

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**COUNTY ASSEMBLY OF TRANS NZOIA**

**FOR THE YEAR ENDED**

**30 JUNE, 2024**

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep May Whip
COMMITTEE	
CLERK AT THE TABLE	Maalim



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## COUNTY ASSEMBLY OF TRANS NZOIA

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2024

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

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**1. Acronyms and Glossary of Terms**

*a) Acronyms*

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

*b) Glossary of Terms*

Comparative FY      Means the financial year proceeding the current financial year.

## **2. Key Entity Information and Management**

### **(a) Background information**

The County Assembly is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 25 elected and 14 nominated Members of County Assembly (MCAs) elected/nominated to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

### **(b) Key Management Team**

The *County Assembly of Trans Nzoia* day-to-day management is under the following key organs:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Speaker of the County Assembly	Hon. Andrew Mkhisa Wanyonyi
2.	Clerk of the County Assembly	Mr. Lupao Moses Wanjala
.	<b>Heads of Department</b>	
3.	Deputy Clerk	Ms Colleta Nafuna Kisika
4.	Legal Department	Mr. Katama Edward Ngeywa
5.	Finance Department	Mr. Hezron Kiplagat Kemboi
6.	Audit Department	Mr. Paul Wafula Barasa
7.	Human Resource Department	Mr. Elkanah Kipkurugat Korir
8.	Research Department	Mr. Eutin Mutaki Nakitare
9.	Committee Services Department	Mr. Abraham Mendi Walubengo
10.	ICT Department	Mr. Richard WamalwaSirengo
11.	Hansard Department	Ms Joan Ng'etich
12.	PRO/Communications Department	Mr. Samwel Simiyu Okema
13.	Sergeant At Arms Department	Ms Beatrice Chepleting Busienei
14.hh	Procurement Department	Mr. Benette Simiyu Simali

### **(c) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer- Clerk	CS/CPA Lupao Moses Wanjala
2.	Chief Finance Officer	Hezron Kiplagat Kemboi
3.	Principal Accountant	Brenda Njata Kusimba
4.	Procurement Officer	Benette Simali Simiyu

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

**(d) Fiduciary Oversight Arrangements**

*Audit committee activities*

The audit committee was constituted in 2021. Its mandate is to advise the County Assembly on institutional risk management and compliance.

**Public Accounts/Investment Committee**

The committee was formed to provide oversight on the County's finances. The committee is mandated with:

- a) examination of reports and accounts and working of the County Public Investments as well as examinations of reports, if any, of the auditor general on public investments,
- b) The examination of affairs and efficiency of public investments. Whether the public investments are being managed in accordance with sound financial or business principals and prudent commercial practice.

**Budget and Appropriations Committee**

The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The mandate of this Committee entails the following:

- (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 County Assembly
- (c) Examine the County Fiscal Strategy paper presented to the County Assembly
- (d) Examine Bills related to the national budget, including Appropriation Bills: and
- (e) Evaluate tax estimates, economics and Budgetary policies and programmes with direct budget outlays.

**(e) Entity Headquarters**

P.O. Box 4221-30200  
County Assembly Building/House/Plaza  
County Assembly Avenue/Road/Highway  
**Kitale, Kenya**

**(f) Entity Contacts**

Telephone: (054)-31380/31617  
E-mail: [transnzoiaassembly@.go.ke](mailto:transnzoiaassembly@.go.ke)  
Website: [www.transnzoiaassembly.go.ke](http://www.transnzoiaassembly.go.ke)

**(g) Entity Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**Nairobi, Kenya**
  - a) County Assembly Recurrent  
Account No. 1000240695  
**Nairobi, Kenya**
  - b) County Assembly Development  
Account No. 1000297255  
**Nairobi, Kenya**
  - c) County Assembly Deposit  
Account No. 1000402458  
**Nairobi, Kenya**
  
2. Other Commercial Banks
  - a) Family Bank-Imprest Account  
Account No. 093000034860  
**Kitale-Kenya**
  
  - b) Trans Nzoia County Assembly (Members & Staff) Car Loan and Mortgage Scheme Fund  
Family Bank  
Account No. 093000047820  
**Kitale-Kenya**

**(h) Independent Auditor**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
**Nairobi, Kenya**

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**(i) Principal Legal Adviser**

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

**(j) County Attorney**

Trans Nzoia County Attorney  
P.O Box 4211-30200  
County Head Quarter Building  
Moi Avenue  
**Kitale, Kenya**

### **3. Governance Statement**

The County Assembly is constituted by the MCAs of Trans Nzoia County Government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the County Assembly Service Board while the County Assembly Clerk is the secretary.

Section 10 (4) of the County Governments 2012 provides that a County Assembly shall observe the following order of precedence.

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

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

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

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

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

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

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

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

The County Assembly has the following Select and Sectoral committees:

- a) Committee of Powers and Privileges
- b) Audit Committee
- c) Public Accounts/Investment Committee
- d) Budget and Appropriations Committee
- e) Implementation Committee

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**a) Committee of Powers and Privileges**

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held no meetings in FY 2023-2024. The committee members during the FY 2023/2024 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Andrew Mkhisa Wanyonyi	Chairperson	Speaker
Hon. Obed Mahanga Mwale	Vice Chairperson	Matisi
Hon. Margaret Sabina Wanjala	Member	Nominated
Hon. Daniel Mosbei	Member	Kaplamai
Hon. Simon Murei	Member	Sitatunga
Hon. Geoffrey Kisiangani	Member	Machewa
Hon. Kefa Were	Member	Kapomboi
Hon. John Makhanu Chingi	Member	Sinyereri
Hon. Martin Simiyu	Member	Nabiswa
Hon. Barbra Nabalayo Kisuya	Member	Nominated

**b) Audit Committee**

The audit committee was constituted in October 2021. Its mandate is to advise the County Assembly on institutional risk management and compliance. The committee held 2 meetings in FY 2023-2024. The committee members during FY 2023-2024 were:

<b>Member</b>	<b>Designation</b>
1.CPA Dickson Ngaira Shikanga	Chairperson
2.Irene Minoo Wekesa	Member
3.Magdaline Kirui	Member
4.CS/CPA Lupao Moses Wanjala	Member
5.Paul Wafula Barasa	Secretary

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**c) Public Accounts/Investment Committee**

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. No extra sittings were held. The members who served in the committee during the year were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Simon Murei	Chairperson	Sitatunga
Hon. Kennedy Mugushu	Vice Chair	Keiyo
Hon. Kibet Ndiwa	Member	Endebess
Hon. Jacqueline Kurgat	Member	Motosiet
Hon. Ibrahim Adan	Member	Nominated
Hon. Kefa Were	Member	Kapomboi
Hon. Eric Wekhomba Wafula	Member	Hospital
Hon. Boniface Cheloti Wanyonyi	Member	Saboti
Hon. Barbra Nabalayo Kisuya	Member	Nominated

**d) Budget and Appropriations Committee**

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

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Martin Simiyu	Chairperson	Nabiswa
Hon. Lydia Mecha	Vice Chair	Nominated
Hon. Lusweti Furaha	Member	Waitaluk
Hon. Obed Mwale Mahanga	Member	Matisi
Hon. Edwin Koech	Member	Suwerwa
Hon. Daniel Mosbei	Member	Kaplamai
Hon. Andrew Sichangi Kutitila	Member	Sikhendu
Hon. Sarah Lubano Simiyu	Member	Kwanza
Hon. Francis Obingo Were	Member	Tuwan
Hon. Alfred Wafula Weswa	Member	Sirende
Hon. John Chingi Makhanu	Member	Sinyerere
Hon. Margaret Sabina Wanjala	Member	Nominated
Hon. Barbra Nabalayo Kisuya	Member	Nominated

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**e) Implementation Committee**

The implementation committee derives its mandate according to Standing Order 189

- (1) There shall be a select committee to be known as the Committee on Implementation consisting of a Chairperson and not less than six other members.
- (2) The Committee shall scrutinize the resolutions of the County 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 County Assembly has been operationalized and where operationalized, the extent to which such operationalization has taken place within the minimum time necessary.
- (3) The Committee may propose to the County Assembly, sanctions against any member of the County Executive Committee who fails to report to the relevant select Committee on implementation status without justifiable reasons.

