter wall
9. Refurbishment of the County Assembly buildings.
10. The Proposed ladies Washrooms were completed.
11. Acquisition of Speaker's official car.
12. Construction of a modern office complex and Chambers

In this financial year 2024-2025, the following were the major projects that were done;

- a) The proposed speaker's residence which is almost to be completed.
- b) Construction of Speakers Residence perimeter wall and landscaping which is almost to be completed.
- c) Construction of modern office complex and chambers which is ongoing
- d) Construction of extension offices within the County Assembly

This has improved the effectiveness and efficiency of the assembly operations.

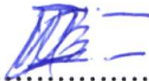
**a) Comment on value-for-money achievements**

The County Assembly of Kericho has continuously strived to achieve value for money. It was able to live within its budget vote heads without major deviations.

**(iii) Challenges and Recommended Way Forward**

The following key challenges were noted in the financial year and the same affected performance;

- a) Late release of funds from the Exchequer
- b) The continuous update on IFMIS thus training need.
- c) Lengthy consultations on the budget process that had tight timelines to cater for all sectors and departments
- d) Reallocation of funds that led to supplementary budgets hence no accurately utilisation of vote.



Name: Martin Epus

Clerk of the County Assembly



**5. Statement Of Performance Against County Assembly Predetermined Objectives**

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

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

<b>Program 1</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	Number of bills passed in the County Assembly	In FY 2024/2025, MCA were trained on bills analysis and oversight role on financial matters
	Improve on review of legislation	Amendments of bills	Amended Bills	In the FY 2024/2025 the County Assembly made several proposals for review of legislations passed in the second assembly
	Legislation of bills	Proposed legislation	Report on republication scrutiny of legislation	In the FY 2024/2025 the assembly came up with proposed legislation which are to be published and enacted in the next financial year
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	% increase in efficient Assembly operation	Kericho County Assembly standing orders were reviewed and resulted to

				approved standing orders
<b>Program 2</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Capacity development for staff	Enhanced professional development of Staffs – Provide ongoing professional development for Staffs	Increased ability of staffs to perform duties as expected	Performance Appraisal forms reviewed	All the staffs of the departments in various cadres were appraised and formed a basis for promotions

## **6. Corporate Social Responsibility Statement/Sustainability Reporting**

Kericho 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 five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

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

The top management especially the accounting officer has always endeavoured to ensure prudent use of meagre resources allocated to the County Assembly annually basing on the International Public Sector Accounting Standards.

### **b) Environmental performance**

The environmental policy adhered to by the County assembly is the broader county policy on environmental management. For instance, the County keeps litter in bins provided and ensures trees and flowers are tendered. The Assembly also sensitizes its members to keep the environment clean and safe.

### **c) Employee welfare**

The County assembly has approved schemes of service and career progression manual. Further, the County assembly has an internship policy actioned in the FY 2022/2023. Staffs both of the lower and upper cadre have been promoted competitively and most staff have benefitted from the car loan and mortgages scheme. A policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA) is in the process of being developed.

### **d) Market place practices-**

#### **i. Responsible competition practice.**

The County Assembly through oversight and representation ensures that members through committees put the executive to check. Further, the county assembly members by way of competing to serve their constituents learn from each and while respecting boundary delimitation where they are elected.

#### **ii. Responsible Supply chain and supplier relations**

The County Assembly advertises for tenders in each Financial Year as following the laid down procedures in the public procurement and assets disposal Act, 2015 and awards tenders based on fair completion and upon supplies and works, payments are processed following public finance management prudence.

**iii. Responsible marketing and advertisement**

The County assembly always keeps the public informed through its active face book wall and its website. Some of the posts especially in the social media aimed giving facts over misinterpretations and incorrect political statements. The County assembly advertises its activities through newspaper in wider circulation and at times through local radio station

**iv. Product stewardship**

The County Assembly through public participation have always educated the public on the role of the County Assembly. Through such forums, the county assembly safeguards its products such as bills and motions approved for the benefit of the County residents.

**e) Community Engagements-**

The County Assembly has participated in the Corporate social responsibility through the following activities:-

- i. Organizing footballs and volleyball tournaments through County Assembly members including purchase of sports gear through member of county assembly initiatives’.
- ii. Visiting children’s homes during the national holidays by both staff and Honourable members.
- iii. Assisting the Disability by supporting when they are having functions within the County.