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Abraham Kipchumba Birir	Chairperson	Chepsiro/Kiptoror
Hon. James Mwangi Gitau	Vice Chairperson	Bidii
Hon. Tabitha Gatua Waruguru	Member	Nominated
Hon. Emily Chepchirchir Rono	Member	Makutano
Hon. Ibrahim Nasir Adan	Member	Nominated
Hon. Andrew Sichangi Kutitila	Member	Sikhendu
Hon. John Makhanu Chingi	Member	Sinyereri
Hon. Martin Simiyu Jamanuru	Member	Nabiswa
Hon. Ann Anjiko Wanjala	Member	Nominated

In addition to the above committees of the County Assembly, the County Assembly has an independent Audit Committee which was constituted in October 2021 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

**Communication with all Stakeholders**

The County is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give

feedback. In this regard, the County held an Annual consultative meeting in the sub-county level where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

The County Assembly also subjected 6 bills through public participation as outlined under operational performance in the Foreword by the Clerk of the Assembly

### **Risk management**

The audit committee was constituted in October 2021 to advise the County Assembly on institutional risk management and compliance

The County Assembly has approved Regulations and codes under the Public Finance Management Act, No. 18 of 2012, Leadership and Integrity Act, No. 19 of 2012 and Public Officer Ethics Act, No. 4 of 2003.

### **Compliance**

The County Assembly has approved Regulations and codes under the Public Finance Management Act, No. 18 of 2012, Leadership and Integrity Act, No. 19 of 2012 and Public Officer Ethics Act, No. 4 of 2003.

The County Assembly has complied with its reporting obligations,

The County has complied with its oversight obligations under the various laws.

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**4. Foreward by the Clerk of the Assembly**

<b>i) Budget performance</b>	
<p>The County Assembly of Trans Nzoia had a total budget allocation of Kshs. 1,085,421,133 for the financial year 2023/2024,consisting of recurrent budget of Kshs. 759,771,133 and development budget of Ksh.325,650,000.Total Exchequer releases for the year under audit review is Kshs.1,045,710,889 constituting 96.3% of the total approved budget.</p>	
<b>ii) Operational Performance</b>	
<p>Since the year 2013 over 53 laws and 5 policies/regulations were passed by the Members of the County Assembly, 5 of which were passed during the Financial Year 2023/2024.With these legislations in place, the County Government is able to carry out the devolved functions legally and effectively in delivering services and goods to the population within and outside the County.</p>	
<b>Law/Policy</b>	<b>Effect</b>
<b>Law/Policy</b>	<b>Effect</b>
The Trans Nzoia County Appropriation Act, 2023.	Oversight on County Government spending.
The Trans Nzoia County Finance Act,2023	Oversight on County Revenue raising measures.
The Trans Nzoia County Supplementary Appropriation Act,2023	Oversight on County Government spending.
The Trans Nzoia County Supplementary appropriation Act, 2024.	Oversight on County Government spending.
The Trans Nzoia County Appropriation Act, 2024.	Oversight on County Government spending.
The Trans Nzoia County Gender Policy	Provides a framework for addressing gender based inequalities and discrimination, gender mainstreaming and programmes.
<p>The County Assembly approved the original budget estimates for the County Executive and County Assembly on 30<sup>th</sup> June 2023.We had two Supplementary budget Estimates that were approved on 21 November 2023 and 28 March 2024.</p> <p>The County Assembly Committees are categorized into Select/Standing Committees and Sectoral committees. We have 11 Sectoral committees mandated to Investigate, inquire into and report on all matters relating to the mandate, management, activities, administration, operation and estimate of each County executive department.</p> <p>-The County Assembly plays an oversight role over the County executive and this includes-Ensuring the Approved County Budgets, legislation, policies and plans are implemented by the County Executive, they discuss and analyse various County reports and recommend the way forward for adoption purposes.</p>	

**iii) Performance of key development projects**

The projects being implemented by the County Assembly include: Construction of Administration Building and Assembly Chambers, Construction of Committee Services and Wellness Center at County Assembly Centre, Construction of Carports and Cabro Paving at County Assembly Centre, Renovation and Repair Works of County Assembly Premises, Construction of Official Speaker's Residence and Construction of Ward Offices in five wards i.e. Matisi, Cherangany/Suwerwa, Kwanza, Matumbei and Waitaluk Wards.

**OUTCOMES**

- Construction of Administration Building and Assembly Chambers is ongoing at 75%.
- Construction of Committee Services and Wellness Center on-going at 58%.
- Construction of Official Speaker's Residence on-going at 65%.
- Construction of Carports and Cabro Paving at County Assembly Centre is complete and in use.
- Construction of Ward Offices: Two ward offices in Matisi Ward and Cherangany/Suwerwa Ward complete and the construction of the remaining three ward offices are on-going.

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

- Renovation and Repair works of the County assembly building has provided conducive working environment for Members of County Assembly and Members of Staff.
- Construction of Carports and Cabro Paving at County Assembly Centre has improved the working environment of honourable members and staff attending committee services.
- Servicing of stalled motor vehicle units will facilitate easy movement by MCAs and staff in the course of their duty

**v) Challenges and Recommended Way Forward**

- Delays in disbursement of funds by the National Treasury have negatively affected the timely implementation of projects and timely delivery of services.
- Heavy penalties and Interests imposed by Kenya Revenue Authority on late remittances of statutory deductions due to late disbursement of funds by National Treasury have hindered smooth operations.
- Disputes over land ownership have significantly delayed the development of ward offices in selected wards. These conflicts obstruct land allocation, stall construction and create legal challenges, hindering the timely establishment of essential administrative infrastructure. Areas affected include Hospital and Bidii Wards where the project failed to take off and Waitaluk Ward where the project had to stall for 10 weeks because of a court case. All these happened despite the

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County Assembly of Trans Nzoia conducting thorough public participation exercise.

- During the year under review, rainfall amount received was way above the anticipated levels. This greatly interfered with the projects' ultimately necessitated extension of contract periods for key projects i.e. Construction of Wellness and Committee Services Centre, Construction of Official Speakers Residence and Construction of Administration Building & Assembly Chambers.

**Disaster Management**

The objectives of the Trans Nzoia County Assembly Disaster Management policy are to:

- Establish and strengthen institutional mechanisms and capacities for Disaster Risk Management
- Reduce disaster risk and vulnerabilities by undertaking systematic identification and assessment of disaster risk and enhancing early warning system
- Enhance resilience of the county to the impacts of disaster risk and climate change, floods, fire -
- Ensure effective and coordinated disaster preparedness, response, recovery and rehabilitation that provide protection both physically and in terms of human dignity.
- Promote public, private partnerships in Disaster Preparedness and Management.

**Training Needs Assessment**

The assembly is currently using the County Assembly Human Resource policies and procedures manual, which provides among other aspects and specifically on training needs assessment that;

- Training in the County Assembly Service shall be based on Training Needs Assessment which shall be conducted every year
- County Assembly Directorates/Departments shall prepare training projections based on Training Needs Assessment
- Selection of trainees for all training programme will be based on identified needs and will emphasize on training for performance improvement that addresses individual and organizational goals
- The Training programs comprise both short- and long-term courses in specific professions that are intended to impart required knowledge, skills and attitudes to enhance staff performance
- The Human Resource Management department may design specific in-house training programs as a method of developing training interventions, which address identified training needs. In addition, training may be provided under institutional training both locally and abroad.
- In designing training programs Human Resource Manager & Departmental heads should ascertain

the availability of: -

- a. Professional qualified and experienced trainers;
- b. Training programs that are cost-effective; and
- c. An effective evaluation and feedback system to assess the impact of training on Performance.

-The County Assembly will continually develop its employees' professional knowledge and skills and encourage them to join relevant professional bodies.

-The Clerk will establish mechanisms for supporting employees where the career guidelines require them to be members of a professional body.

**Hiring and Gender Ratio.**

-The hiring of staff by the County Assembly Service Board is pegged on the number of staff ceiling as provided for by the commission on revenue allocation. Therefore, the CASB can only recruit the maximum number as provided. This number is always being reviewed annually hence informing the need for additional officers or otherwise.

-The county assembly in compliance with the provisions of the constitution under article 27(8) has its members of staff of the same gender not being less than one third.

-Most departments of the County Assembly have also the head of the department and the deputy head of departments being of the opposite gender.



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**Name: Lupao Moses Wanjala**  
**Clerk of the County Assembly**



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**5. Statement of Performance against County Assembly Predetermined Objectives**

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

**Strategic development objectives**

The key mandate of the County Assembly of Trans Nzoia is legislation, oversight, and representation. To achieve this, the Assembly's program was documented in terms of objective, key performance indicators, and output. Below is the performance of the Assembly in FY 2023-2024.

<b>Program 1</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>	<b>Remarks</b>
Legislation, oversight and representation	Bills passed into Acts of the County Assembly	Improved service delivery to citizens	<b>5 Bills and 1 policy</b> were tabled before the County Assembly out of which <b>5 Bills and 1 policy</b> were passed as Acts of the County Assembly.	In FY 2023/2024 Bills passed were 5 and 1 policy was passed as well	There was comprehensive induction of Members of the 3 <sup>rd</sup> County Assembly. The MCAs did thereafter attend several further capacity building trainings at Committee levels.
	Enhanced professional development of MCAs and other capacity building trainings at committee	Review Standing Orders was completed and published.	<b>10 % Increase</b> in efficiency of County Assembly operations.	Standing Orders were reviewed and resulted to more effective and expeditious	MCAs and Members of staff underwent more capacity trainings both internally and externally, including the Kenya School of

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	levels.			disposal of County Assembly business.	Government and Centre for Parliamentary Studies and Training, resulting in Enhanced and high morale among MCAs and employees.
<b>Program 2</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>	<b>Remarks</b>
General Administrative and support services	-Improved employee welfare -Infrastructure development	-enhanced safety, improved skills, and career progression. -- Renovation and Repairs of Assembly premises	-Promotions on merit and career progression -Good health -Conducive work environment	-Continuous employee training -Employee safety through provision of medical insurance scheme	
<b>Program 3</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>	<b>Remarks</b>
Security Services	Provision of security	Enhanced security	-Contracted Security Guards-Private guards, Administration police officers, sergeant- at-Arms	Enhanced security	- Administration police officers are well and timely facilitated in terms of their allowances

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

The County Assembly of Trans Nzoia exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering on relevant legislation, representation and oversight services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

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

The County Assembly of Trans Nzoia uses participatory and collaborative approach in order to uphold the principal of public participation, it has also embraced the use of information and communication technologies and new media, i.e. social media in order to increase outreach with the residents of Trans Nzoia. This has led to the enactment of pieces of legislation during the year. However, untimely disbursements of exchequer have negatively impacted on capacity development of MCA's and effective public participation.

### **b) Environmental performance**

The County Assembly of Trans Nzoia endeavours to go paperless in terms of notice of motions, order paper and all house communications to MCA's. To this end, MCAs were facilitated with mobile tablets.

### **c) Employee welfare**

Employees of the County Assembly are hired competitively on merit giving equal opportunities to gender, tribe and ethnicity. Continuous employee training is encouraged through sponsorship to relevant training opportunities for improved skills and promotions and career progression rewarded to the deserving officers. The County Assembly of Trans Nzoia has ensured employee safety by provision of a medical insurance scheme, clearly marked work place emergency exits, fire assembly point and a ramp for persons living with disability.

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

#### **a) Responsible Supply chain and supplier relations-**

County Assembly supply of goods and services are competitively sourced through competitive tendering, staff of the County Assembly are political, thus serves the public with political neutrality.

#### **b) Responsible ethical practices-**

Every public petition to the Assembly is treated with fair administrative justice. In conducting its oversight role every person summoned to appear before the

Assembly's oversight committee is treated with utmost respect and accorded fair hearing.

For every public engagement, the County Assembly of Trans Nzoia has ensured publication of advertisements/notices in media with the widest circulation to ensure a wider outreach.

**c) Stewardship of goods and services**

Payment for goods supplied and or services rendered are made promptly as and when goods are supplied or services rendered. The County Assembly has kept pending bills to the lowest minimum.

**e) Community Engagements**

Members of the County Assembly have annually participated in the national beyond zero campaigns marathon, aimed at eliminating child mortality and the annual County Assemblies Sports Association aimed at promoting national cohesion, and cultural diversity. In its legislative role the County Assembly has enacted the Elimu bursary regulations that has facilitated award of bursaries to needy students from across 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, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly’s financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly’s financial statements give a true and fair view of the state of the County Assembly’s transactions for the year ended June 30, 2024, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly’s funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly’s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The County Government’s financial statements were amended and signed by the Clerk of the County Assembly on **19<sup>th</sup> November, 2024.**



.....  
**Name: CS Lupao Moses Wanjala**  
**Clerk of the County Assembly**



# REPUBLIC OF KENYA



*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF TRANS NZOIA FOR THE YEAR ENDED 30 JUNE, 2024**

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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.

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

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

#### **Opinion**

I have audited the accompanying financial statements of Trans Nzoia County Assembly set out on pages 1 to 25, which comprise the statement of financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows

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

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

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

### **Basis for Opinion**

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Trans Nzoia County Assembly 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 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. I have determined that there are no key audit matters to communicate in my report.

### **Other Information**

The Management is responsible for the other information set out on page iii to xx 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, environmental and sustainability reporting, and statement of Management responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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 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 Affirmative Action on Gender Balance, Ethnic and Regional Distribution**

Review of the Integrated Personnel and Payroll Database (IPPD) and other human resource records provided for audit verification revealed that 55.2% of the County Assembly staff members were from one dominant ethnic community.

This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same community.

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

### **2. Unsupported Payment of Legal Fees**

Examination of payment vouchers revealed that during the year under review, the County Assembly paid Kshs.890,000 to a private law firm as legal fees. However, Management did not provide approval from the County Attorney or the designated principal legal advisor to the County Assembly to engage the private law firm. In addition, there was no opinion and letter of no objection for engagement of private legal firms by the County Attorney. Further, payments were not supported with user requisitions, evidence of competitive bidding from the list of prequalified legal firms, professional opinions from the head of procurement unit, notification of awards and acceptance letters, contract, the itemized instructions made to the lawyers on the services required, copies of judgments summaries where applicable, and certificates of costs on which the legal fee notes were based.