## **7. Statement of Management Responsibilities**

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2025. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud
- (iv) Safeguarding the assets of the County Assembly
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2025, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County

Assembly's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on \_\_\_\_\_ 2025.





.....  
**Name: Martin Epus**  
**Clerk of the County Assembly**

# REPUBLIC OF KENYA

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NAIROBI

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

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying transitional financial statements of County Assembly of Kericho set out on pages 1 to 51, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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

amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of County Assembly of Kericho 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 IPAS 33) and comply with the Health Act, 2017 and 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. Unsupported Social Benefit Amount**

The statement of financial performance and Note 15 to the financial statements reflects social benefits amount of Kshs.42,244,078. However, the supporting schedules provided amounted to Kshs.29,180,817 resulting into a variance of Kshs.13,063,261 which has not been reconciled or explained.

In the circumstances, the accuracy and completeness of the social security benefits amount of Kshs.42,244,078 could not be confirmed.

#### **2. Payment of Retention before Project Completion**

The statement of financial position and Note 33 to the financial statements reflects refundable deposits and prepayments balance of Kshs.1,270,000. However, re-computation of retention amount for the contracts revealed total retention of Kshs.6,315,705, being 10% retention for the contracts amount paid of Kshs.63,157,049. The retention balance is understated by Kshs.5,045,705 and the amount was irregularly refunded.

In the circumstances, refundable deposits and prepayments balance is misstated.

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

## Key Audit Matters

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

## Other Matter

### Unresolved Prior Year Matters

In the audit report of the previous year, six (6) issues were raised under the Emphasis of Matter, Other Matters and Lawfulness and Effectiveness in Use of Public Resources. Management has only included four issues and indicated two issues were resolved. However, no evidence was provided to confirm how the resolved audit matter was addressed and failure to address the three (3) issues. This was contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which requires the Accounting Officers designated to try to resolve any issues resulting from an audit that remain outstanding. The issues are summarized below.

Number	Financial Year	Issue
1	2023/2024	Budgetary Control and Performance
2	2023/2024	Unresolved Prior year Matters
3	2023/2024	Non-Compliance with Law on Ethnic Diversity
4	2023/2024	Failure to Procure Using E-Procurement
5	2023/2024	Irregular Procurement of Legal Services
6	2023/2024	Stalled Construction of the Speaker's Residence

## Other Information

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

In connection with my audit on the 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 and 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 effects of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Non-Compliance with Fiscal Responsibility Principle**

The statement of financial performance and Note 6 to the financial statements reflect transfers to the County Assembly from the County Revenue Fund of Kshs.933,153,761 or 11% of the total revenue of Kshs.8,540,380,655 collected by the County Government. The expenditure exceeds twice the personnel emoluments of Kshs.839,287,354 and 7% of total revenue of Kshs.8,540,380,655, which is Kshs.597,826,645. This was contrary to Regulation 25(1)(f) of the Public Finance Management (County Governments) Regulations, 2015, which stipulates that the approved expenditure of a County Assembly shall not exceed seven percent of the total county revenue or twice the personnel emoluments, whichever is lower.

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

#### **2. Non-compliance with a Third Rule on the Basic Salary**

Review of payroll records for the month of June, 2025 revealed that sixty-six (66) Assembly employees earned below a third of their basic salaries which is contrary to section 19(3) of the employment Act 2007, which prohibit employees to commit their salaries in excess of two thirds basic salaries.

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

#### **3. Failure to Observe Ethnicity Diversity in Staff Composition**

Review of the payroll records for the month of June, 2025 revealed that two hundred and twelve (212) or ninety-four 94% of the two hundred and twenty-six (226) employees in the County Assembly were from the local dominant ethnic community. This was contrary to Section 65(1) of County Government Act, 2012 which states that in selecting candidates for appointment, the County Public Service Board shall consider—(e) the need to ensure

that at least thirty percent of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the county.

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

#### **4. Failure to Use Prescribed Salary Payment Systems**

Review of the payroll records revealed that Management processed and paid salaries outside the Integrated Personnel and Payroll Data (IPPD) and Unified Human Resource (UHR) Payroll Systems. The salaries were calculated using Microsoft Excel contrary to the requirements of Clause 6.3 of the County Financial Accounting and Reporting Manual which states that "the salaries, allowances and/or arrears of county government staff are processed on the Integrated Personnel and Payroll Database at every month end.