In the circumstances, the value for money of legal expenses amounts of Kshs.890,000 could not be confirmed.

### **3. Irregular Imprest on Printing, Advertising, Information Supplies and Services**

The statement of receipts and payments reflects Ksh.376,423,223 in respect of goods and services, which as disclosed in Note 3 to the financial statements includes expenditure of Kshs.8,581,820 on printing, advertising, information supplies, and services. However, review of the supporting ledger revealed that an Imprest amount of Kshs.1,913,646 was issued to five staff for printing services at the Government Printers. Management did not provide satisfactory explanation on why the County Assembly did not pay directly to the Government Printer as opposed to issue of imprest.

In the circumstances, the regularity of the printing expenditure of Kshs.1,913,646 could not be confirmed.

### **4. Delayed Completion in Construction of the Administration Building and Assembly Chambers**

The County Assembly Service Board contracted a construction company for the proposed construction of the administration building and Assembly chambers through tender No.

CATN/BCT/11-01/2020 at a contract price of Ksh.477,657,860. The contract was signed on 18 January, 2021 for a contract period of eighteen (18) weeks but subsequently terminated on 22 July, 2022 after incurring costs amounting to Kshs.39,231,347 or (8%) percent of the contract sum. The Assembly then contracted another company through a re-tender to implement the remainder of the works at a contract sum of Kshs.464,359,150 over a contract period of thirty-seven (37) weeks from 20 March, 2023. However, as at 30 June, 2024 the County Assembly Service Board had paid Kshs.333,444,292 seventy-two (72%) of the contract sum but still the project is behind schedule. The County Assembly has not initiated the process of claiming liquidated damages as provided for in Regulation 133(2) of the Public Procurement and Asset Disposal Regulations, 2020 for delay to deliver the building.

In the circumstances, the value for money on the expenditure of Kshs.372,675,639 already incurred on the project could not be confirmed.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of Effective Internal Audit Function**

The County Assembly Management has internal audit function responsible for reviewing the governance mechanisms and operational efficiencies of the County Assembly for transparency and accountability with regard to the finances and assets of the Assembly. However, there was no evidence in form of report or audit plans to show that the department reviewed and evaluated budgetary performance, financial management, transparency and accountability mechanisms and processes in the County Assembly.

In the circumstances, the internal audit did not perform their functions in advising the Management on the operational efficiencies.

#### **2. Non-Implementation of Audit Recommendations**

Review of appointment letters for audit committee members revealed that part of their responsibilities is to engage the external audit function and assess the adequacy of

management responses to issues identified by the audit. They are also required to provide periodic reports to the accounting officer. However, examination of internal audit committee files and the minutes of their meetings revealed that the committee did not deliberate on any audit reports (internal and external audit reports). In addition, despite appearing in regular parliamentary committees, there was no evidence provided for verification to show how the County Assembly addressed the audit recommendations.

In the circumstances, the effectiveness of the internal audit function and audit committee could not be confirmed.

### **3. Lack of Monitoring and Evaluation Team**

Review of the County Assembly of Trans-Nzoia Strategic Plan 2023-2027 revealed the County should have a monitoring and evaluation team which was to be responsible for measuring and reporting on performance as far as the implementation of the strategic plan is concerned. However, there was no evidence that the team is functional since no reports, operational plans or minutes of their deliberations were provided for audit verification.

In the circumstances, the County Assembly may not achieve the operational objectives as stipulated in the strategic plan.

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

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

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

comply with the authorities which govern them and that public resources are applied in an effective way.

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**29 November, 2024**

**9. Statement of Receipts and Payments for the Year Ended 30 June 2024**

		FY 2023-2024	FY 2022-2023
	Note	KShs	KShs
<b>Receipts</b>			
Transfers from the CRF	1	1,045,710,889	909,439,764
<b>Total receipts</b>		<b>1,045,710,889</b>	<b>909,439,764</b>
<b>Payments</b>			
Compensation of employees	2	300,187,740	246,587,992
Use of goods and services	3	376,423,223	343,735,356
Transfers to other government entities	4	31,000,000	66,100,000
Other grants and transfers	5	16,279,416	65,696,400
Social security benefits	6	39,482,272	12,920,086
Acquisition of assets	7	285,939,756	187,909,864
<b>Total payments</b>		<b>1,049,312,407</b>	<b>922,949,698</b>
<b>Surplus/deficit</b>		<b>(3,601,518)</b>	<b>(13,509,934)</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were amended and approved on **19<sup>th</sup> November, 2024** and signed by:

.....  
**Name: Lupao Moses Wanjala**  
**Clerk of the Assembly**  
**ICPAK Member Number: 8315**



.....  
**Name: Hezron Kiplagat Kemboi**  
**Chief Finance Officer – County Assembly**



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

**10. Statement of Financial Assets and Liabilities as at 30 June 2024**

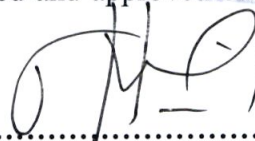
		FY 2023-2024	FY 2022-2023
Financial assets	Note	KShs	KShs
<b>Cash and cash equivalents</b>			
Bank balances	8	25,974,891	1,540,349
<b>Total cash and cash equivalents</b>		<b>25,974,891</b>	<b>1,540,349</b>
Imprests and Advances	9	20,998	321,394
<b>Total financial assets</b>		<b>25,995,889</b>	<b>1,861,743</b>
<b>Financial liabilities</b>			
Third party deposits and retention	10	37,616,156	19,387,884
<b>Net financial assets</b>		<b>(11,620,267)</b>	<b>(17,526,141)</b>
<b>Represented by</b>			
Fund balance b/fwd	11	(17,526,141)	(4,016,208)
Prior year adjustment		9,507,392	-
Surplus/(deficit) for the year		<b>(3,601,518)</b>	<b>(13,509,934)</b>
<b>Net Financial Position</b>		<b>(11,620,267)</b>	<b>(17,526,141)</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were amended and approved on **19<sup>th</sup> November, 2024** and signed by:



.....  
Name: Lupao Moses Wanjala  
Clerk of the Assembly  
ICPAK Member Number: 8315





.....  
Name: Hezron Kiplagat Kemboi  
Chief Finance Officer – County Assembly



11. Statement of Cash Flows for the Period Ended 30 June 2024

		FY 2023-2024	FY 2022-2023
	Note	KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts from operating income</b>			
Transfers from the CRF	1	1,045,710,889	909,439,764
<b>Total receipts from operating income</b>		<b>1,045,710,889</b>	<b>909,439,764</b>
<b>Payments for operating expenses</b>			
Compensation of employees	2	300,187,740	246,587,992
Use of goods and services	3	376,423,223	343,735,356
Transfers to other government entities	4	31,000,000	66,100,000
Other grants and transfers	5	16,279,416	65,696,400
Social security benefits	6	39,482,272	12,920,086
<b>Total payments for operating expenses</b>		<b>763,372,651</b>	<b>735,039,834</b>
<b>Net receipts/(payments) from operating activities</b>		<b>282,338,238</b>	<b>174,399,930</b>
<b>Adjusted for:</b>			
Decrease/(increase) in accounts receivable:	12	300,396	(138,061)
Increase/(decrease) in accounts payable:	13	18,228,272	6,196,574
<b>Net cash flows from operating activities</b>		<b>300,866,906</b>	<b>180,458,443</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets	7	(285,939,756)	(187,909,864)
<b>Net cash flows from investing activities</b>		<b>(285,939,756)</b>	<b>(187,909,864)</b>
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>14,927,150</b>	<b>(7,451,421)</b>
<b>Cash &amp; cash equivalent at Start of the year</b>		<b>1,540,349</b>	<b>8,991,770</b>
<b>Prior year adjustment of overstated accounts payables</b>		<b>9,507,392</b>	<b>-</b>
<b>Cash &amp; cash equivalent at end of the year</b>		<b>25,974,891</b>	<b>1,540,349</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were amended and approved on 19<sup>th</sup> November, 2024 and signed by:

Name: Lupao Moses Wanjala  
 Clerk of the Assembly  
 ICPAK Member Number: 8315

Name: Hezron Kiplagat Kemboi  
 Chief Finance Officer – County Assembly




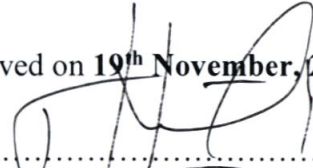
**12. Statement of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30 June 2024**

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>						
Transfers from the CRF	991,909,476	93,511,657	1,085,421,133	1,049,312,407	36,108,726	97%
<b>Total</b>	<b>991,909,476</b>	<b>93,511,657</b>	<b>1,085,421,133</b>	<b>1,049,312,407</b>	<b>36,108,726</b>	<b>97%</b>
<b>Payments</b>						
Compensation of employees	300,309,476	-	300,309,476	300,187,740	121,736	100%
Use of goods and services	364,950,000	9,696,241	374,646,241	376,423,223	(1,776,982)	101%
Other grants and transfers	6,636,000	9,643,416	16,279,416	16,279,416	-	100%
Transfers to other government entities	29,364,000	1,636,000	31,000,000	31,000,000	-	100%
Social security benefits	20,000,000	17,536,000	37,536,000	39,482,272	(1,946,272)	105%
Acquisition of assets	270,650,000	55,000,000	325,650,000	285,939,756	39,710,244	88%
<b>Total</b>	<b>991,909,476</b>	<b>93,511,657</b>	<b>1,085,421,133</b>	<b>1,049,312,407</b>	<b>36,108,726</b>	<b>97%</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* The total transfers from CRF of **Kshs. 1,049,312,407** include transfers from Deposit Account of **Kshs. 3,601,518** to Recurrent Account

The County Assembly financial statements were amended and approved on **19<sup>th</sup> November, 2024** and signed by:

  
 Name: **Lupao Moses Wanjala**  
 Clerk of the Assembly  
 ICPAK Member Number: **8315**

  
 Name: **Hezron Kiplagat Kemboi**  
 Chief Finance Officer – County Assembly



**13. Statement of Comparison of Budget & Actual Amounts: Recurrent for the year ended 30 June 2024**

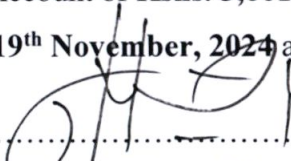
Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>						
Transfers from the CRF	721,259,476	38,511,657	759,771,133	763,372,651	(3,601,518)	100%
<b>Total</b>	<b>721,259,476</b>	<b>38,511,657</b>	<b>759,771,133</b>	<b>763,372,651</b>	<b>(3,601,518)</b>	<b>100%</b>
<b>Payments</b>						
Compensation of employees	300,309,476	-	300,309,476	300,187,740	121,736	100%
Use of goods and services	364,950,000	9,696,241	374,646,241	376,423,223	(1,776,982)	101%
Other grants and transfers	6,636,000	9,643,416	16,279,416	16,279,416	-	100%
Transfers to other government entities	29,364,000	1,636,000	31,000,000	31,000,000	-	100%
Social security benefits	20,000,000	17,536,000	37,536,000	39,482,272	(1,946,272)	105%
Acquisition of assets	11,000,000	(7,678,700)	3,321,300	3,321,300	-	100%
<b>Total</b>	<b>721,259,476</b>	<b>38,511,657</b>	<b>759,771,133</b>	<b>763,372,651</b>	<b>(3,601,518)</b>	<b>100%</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Transfers from CRF of **Kshs. 763,372,651** include transfers from Deposit Account of **Kshs. 3,601,518** to Recurrent Account.

The County Assembly financial statements were amended and approved on **19<sup>th</sup> November, 2024** and signed by:

.....  


**Name: Lupao Moses Wanjala**  
**Clerk of the Assembly**  
**ICPAK Member Number: 8315**

.....  


**Name: Hezron Kiplagat Kemboi**  
**Chief Finance Officer – County Assembly**



**14. Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30 June 2024**

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>						
Transfers from the CRF	270,650,000	55,000,000	325,650,000	285,939,756	39,710,224	88%
<b>Total</b>	<b>270,650,000</b>	<b>55,000,000</b>	<b>325,650,000</b>	<b>285,939,756</b>	<b>39,710,224</b>	<b>88%</b>
<b>Payments</b>						
Acquisition of assets	270,650,000	55,000,000	325,650,000	285,939,756	39,710,224	88%
<b>Total</b>	<b>270,650,000</b>	<b>55,000,000</b>	<b>325,650,000</b>	<b>285,939,756</b>	<b>39,710,224</b>	<b>88%</b>
<b>Surplus/ deficit</b>	-	-	-	-	-	-

The County Assembly financial statements were amended and approved on **19<sup>th</sup> November, 2024** and signed by:

.....  
**Name: Lupao Moses Wanjala**  
**Clerk of the Assembly**  
**ICPAK Member Number: 8315**



.....  
**Name: Hezron Kiplagat Kemboi**  
**Chief Finance Officer – County Assembly**



**15. Budget Execution by Programmes and Sub-Programmes**

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	% Budget utilization
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Programme 1</b>	<b>218,900,000</b>	<b>71,687,092</b>	<b>290,587,092</b>	<b>290,587,092</b>	<b>100</b>
Sub-Programme 1	218,900,000	71,687,092	290,587,092	290,587,092	100
<b>Programme 2</b>	<b>761,009,476</b>	<b>26,027,515</b>	<b>787,036,991</b>	<b>750,928,265</b>	<b>95</b>
Sub-Programme 1	99,550,000	(32,282,453)	67,267,47	67,267,547	100
Sub-Programme 2	349,309,476	17,684,300	366,993,776	368,818,312	100
Sub-Programme 3	13,000,000	(340,000)	12,659,469	13,819,967	109
Sub-Programme 4	285,650,000	48,729,444	334,379,444	295,285,684	88
Sub-Programme 5	4,000,000	(906,655)	3,093,345	3,093,345	100
Sub-Programme 6	9,500,000	(6,856,590)	2,643,410	2,643,410	100
<b>Programme 3</b>	<b>12,000,000</b>	<b>(4,202,950)</b>	<b>7,797,050</b>	<b>7,797,050</b>	<b>100</b>
Sub-Programme 1	12,000,000	(4,202,950)	7,797,050	7,797,050	100
<b>Total</b>	<b>991,909,476</b>	<b>93,511,657</b>	<b>1,085,421,133</b>	<b>1,049,312,407</b>	<b>97</b>

## **16. Significant Accounting Policies**

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

### **1. Statement of compliance and basis of preparation**

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

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

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

### **2. Reporting entity**

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

### **3. Recognition of receipts and payments**

#### **a) Recognition of receipts**

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

#### **i) Transfers from the Exchequer/ County Treasury**

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

**Significant Accounting Policies (Continued)**

**ii) Other Receipts**

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

**b) Recognition of payments**

The County Assembly of Trans Nzoia recognises all expenses when the event occurs, and the related cash has actually been paid out by the County Assembly.