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

#### **5. Failure to Make Reservation for Persons with Disability**

Review of the payroll and personnel records revealed that the Assembly had 286 employees both permanent and contractual out of which only three (3) were people with disability. This was contrary to Persons with Disability Act, 2023 which provides that the County shall endeavor to secure the reservation of five per cent of all employees including permanent, casual, emergency and contractual positions in employment in the public and private sectors for persons with disabilities.

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

#### **6. Splitting and Duplication of Contracts**

The Assembly entered into a contract with a merchant for the construction of the Speaker's residence at contract sum of Kshs.34,595,580. The Project commencement date was 2 August, 2019 and completion date of 28 January, 2020. Review of the contract documents revealed that additional works valued at Kshs.44,059,832 or 127.3% of the contract price, were added thereby occasioning the contract cost to escalate from the original cost of Kshs.34,595,580 to Kshs.78,655,412 without prior approval or tendering of the additional work.

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

#### **7. Irregular Payment for Terminated Contract**

The Assembly awarded a contract for the construction of County Assembly of Kericho Chambers and Office Block on 16 February, 2024 to a Merchant at a contract sum of Kshs.498,908,309. The contract period was one hundred and fifty-six (156) weeks, commencing 11 March, 2024 and ending on 8 March, 2027. However, four (4) months after officially taking over the site, the contractor had undertaken minimal activities on the ground and consequently was issued with a first warning letter on 3 July, 2024 for minimal performance, failure to submit to the Project Manager a revised works program and lack of any contractual reason for failure to execute the works.

Following the site meeting held on 6 January, 2025 between the Contractor, County Assembly Service Board and Project Implementation Committee, a mutual agreement was reached to terminate the contract due to minimal works done for a period of more than one year.

The contract was eventually terminated and Kshs.15,861,468.80, being interim Payment, Certificate No.1 was paid as per the statements and measurements thereof. The Management failed to carry out due diligence on the capacity of the contractor and the payment of Kshs.15,861,468.80 was irregular since the contractor was in breach of the contract for non-performance. The Management should have released the bond.

In the circumstances, the government did not get value for the Kshs.15,861,468.80 paid to the contractor.

### **8. Irregular Payment for Speaker's Residence**

The Assembly entered into a contract with a merchant for the construction of speaker's residence at a contract sum of Kshs.34,595,580. The contract commencement date was 2 August, 2019 and completion date was on 28 January, 2020. However, a review of the project documents for the period ended 30 June, 2025 revealed that, the project completion dates were extended four (4) times from 28 January, 2020 to 12 March, 2021, then to 30 July, 2021, then 22 December, 2022, then 23 March, 2023 and finally to 6 June, 2023.

Review of certificate of practical completion issued on 16 June, 2023 by County Chief architect and County Chief Quantity Surveyor indicated that the project was complete, fully paid as per the contract sum and ready for hand over. However, physical verification undertaken on 4 June, 2025 revealed that the construction was still in progress with internal and external finishes, plumbing, tiling, electrical works, interior fittings and painting still not done. The estimated cost of the work still not done was Kshs.17,995,540 as per the project implementation status report.

The project is 48% complete but the 9th and final certificate dated 24 May, 2024 for Kshs.5,874,320 had been issued making a total payment of Kshs.29,704,060.

In the circumstances, the value for money on the expenditure on completion of speaker's residence could not be confirmed.

### **9. Delayed Completion of Speaker's Perimeter Wall**

The County Assembly awarded a contract for the construction of a perimeter wall, parking, driveways, landscaping and septic tank to a merchant at a contract sum of Kshs.19,260,000. The contract period was for three (3) months commencing on 24 April, 2024 and ending on 4 August, 2024. The commencement date was later revised to 4 August, 2024 and completion date revised to 1 January, 2025. The contractor has been paid a total of Kshs.12,700,000 or 66% % of the contract sum, vide Interim Certificates number 1 and 2.

However, a site visit on 4 June, 2025 revealed that the contracted works were not complete and the contractor was not on site. The contract period had lapsed with no official extension of the period. The management had not claimed the performance bond as a result of the non-performance.

In the circumstances, the value for money on the expenditure of Kshs.12,700,000 for the contract could not be confirmed.

#### **10.Failure to Comply with Note 2 to the Financial Statements**

The entity has used transitional IPSAS method but failed to disclose the same under Note 2 to the financial statements.

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

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

#### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

##### **Conclusion**

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

##### **Basis for Conclusion**

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

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

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL


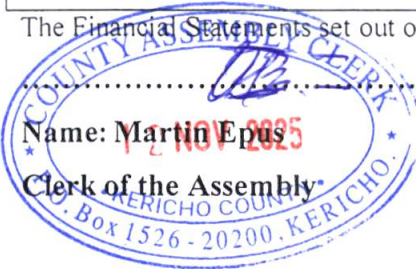
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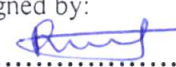

24 November, 2025

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

	Notes	2024/2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from CRF	6	933,153,761
Miscellaneous Revenue	7	-
<b>Total</b>		<b>933,153,761</b>
<b>Revenue from exchange transactions</b>		
Other income	8	-
<b>Total revenue</b>		<b>933,153,761</b>
<b>Expenses</b>		
Employee costs	9	441,932,778
Use of goods and services	10	399,810,336
Transfers to other Government Entities	11	15,261,268
Depreciation and amortization expense	12	-
Other Grants and Subsidies	13	-
Acquisition of assets	14	59,689,005
Social Benefits	15	42,244,078
<b>Total expenses</b>		<b>958,937,465</b>
Gain/(loss) on sale of assets	16	-
Gain/Loss on Foreign Exchange	17	-
Gain/Loss on fair value of investments	18	-
Impairment loss	19	-
<b>Surplus/Deficit for the year</b>		<b>(25,783,704)</b>
Taxation	20	-
<b>Net Surplus/Deficit</b>		<b>(25,783,704)</b>

The Financial Statements set out on pages 1 to 7 were signed by:

  
 Name: **Martin Epus**  
 Clerk of the Assembly  


  
 Name: **Rose Chelangat**  
 Deputy Director Finance– County Assembly  
 ICPAK Member Number: **21194**  


## 10. Statement of Financial Position as at 30 June 2025

	Notes	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	21	1,293,788	1,133,327
Receivables from Exchange Transactions	22	5,176,900	8,695,291
Receivables from Non-Exchange Transactions	23	-	
Inventories	24	-	
Current portion of investments	25	-	
<b>Total Current Assets</b>		<b>6,470,688</b>	<b>9,828,618</b>
<b>Non-Current Assets</b>			
Receivables from Exchange Transactions	22(b)	-	-
Non- Current portion of investments	25	-	-
Property, Plant and Equipment	26	-	-
Intangible Assets	27	-	-
Investment Property	28	-	-
Right-of-use assets	29	-	-
Biological Assets	30	-	-
Tangible Natural Resources	31	-	-
<b>Total Non- Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets (A)</b>		<b>6,470,688</b>	<b>9,828,618</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	32	38,206,912	15,917,811
Refundable Deposits and Prepayments	33	1,270,000	1,133,327
Current Provision	34		-
Lease Liabilities	35		-
Deferred Income	36		-
Employee Benefit Obligation	37		-
Current Portion of Borrowings	38		-
<b>Total Current Liabilities</b>		<b>39,476,912</b>	<b>17,051,138</b>
<b>Non-Current Liabilities</b>			

	Notes	2024/2025	Opening Statement 1 <sup>st</sup> 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		-
<b>Total Non- Current Liabilities</b>		-	-
<b>Total Liabilities (B)</b>		<b>39,476,912</b>	<b>17,051,138</b>
<b>Net Assets(A-B)</b>		<b>(33,006,224)</b>	<b>(7,222,520)</b>
<b>Represented By:</b>			
Reserves			-
Accumulated Surplus		(33,006,224)	(7,222,520)
Capital Fund			
<b>Net Assets</b>		<b>(33,006,224)</b>	<b>(7,222,520)</b>

The financial statements set out on pages 1 to 7 were signed by:




Name: Martin Epus

Name: Rose Chelangat

Clerk of the Assembly

Deputy Director Finance– County Assembly

ICPAK Member Number: 21194



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

	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30 <sup>th</sup> June 2024 (cash basis)	-			-
Adjustments:	(7,222,520)			(7,222,520)
Recognition of assets	-			-
Recognition of liabilities	-			-
As at July 1, 2024	(7,222,520)	-	-	(7,222,520)
Return to CRF	-			-
Surplus/ deficit for the year	(25,783,704)			(25,783,704)
Other changes (specify)	-	-	-	-
As at June 30, 2025	(33,006,224)	-	-	(33,006,224)