**i) Compensation of employees**

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

**ii) Use of goods and services**

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

**iii) Acquisition of fixed assets**

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

**4. In-kind contributions**

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

**Significant Accounting Policies (Continued)**

**5. Third Party Payments**

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

**6. Cash and cash equivalents**

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

**7. Restriction on cash**

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30 June 2024, this amounted to KShs 37,616,156 compared to KShs 19,387,884 in prior period as indicated on 10. *There were no other restrictions on cash during the year.*

**8. Imprests and Advances**

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

**9. Third party deposits and retention**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the

**Significant Accounting Policies (Continued)**

Cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

**10. Non-current assets**

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

**11. Pending bills**

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

**12. Contingent Liabilities**

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The 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. Annex 5 of this financial statement is a register of the contingent liabilities in the year.

**Significant Accounting Policies (Continued)**

**13. 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.

**14. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 29 June 2023 for the period 1<sup>st</sup> July 2023 to 30 June 2024 as required by law. There was 2 number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**15. Comparative figures**

The figures for the previous financial year have been maintained as per the audit certificate.

**16. Subsequent events**

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

**17. Prior Period Adjustment**

During the year, prior year adjustments were made.

**Significant Accounting Policies (Continued)**

**18. Related Party Transactions**

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

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

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

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**17. Notes to the Financial Statements**

**1. Transfer from CRF**

	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers from the county treasury for Q1	193,770,071	123,338,836
Transfers from the county treasury for Q2	377,459,570	233,714,079
Transfers from the county treasury for Q3	196,740,118	247,654,660
Transfers from the county treasury for Q4	277,741,130	304,732,189
<b>Cumulative Amount</b>	<b>1,045,710,889</b>	<b>909,439,764</b>

**2. Compensation Of Employees**

	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
	<b>KShs</b>	<b>KShs</b>
Basic salaries of permanent employees	107,901,951	81,169,355
Basic wages of temporary employees	44,631,436	46,058,190
Personal allowances paid as part of salary	121,761,397	89,148,510
Personal allowances paid as reimbursements	2,030,516	1,631,780
Employer contribution to compulsory national social schemes	-	58,800
Employer contribution to compulsory national health insurance schemes	-	3,179,950
Employer contribution to compulsory national Social Security Schemes –NSSF	3,621,580	
Pension and other social security contributions	10,467,513	12,715,057
Housing Levy Fund	4,660,347	
Other personnel payments-Kra Audit Arrears	5,000,000	12,000,000
Other personnel payments-NITA Contributions	113,000	36,350
Other personnel payments-Salary Advance	-	590,000
<b>Total</b>	<b>300,187,740</b>	<b>246,587,992</b>

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

**3. Use of Goods and Services**

	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
	<b>KShs</b>	<b>KShs</b>
Utilities, supplies and services	2,336,790	891,040
Communication, supplies and services	404,600	98,900
Domestic travel and subsistence	178,766,138	131,798,560
Foreign travel and subsistence	1,395,175	3,013,348
Printing, advertising and information supplies & services	8,581,820	13,310,132
Rentals of produced assets	43,570,000	37,916,245
Training expenses	11,053,493	14,807,070
Hospitality supplies and services	8,522,870	13,037,643
Insurance costs	27,606,914	25,384,795
Specialized materials and services	4,161,050	3,295,374
Office and general supplies and services	39,663,027	67,574,317
Fuel, oil and lubricants	5,071,424	2,093,561
Other operating expenses	30,839,605	20,847,294
Routine maintenance –vehicles and other transport equipment	6,141,629	3,254,309
Routine maintenance – other assets	4,987,388	6,412,768
Purchase of office furniture and General Equipment	3,321,300	-
<b>Total</b>	<b>376,423,223</b>	<b>343,735,356</b>

**4. Transfers To Other Government Entities**

<b>Description</b>	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Transfers to other county assembly entities</b>		
Trans Nzoia County Assembly(Members & Staff) Car loan and Mortgage scheme fund	31,000,000	66,100,000
	<b>31,000,000</b>	<b>66,100,000</b>

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

**5. Other Grants And Transfers**

	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Members of County Assembly Car Reimbursement	16,279,416	65,696,400
<b>Total</b>	<b>16,279,416</b>	<b>65,696,400</b>

**6. Social Security Benefits**

	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Government Pension and Retirement Benefits	39,482,272	12,920,086
<b>Total</b>	<b>39,482,272</b>	<b>12,920,086</b>

**7. Acquisition Of Assets**

<b>Non- financial assets</b>	<b>FY2023-2024</b>	<b>FY 2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	254,362,984	129,348,265
Construction and civil works	25,784,776	4,478,302
Purchase of vehicles and other transport equipment	-	29,000,000
Purchase of office furniture and general equipment	-	7,127,548
Purchase of Ict Equipment ,Software ,and Other Ict Equipment-	-	15,626,499
Research, studies, project preparation, design & supervision	-	2,329,250
Rehabilitation of Civil works	5,791,996	-
<b>Total acquisition of assets</b>	<b>285,939,756</b>	<b>187,909,864</b>

Notes to the Financial Statements (Continued)

8. Cash and Bank Balances

8A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Account Type	FY 2023-2024 Kshs	FY 2022-2023 Kshs
Central Bank Of Kenya Trans Nzoia County Assembly Recurrent	1000240695	Recurrent	1,343	-
Central Bank Of Kenya Trans Nzoia County Assembly Development	1000297255	Development	-	51,277
Central Bank Of Kenya Trans Nzoia County Assembly Deposit	1000402458	Deposit	25,973,548	1,487,884
Family Bank -Kitale County Assembly Imprest Account	093000034860	Imprest	-	1,188
<b>Total</b>			<b>25,974,891</b>	<b>1,540,349</b>

9. Imprests and Advances

Description	FY 2023-2024 Kshs	FY 2022-2023 Kshs
Salary Advance	20,998	321,394
<b>Total</b>	<b>20,998</b>	<b>321,394</b>

Breakdown Of Imprest And Salary Advance Per Department	FY 2023-2024 Kshs	FY 2022-2023 Kshs
<b>Salary Advance</b>		
Legal Department	-	-
Human Resource Department	20,998	38,058
Administration/Legislative	-	283,336
<b>Sub-Total</b>	<b>20,998</b>	<b>321,394</b>

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

**10. Third Party Deposits and Advances**

<b>Description</b>	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>		
	<b>Kshs</b>	<b>Kshs</b>		
Deposits		-		
Retentions	37,616,156	19,387,884		
<b>Total</b>	<b>37,616,156</b>	<b>19,387,884</b>		
<b>Ageing analysis (third party deposits and advances)</b>	<b>FY 2023-2024</b>	<b>% of the Total</b>	<b>FY2022-2023</b>	<b>% of Total</b>
Under one year	28,593,975.55	76%	12,752,933	66%
1-2 years	9,022,180.45	24%	6,634,952	34%
<b>Total</b>	<b>37,616,156</b>	<b>100</b>	<b>19,387,884</b>	<b>100</b>

**11. Fund Balance Brought Forward**

<b>Description</b>	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank Accounts	1,540,349	8,991,770
Imprests and advances	321,394	183,333
Third party deposits and retentions	(19,387,884)	(13,191,310)
<b>Total</b>	<b>(17,526,141)</b>	<b>(4,016,207)</b>

**12. Changes in Imprests and Advances**

<b>Description</b>	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Opening Advances As At 1 <sup>st</sup> July 2023	321,394	183,333
Closing Advances As At 30 <sup>th</sup> June 2024	20,998	321,394
<b>Change In Advances</b>	<b>300,396</b>	<b>(138,061)</b>

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

**13. Changes in Third Party Deposits and Retentions**

<b>Description</b>	<b>FY2023-2024</b>	<b>FY 2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Opening Third Party Deposits and Retention As At 1 <sup>st</sup> July 2023	19,387,884	13,191,310
Closing Third Party Deposits and Retention As At 30 <sup>th</sup> June 2024	37,616,156	19,387,884
<b>Change In Third Party Deposits and Retention</b>	<b>18,228,272</b>	<b>6,196,574</b>

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**18. Other Disclosures**

**1. Pending Accounts Payable (See Annex 1)**

	Balance b/f FY 2022-2023	Additions for the year	Paid during the year	Balance c/f FY 2023-2024
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Civil Works	-	-	-	-
Supply Of Goods	468,550	-	(468,550)	-
Supply Of Services	-	-	-	-
<b>Total</b>	<b>468,550</b>	<b>-</b>	<b>(468,550)</b>	<b>-</b>

**2. Other Pending Payables (See Annex 2)**

	Balance b/f FY 2022-2023	Additions for the year	Paid during the year	Balance c/f FY 2023-2024
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to KRA- Interests and penalties	9,942,363	-	(9,942,363)	-
Retentions for suppliers (10% deposits)	19,387,884	28,593,975.55	(9,507,392)	37,616,156
<b>Total</b>	<b>29,330,247</b>	<b>28,593,975.55</b>	<b>(19,449,755)</b>	<b>37,616,156</b>

**3. Pending Staff Payables**

	Balance b/f FY 2022-2023	Additions for the year	Paid during the year	Balance c/f FY 2023-2024
Description	Kshs	Kshs	Kshs	Kshs
Salary for June 2023	5,626,288	-	5,626,288	-
<b>Total</b>	<b>5,626,288</b>	<b>-</b>	<b>5,626,288</b>	<b>-</b>

**Other disclosures (Continued)**

**4. Related party transactions:**

	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
	<b>KShs</b>	<b>KShs</b>
<b>Compensation to Key Management</b>		
Compensation to the Speaker, Deputy Speaker and the MCAs	135,748,976	100,493,097
Key Management Compensation (Clerk and Heads of departments)	26,397,862	28,252,497
<b>Total Compensation to Key Management</b>	<b>162,146,838</b>	<b>128,745,594</b>
<b><u>Transfers to related parties</u></b>		
Transfers to other County Government Entities such as car and mortgage schemes	31,000,000	66,100,000
<b>Total Transfers to related parties</b>	<b>31,000,000</b>	<b>66,100,000</b>
<b><u>Transfers from related parties</u></b>		
Transfers from the CRF	1,045,710,889	909,439,764
<b>Total Transfers from related parties</b>	<b>1,045,710,889</b>	<b>909,439,764</b>

**5. Contingent Liabilities-Annex 5**

<b>Contingent liabilities</b>	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
	<b>KShs</b>	<b>KShs</b>
Court Case KITALE HCCP NO. 11 OF 2023	3,000,000	-
Court Case KSM ELRC NO. 81/2016	400,950	400,950
Court Case KSM PET NO. 25/2016	1,128,000	1,128,000
Court Case KITALE CMCCC NO. 145 OF 2022	450,000	-
<b>Total</b>	<b>4,978,950</b>	<b>1,528,950</b>

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**19. Progress on Follow on Prior Year Auditor’s Recommendations**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.0	Unconfirmed Assets Inherited from Defunct Municipal Council	The Assembly utilizes some assets from the County Executive, being bonafide inheritor of all assets from the defunct Local Authorities. The legal process of division of assets has not been and therefore the legal instruments of ownership of such assets are not with Assembly	Not Resolved	CASB
3.0	Irregular Subscription Fees	The Society of Clerks at the Table in Kenya Legislatures SOCATT (k) was registered as a society in Kenya in 2014 in accordance with the provisions of the Societies Act. The Society of Clerks at the Table in Kenya SOCATT	Unresolved	CASB

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>(K) is an association of the Clerks of County Assemblies and their officers. It is a platform for sharing best practices and harmonizes the legislative procedures and practice across the 47 County Assemblies in Kenya.</p> <p>The SOCATT Constitution obligates all the 47 Members to make annual subscriptions to facilitate its operations.</p>		
5.1	Lack of Approved Staff Establishment	The correct staff establishment is hereby attached as <b>Annex 20</b>	Resolved	HRM
5.3	Non – compliance with affirmative action on gender balance, ethnic and regional distribution	The majority of the County assembly staff was inherited from the defunct Local Authority on the inception of devolution and therefore made it impossible to	Not resolved	CASB

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>comply with the requirements of the National Cohesion and Integration Act 2018.</p> <p>However, the County Assembly Service Board endeavors to comply with requirements on ethnicity as stipulated in the National Cohesion and Integration Act 2018 in their subsequent recruitment process.</p>		
5.4	Non-Adherence to One Third Basic Salary Requirement	<p>The employees of county assembly who are earning below a third rule policy, was necessitated by the Covid 19 Presidential tax relief order that was effected in April, 2020. The tax relief (Reduction from 30% to 25%) had increased the employees' credit worthiness and hence upon</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		reverting back to the normal tax of 30%, it caused the below a third net pay yet most of them had already committed themselves to commercial bank loans. <b>Annex 21</b> .However, the affected officers have been advised to re-negotiate their loans to be re-paid for longer periods as we comply with a third rule policy.		

*AMM/G*

.....  
 Clerk of the County Assembly

Date: 19<sup>th</sup> November, 2024



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**20. Annexes**

**Annex 1 – Analysis of Pending Accounts Payable**

<b>Supplier of Goods or Services</b>	<b>Date invoice d/ Contracted</b>	<b>Particulars</b>	<b>Original Amount</b>	<b>Balance at the beginning of the year</b>	<b>Addition During the year</b>	<b>Amount paid During the year</b>	<b>Outstanding Balance</b>
				A	B	C	d=a+b+c
<b>Construction Of Buildings</b>							
<b>Sub-Total</b>							
<b>Construction Of Civil Works</b>							
1.							
<b>Sub-Total</b>							
<b>Supply Of Goods</b>							
2. Liwenta Enterprises	1.10.2021	Supply of games kits and sportswear for County Assembly Sports Associations editions	468,550	468,550	-	(468,550)	-
<b>Sub-Total</b>			<b>468,550</b>	<b>468,550</b>	<b>-</b>	<b>(468,550)</b>	
<b>Supply Of Services</b>							
3.							

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Supplier of Goods or Services	Date invoice d/ Contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Sub-Total							-
<b>Grand Total</b>			<b>468,550</b>	<b>468,550</b>	<b>-</b>	<b>(468,550)</b>	<b>-</b>

**Annex 2 – Analysis of Other Pending Payables**

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance FY2023-2024	Outstanding Balance FY2022-2023	Comments
			A	B	c=a-b		
<b>Amounts Due To National Govt Entities</b>							
1. Kenya Revenue Authority	Tax penalties/Interest	19/01/2023	9,942,363	9,942,363	-	-	
<b>Sub-Total</b>			<b>9,942,363</b>	<b>9,942,363</b>	<b>-</b>	<b>-</b>	
<b>Amounts Due To County Govt Entities</b>							
2.							
<b>Sub-Total</b>							
<b>Amounts Due To Third Parties</b>							
3. Wayshan Ltd	Retention-perimeter wall	11.03.2019	539,400	539,400	-	539,400	