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

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

		2024/2025
	Notes	Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from CRF		933,153,761
Miscellaneous Revenue		-
Other income		1,270,000
<b>Total receipts</b>		<b>934,423,761</b>
<b>Payments</b>		
Employee costs		417,258,613
Use of goods and services		399,810,336
Transfers to other Government Entities		15,261,268
Other Grants and Subsidies		-
Acquisition of assets		59,689,005
Social Benefits		42,244,078
<b>Total payments</b>		<b>934,263,300</b>
<b>Net cash flows from/(used in) operating activities</b>	40	<b>160,461</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE		-
Purchase Intangible assets		-
Proceeds from sale of PPE		-
Proceeds from sale of Biological Assets		--
Purchase of investments		-
Sale of investments		-
<b>Net cash flows from/(used in) investing activities</b>		<b>-</b>
<b>Cash flows from financing activities</b>		
Returns to CRF		-
Proceeds from borrowings		-
Repayment of borrowings		-
<b>Net cash flows from financing Activities</b>		<b>-</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>160,461</b>
Cash and cash equivalents at 1 July	21	1,133,327
<b>Cash and cash equivalents at 30 June</b>	21	<b>1,293,788</b>

## 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	
<b>Budget carry overs (Special Purpose A/c)</b>						
<b>Receipts</b>						
Transfers from the CRF	934,746,795	52,320,722	987,067,517	933,153,761	53,913,756	94.5
Other receipts	-	-	-	-	-	-
<b>Total Receipts</b>	<b>934,746,795</b>	<b>52,320,722</b>	<b>987,067,517</b>	<b>933,153,761</b>	<b>53,913,756</b>	<b>94.5</b>
<b>Payments</b>						
Compensation of employees	376,420,845	39,758,402	416,179,247	441,932,778	(25,753,531)	106.2
Use of goods and services	396,449,710	(7,750,000)	388,699,710	399,810,336	(11,110,626)	102.9
Subsidies	-	-	-	-	-	-
Transfers to other government units	15,261,268	-	15,261,268	15,261,268	-	100.0
Other grants and transfers	-	-	-	-	-	-
Social security benefits	36,444,078	5,800,000	42,244,078	42,244,078	-	100.0
Acquisition of assets	110,170,894	14,512,320	124,683,214	59,689,005	64,994,209	47.9
Finance costs, including loan interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
<b>Total</b>	<b>934,746,795</b>	<b>52,320,722</b>	<b>987,067,517</b>	<b>958,937,465</b>	<b>28,130,052</b>	<b>97.2</b>
<b>Surplus</b>				<b>(25,783,704)</b>		

*County Assembly of Kericho*  
**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	(25,783,704)
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Actual in the statement of Cash flows	(25,783,704)

**14. Notes to the Financial Statements**

**1. General Information**

County Assembly of Kericho 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 oversight, legislation 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).

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

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

**Purpose and nature of financial instruments**

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

**Climate change obligations**

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO<sub>2</sub>eq. Entities commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

**Physical assets**

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

## Notes to the Financial Statements (Continued)

## 3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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

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

Standard	Effective date and impact:
	mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

*iii) Early adoption of standards*

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

- ii) **Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2024/2025 was approved by the County Assembly on 30<sup>th</sup> June, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of Kshs 52,320,722 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 xxx 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 the 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

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

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)**

### **i. Financial assets**

#### **Classification of financial assets**

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

#### **Subsequent measurement**

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

#### **Amortized cost**

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

**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

**Fair value through surplus or deficit**

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

**Impairment**

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

**ii. Financial liabilities**

**Classification**

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

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

**j) Inventories**

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

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

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

**k) Provisions**

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

**l) Contingent liabilities**

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

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

**m) Contingent assets**

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

**n) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. During the year under review, the entity did not maintain any reserves.

**o) Changes in accounting policies and estimates**

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

**p) Employee benefits**

**Retirement benefit plans**

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

**q) Foreign currency transactions**

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

from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

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

**r) Borrowing costs**

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

**s) Related parties**

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

**t) Service concession arrangements.**

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

**u) Cash and cash equivalents**

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

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

**v) Comparative figures**

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

**w) Subsequent events**

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

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

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in the notes. 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.

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

Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Total transfers 2024-2025
	Kshs	Kshs	Kshs
Recurrent	880,239,028	-	880,239,028
Development	52,914,733	-	52,914,733
Special purpose transfers	-	-	-
<b>Total</b>	<b>933,153,761</b>	<b>-</b>	<b>933,153,761</b>

7. Miscellaneous Revenue

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

8. Other Incomes

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

(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	221,206,654
Basic wages of temporary employees	46,994,315
Personal allowances – part of salary	143,143,049
Pension and other social security contributions	-
Employer contributions to compulsory national social security schemes	-
Employer contributions to compulsory national health insurance schemes	-
Employer contribution to compulsory housing scheme	-
Other social benefit schemes	30,588,760
Other personnel costs	-
<b>Total Employee costs</b>	<b>441,932,778</b>

## 10. Use of Goods and Services

Description	2024/2025
	Kshs
Utilities, supplies and services	950,000
Communication, supplies and services	1,450,000
Domestic travel and subsistence	212,332,568
Foreign travel and subsistence	35,292,990
Printing, advertising, and information supplies & services	2,389,192
Rentals of produced assets	3,708,000
Training expenses	19,544,758
Hospitality supplies and services	35,098,431
Insurance costs	43,514,178
Specialized materials and services	7,340,930
Office and general supplies and services	817,464
Other Operating expenses	25,696,069
Routine maintenance – vehicles and other transport equipment	6,021,756
Routine maintenance – other assets	154,000
Fuel Oil and Lubricants	5,500,000
<b>Total</b>	<b>399,810,336</b>

11. Transfers to Other Government Entities

Description	2024/2025
	Kshs
Transfers to other County Government entities( car loan and mortgage scheme)	15,261,268
Transfers to self-reporting projects	-
Transfers to car loan and mortgage schemes	-
Others	-
<b>Total</b>	<b>15,261,268</b>

12. Depreciation and Amortization Expense

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

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	-
<b>Total Grants and Subsidies</b>	<b>-</b>

14. Acquisition of Assets

Description	2024/2025
	Kshs
<b>Non-Financial Assets</b>	
Refurbishment of Buildings-Speakers Office and Chambers	100,000
Purchase of Office Furniture and General Equipment	6,698,060
Construction of Modern Assembly Office Complex and chamber	20,095,149
Construction of Perimeter wall, landscaping – Speaker’s Residence	32,795,796
<b>Total Acquisition of Assets</b>	<b>59,689,005</b>
<b>Non-Financial Assets</b>	

## 15. Social Security Benefits

Description	2024/2025
	Kshs
Government Pensions	42,244,078
Transfer to Orphans	-
Transfers to the Physically challenged	-
<b>Total of Social Security Benefits</b>	<b>42,244,078</b>

## 16. Gain/Loss on Sale of Assets

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

## 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	-
<b>Total</b>	<b>-</b>

## 18. Gain/Loss on Fair Value Investments

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

## 19. Impairment Loss

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

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

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	-
<b>Income tax expense reported in the statement of financial performance</b>	<b>-</b>

21. Cash and Cash Equivalents

Description	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Recurrent Account		
Development Account	23,788	-
Deposits Account	1,270,000	1,133,327
Special Purpose Accounts		
Other operating commercial accounts ( <i>Specify</i> )		
<b>Total</b>	<b>1,293,788</b>	<b>1,133,327</b>

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

Financial Institution	Account number	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
Recurrent Accounts			
CBK00001	1000239662	0	0
Development Accounts			
CBK00002	1000389761	23,788	0
Deposits Accounts			
CBK00003	1000739592	1,270,000	1,133,327
Special Purpose Accounts			
CBK00004	-		
CBK00005	-		
Kericho County Assembly- Imprest account	1143992032	-	
Kericho County Assembly – Salary clearance account	1173251316	-	
Cash on Hand		-	
<b>Total</b>		<b>1,293,788</b>	<b>1,133,327</b>

Notes to the Financial Statements (Continued)

22. Receivables from Exchange Transactions

Description	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Total receivables	5,176,900	8,695,291
Other exchange debtors ( <i>Specify</i> )	-	-
Less: impairment allowance	-	-
<b>Total receivables</b>	<b>5,176,900</b>	<b>8,695,291</b>
a) Current receivables	5,176,900	8,695,291
b) Non-current receivables		
<b>Total Receivables (a+b)</b>	<b>5,176,900</b>	<b>8,695,291</b>

i) Ageing analysis for Receivables

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs	% of the total	Kshs	% of the total
	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	5,176,900	100.0	8,695,291	100.0
Between 1- 2 years		-		-
Between 2-3 years		-		-
Over 3 years		-		-
<b>Total (a+b)</b>	<b>5,176,900</b>	<b>100.0</b>	<b>8,695,291</b>	<b>100.0</b>