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Date Contracted</b>	<b>Original Amount</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance FY2023-2024</b>	<b>Outstanding Balance FY2022-2023</b>	<b>Comments</b>
4. Danmar Company Ltd	Retention –Parking sheds	26.02.2016	447,180	447,180	-	447,180	
5. Foursmatt Investment	Retention-Renovation works	26.04.2019	371,200	371,200	-	371,200	
6. Foursmatt Investment	Retention-Renovation works	10.02.2020	494,898.70	494,898.70	-	494,898.70	
7. Wayshan Ltd	Retention-perimeter wall	10.02.2020	365,400	365,400	-	365,400	
8. Mahathi Infra East Africa	Retention-Administration Block	23.03.2021	2,793,520.10	2,793,520.10	-	2,793,520.10	
9. Mika Investment Company	Retention-perimeter wall	21.06.2021	520,015.80	520,015.80	-	520,015.80	
10. Mika Investment Company	Retention-perimeter wall	21.06.2021	344,786.80	344,786.80	-	344,786.80	
11. Mahathi Infra East Africa	Retention-Administration Block	24.11.2021	933,144	933,144	-	933,144	
12. Double portion Agency	Retention-construction	20.06.2022	449,801.80	449,801.80	-	449,801.80	
13. Double portion Agency	Retention-construction	31.05.2022	2,548,877.35	2,548,877.35	-	2,548,877.35	
14. Saharry Logistics Ltd	Retention-construction	20.06.2022	1,985,482.60	1,985,482.60	-	1,985,482.60	
15. Arprim Consultants	Retention-Consultancy	22.06.2022	691,504.90	691,504.90	-	691,504.90	
16. Calvick Company Ltd	Retention-construction	23.06.2022	706,098.90	706,098.90	-	706,098.90	
17. Danmar Company Limited	Retention –Parking sheds	07.11.2022	193,886.50	193,886.50		-	
18. PNN General Suppliers	Retention-Renovations	27.09.2022	48,720	48,720	-	-	
19. PNN General Suppliers	Retention-Renovations	05.10.2022	47,328	47,328	-	-	
20. Arprim Consultants	Retention-Consultancy	12.10.2022	2,255,339.90	2,255,339.90	-	-	
21. Saharry Logistics Ltd	Retention-construction	12.10.2023	435,837.50	435,837.50	-	-	

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Date Contracted</b>	<b>Original Amount</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance FY2023-2024</b>	<b>Outstanding Balance FY2022-2023</b>	<b>Comments</b>
22. Double portion Agency Ltd	Retention-construction	14.06.2023	7,522,180.65	-	7,522,180.65	-	
23. Mahathi Infra East Africa	Retention-construction	12.10.2022	363,157	363,157		-	
24. Calvick Company Ltd	Retention-Renovations	15.12.2022	60,057.15	60,057.15	-	-	
25. Lunao Enterprises	Retention-construction	17.04.2023	1,500,000	-	1,500,000	-	
26. Bluescope Construction Ltd	Retention-Car Ports	30.06.2023	560,906.40	560,906.40		-	
27. Gemcal Enterprises	Retention-construction	30.06.2023	297,405	297,405		-	
28. PNN General Suppliers	Retention –Renovations	03.07.2024	431,103	-	431,103		
29. Wimex Commodities Co. Ltd	Retention-Construction of speakers residence	24.05.2023	1,427,459.20	-	1,427,459.20		
30. Wimex Commodities Co. Ltd	Retention-Construction of speakers residence	24.05.2023	358,463.70	-	358,463.70		
31. Wimex Commodities Co. Ltd	Retention-Construction of speakers residence	24.05.2023	613,349.10		613,349.10		
32. Ms. Arprim Consultants	Consultancy Services – Administration block	06.03.2024	350,000	-	350,000		
33. Saharry Logistics Ltd	Construction of ward offices	14.03.2023	193,350	-	193,350		
34. Saharry Logistics Ltd	Construction of ward offices	14.03.2023	967,012.30	-	967,012.30		
35. Saharry Logistics Ltd	Construction of ward offices	14.03.2023	967,012.30	-	967,012.30		
36. Double Portion Agency	Construction of Administration block	27.02.2023	5,651,130.35	-	5,651,130.35		
37. Double Portion Agency	Construction of Administration block	27.02.2023	4,500,000	-	4,500,000		

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Date Contracted</b>	<b>Original Amount</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance FY2023-2024</b>	<b>Outstanding Balance FY2022-2023</b>	<b>Comments</b>
38. Double Portion Agency	Construction of Administration block	27.02.2023	7,291,484.30	-	7,291,484.30		
39. Lunao Enterprises	Construction of Speakers Residence	17.04.2023	390,141.60	-	390,141.60		
40. Double Portion Agency	Construction of Administration block	27.02.2023	4,456,499.20	-	4,456,499.20		
41. Remmy Supplies and Services Limited	Construction of Carports and Capro paving	21.03.2024	579,199.60	-	579,199.60		
42. Lunao Enterprises	Construction of Speakers Residence	17.04.2023	397,770.90	-	397,770.90		
<b>Sub-Total</b>			<b>55,050,104.60</b>	<b>17,453,948.40</b>	<b>37,596,156.20</b>	<b>13,191,310.95</b>	
<b>Grand Total</b>			<b>64,992,467.60</b>	<b>27,396,311.40</b>	<b>37,596,156.20</b>	<b>13,191,310.95</b>	

**Annex 3 – Summary of Non-Current Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) FY 2022-2023</b>	<b>Additions during the year(Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Transfers in/(out) during the year(Kshs)</b>	<b>Historical Cost c/f (Kshs) 2023-2024</b>
Buildings and structures	258,543,779	254,362,984	-	-	512,906,763
Construction and Civil works	29,562,151	25,784,776	-	-	55,346,927
Transport equipment	43,755,815	-	-	-	43,755,815
Office equipment, furniture and fittings	27,035,921	1,647,500	-	-	28,683,421
ICT equipment	27,722,785	1,673,800	-	-	29,396,585
Intangible assets	2,329,250	-	-	-	2,329,250
Rehabilitation of Civil Works	-	5,791,996	-	-	5,791,996
<b>Total</b>	<b>388,949,701</b>	<b>289,261,056</b>	<b>-</b>	<b>-</b>	<b>678,210,757</b>

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**Annex 4 – Analysis of Accounts Receivables**

*Salary Advance*

<i>Name of Officer</i>	<i>Date Advanced</i>	<i>Amount Advanced</i>	<i>Amount Recovered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Edward Katama Ngeywa</i>	15/06/2022	200,000	200,000	-
<i>Bonface Ndiwa Ngeiywo</i>	22/08/2022	40,000	40,000	-
<i>John Simiyu Barasa</i>	16/11/2022	50,000	29,002	20,998
<i>Eric Wekhomba Wafula</i>	9/12/2022	200,000	200,000	-
<i>Edwin Kosgey Koech</i>	08/03/2023	300,000	300,000	-
<b><i>Total</i></b>		<b>790,000</b>	<b>769,002</b>	<b>20,998</b>

**Annex 5: Contingent Liabilities Register**

	<b>Nature of contingent liability</b>	<b>Payable to</b>	<b>Currency</b>	<b>Estimated Amount Kshs</b>	<b>Expected date of payment</b>	<b>Remarks</b>
1.	KITALE HCCP NO. 11 OF 2023	Eyase Kanyuira & Associates Advocates	Kes	3,000,000		
2.	Court Case KSM ELRC NO. 81/2016	Prof Tom Ojienda & Associates	Kes	400,950		
3.	KSM PET NO. 25/2016	Prof Tom Ojienda & Associates	Kes	1,128,000		
4.	KITALE CMCCC NO. 145 OF 2022	Minata Hotels Limited	Kes	450,000		

2024-2025  
2024-2025