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance	2024/2025
	Kshs
At the beginning of the year	8,695,291
Additional allowance during the year	1,840,000
Recovered during the year	(5,358,391)
Written off during the year	-
At the end of the year	5,176,900

Notes to the Financial Statements (Continued)

23. Receivables from Non-Exchange Transactions

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

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

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

24. Inventories

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

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

d) Movement of Equity Investments

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

Notes to the Financial Statements (Continued)

e) Shareholding in other entities

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

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

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
<b>Depreciation Rate</b>		2-10%	10-16.67%	2-20%	12.5%	33.3%	x%			
<b>Cost</b>	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Opening Bal as 1<sup>st</sup> July 2023</b>	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-	-
<b>As At /Jun 2024</b>	-	-	-	-	-	-	-	-	-	-
<b>Depreciation And Impairment</b>	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-	-
<b>As At Jun 2024</b>	-	-	-	-	-	-	-	-	-	-
<b>Net Book Values</b>	-	-	-	-	-	-	-	-	-	-
<b>Opening Bal as at 1<sup>st</sup> July 2024</b>	-	-	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June, 2025</b>										

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

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	-

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
<b>Cost</b>				
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As at June 2025	-	-	-	-
<b>Accumulated Depreciation</b>				
As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
As at June 2025	-	-	-	-
<b>Carrying Amount</b>				
As at June 2025	-	-	-	-

30. Biological Assets

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

31. Tangible Natural Resources

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

1  
Notes to the Financial Statements (Continued)

32. Trade and Other Payables

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Trade payables	38,206,912		15,917,811	
Payments received in advance	-		-	
Employee payables	-		-	
Third-party payments	-		-	
Other payables	-		-	
<b>Total trade and other payables</b>	<b>38,206,912</b>		<b>15,917,811</b>	
<b>Ageing analysis: (Trade and other payables)</b>	Current FY	%	Opening balance	% of the Total
Under one year	38,206,912	100	15,917,811	100
1-2 years		-		-
2-3 years		-		-
Over 3 years		-		-
<b>Total (tie to above total)</b>	<b>38,206,912</b>	<b>100</b>	<b>15,917,811</b>	<b>100</b>

33. Refundable Deposits and Prepayments

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Customer deposits	1,270,000		1,133,327	
Prepayments	-		-	
Other deposits	-		-	
<b>Total deposits</b>	<b>1,270,000</b>		<b>1,133,327</b>	
<b>Ageing analysis: (Refundable deposits)</b>	2024/2025	% of the Total	Opening Balance	% of the Total
Under one year	1,270,000	100.0	1,133,327	100.0
1-2 years		-		-
2-3 years		-		-
Over 3 years		-		-
<b>Total</b>	<b>1,270,000</b>		<b>1,133,327</b>	

## 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	-	-	-	-
<b>Total provisions year end</b>	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

## 35. Lease Liabilities

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

## 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	-
<b>Total</b>	-

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

Notes to the Financial Statements (Continued)

36. Deferred Income

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

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	-
<b>Total</b>	-

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 <sup>st</sup> July 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
<b>Total Employee Benefits Obligation</b>	-	-	-	-	-

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

Recognition of Retirement Benefit Asset/ Liability

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

Description	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	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	-	-
Adjustments for restrictions on the defined benefit asset	-	-
<b>Re-measurement of the net defined benefit liability (asset)</b>	-	-

b) Amounts recognized in the Statement of Financial Position

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

The County Assembly also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The County Assembly obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 360 per employee per month for Permanent and Pensionable and Kshs 1080 for contract staff and Members of the County Assembly. Other than NSSF the Entity also has a defined contribution scheme operated by Lap Fund and Lap trust Pension Fund. Employees contribute 12% while employers contribute 15% 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	2024/2025
	Kshs
<b>a) External borrowings</b>	
Balance at beginning of the year	-
External borrowings during the year	-
Repayments of during the year	-
<b>Balance at end of the year</b>	-
<b>b) Domestic borrowings</b>	-
Balance at beginning of the year	-
Domestic borrowings during the year	-
Repayments during the year	-
<b>Balance at end of the year</b>	-
	-
<b>Balance at end of the period- domestic and External borrowings c = (a+b)</b>	-

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

	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>External Borrowings</b>		
Dollar Denominated Loan	-	-
Sterling Pound Denominated Loan	-	-
Euro Denominated Loan	-	-
<b>Domestic Borrowings</b>		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
<b>Total /Balance at end of The Year</b>	-	-

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

Notes to the Financial Statements (Continued)

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

39. Service Concession Arrangements Liability

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

40. Cash Generated from Operations

	2024/2025
	Kshs
<b>Surplus for the year before tax</b>	(25,783,704)
<b>Adjusted for:</b>	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
<b>Working capital adjustments</b>	
Increase in inventory	-
Increase in receivables	3,518,391
Increase in deferred income	-
Increase in payables	22,425,774
Increase in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>160,461</b>

## 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
<b>As at 30 June 2025</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

## 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 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	Between 1-3	Over 5	Total
	month	months	months	
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2025</b>	-	-	-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-

Notes to the Financial Statements (Continued)

**Financial Risk Management**

**iii) Market risk**

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

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

**a) Foreign currency risk**

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

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

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:

FY 2024/2025

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

Financial Risk Management

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

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>2024</b>			
Euro	10%		
USD	10%		
<b>2025</b>			
Euro	10%		
USD	10%		

Notes to the Financial Statements (Continued)

b) **Interest rate risk**

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

**Management of interest rate risk**

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

**Financial Risk Management**

**Sensitivity analysis**

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

**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**

*County Assembly of Kericho*

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

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

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

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

**iv) Capital Risk Management**

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

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

## 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.

	2024/2025
	Kshs
<b>Transactions with related parties</b>	
a) Sales to related parties	-
Others (specify) e.g. interest and bank charges	-
<b>Total</b>	-
<b>B) purchases from related parties</b>	-
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)	-
<b>Total</b>	-
<b>b) Grants /transfers from the government</b>	-
Grants from national govt	-
Grants from county government	-
Donations in kind	-
<b>Total</b>	-
<b>c) Expenses incurred on behalf of related party</b>	-
Payments of salaries and wages for employees	-
Payments for goods and services for	-
<b>Total</b>	-
<b>d) Key management compensation</b>	-
Compensation to key management	-
<b>Total</b>	-

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

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

Contingent Liabilities

	2024/2025
	Kshs
<b>Contingent Liabilities</b>	
Court Case xx against the Entity	-
Bank Guarantees in Favour of Subsidiary	-
Contingent Liabilities arising from Contracts Including PPPs	-
Others	-
<b>Total</b>	-

45. Capital Commitments

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

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 PforR:		Name of Financing Partners:				
Expenditure Details*	Opening Cumulative for Previous FYs		2024-2025		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	-	-	-	-	-	-

**47. Events after the Reporting Period**

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

**48. Ultimate And Holding Entity**

The Entity ultimate parent is the Government of Kenya.

**49. Currency**

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

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

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)
1	Non-Compliance with Material Cohesion and Integration Act, 2008	Most of the employees were inherited from the defunct local Authority and future recruitments will adhere to the law on ethnic diversity.	Not resolved	Ongoing
2	Stalled Construction of Speaker's Residence	The works are ongoing and the residence will soon be completed and put to use.	Resolved	
3	Failure to Procure Using E-Procurement	The County Assembly has successfully complied with EGP.	Resolved	
4	Unresolved Prior Year Matters	Prior year issues have been resolved with only one matter whose resolution is on going.	Not Resolved	Ongoing



Martin Epus

The County Assembly Clerk

Date:



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

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Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting	Consolidated in these financial statements

**Status of Projects completion**

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

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

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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	



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

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**Appendix VI: Reporting of Climate Relevant Expenditures**

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

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

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**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 reporting expenditure (response/recovery/mitigation/preparedness)	Column V Expenditure item	Column VI Amount (Kshs.)	Column VII Comments

County Assembly of Kericho

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

Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land	59,860,000	-			59,860,000
Buildings and structures	83,836,639	52,990,945			136,827,584
Transport equipment	70,293,310	-			70,293,310
Office equipment, furniture and fittings	38,608,329	6,698,060			45,306,389
ICT Equipment	19,305,220	-			19,305,220
Machinery and Equipment	0	-			-
Biological assets	0	-			-
Infrastructure Assets- Roads, Rails	0	-			-
Heritage and cultural assets	0	-			-
Intangible assets	0	-			-
Work in Progress	0	-			-
<b>Total</b>	<b>271,903,498</b>	<b>59,689,005</b>			<b>331,592,503</b>