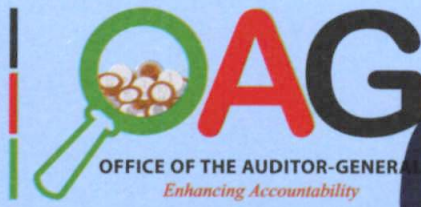


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REPORT

OF

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ON

COUNTY ASSEMBLY OF KITUI

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





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KITUI COUNTY ASSEMBLY

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

**Transitional Financial Statements under International Public Sector Accounting Standards
(IPSAS)**

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

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

1. Acronyms, Abbreviations and Definition of Key Terms

A. Acronyms and Abbreviations

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

B. Definition of Key Terms

Example

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

2. Key Entity Information and Management**a) Background information**

The County Assembly of Kitui is constituted as per article 177 of the Constitution of Kenya 2010. It is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly of Kitui constitutes Forty (40) Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and Twenty (20) Members nominated to represent different parties and groups. The MCAs are responsible for making laws for the effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

b) Key Management team

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

No.	Designation	Name
1.	Speaker of the County Assembly	Hon. Kevin Kinengo Katisya
2.	Ag. Clerk of the County Assembly	Lucy N. Waema
3.	Ag. Deputy Clerk of the County Assembly	Charles N. Nyaga
4.	Principal Finance Officer	Augustus M. Kyenze
5.	Ag. Principal Procurement Officer	Simon N. Syengo
6.	Ag. Senior Communication Officer	John Kivui
7.	Principal Clerk Assistant	Josphat Kitheka Kwanda
8.	Ag. Principal Human Resource Officer	Mary Musyoka
9.	Senior Sargent-at-arms	Lawrence Kirigwi
10.	Senior Information Communication and Technology Officer	Kelvin Ndeto Mwanzia

c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer- Ag. Clerk of the Assembly	Lucy N. Waema
2.	Ag. Deputy Clerk of the Assembly	Charles N. Nyaga
3.	Principal Finance Officer	Augustus Kyenze

Key Entity Information and Management (Continued)

d) Fiduciary Oversight Arrangements

▪ **Audit committee activities**

Examine internal and External Audit reports.

Evaluate the status of the implementation of recommendations by the PIAC Committee

Review Annual Financial Statements

▪ **Finance committee activities**

Developing and implementing financial management and economic planning policies.

Generating county finance management bills

Mobilizing resources for funding the County budget.

Issuing circulars concerning financial matters.

Custodian of County Assets.

▪ **Public Accounts and Investment Committee**

Examination of accounts showing the appropriations of sum voted by the Assembly.

Examination of the reports, accounts, and working of public investments.

Examination, in the context of the autonomy and efficiency of the county public investments.

▪ **Budget and Appropriation Committee**

Investigate, inquire into, and report on all matters related to coordination, control, and monitoring of the county budget.

Discuss and review the estimates and make recommendations to the county Assembly.

Examine the county Budget policy statement presented to the County Assembly.

Examine bills related to the county budget

e) Entity Headquarters

Kitui County Assembly Offices
Kitui -Mutomo-Kibwezi Road
P.O BOX 694-90200
Kitui, Kenya

f) County Assembly Contacts

Telephone: 044-22914
E-mail: Kituiassembly@gmail.com
Website: www.kituicountyassembly.org

g) County Assembly Bankers

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

2. Kenya Commercial Bank
P.O Box 683-90200
Kitui, Kenya

h) Independent Auditor

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

i) Principal Legal Adviser

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

j) County Attorney-N/A

3. Governance Statement

The County Assembly

a. Background and roles


The County Assembly is constituted by the MCAs of Kitui 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:




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

b. Profiles

Sno	Name	Designation	Profile
1.	<p>Hon. Kevin K. Katisya</p>  <p>Hon. Kevin Kinengo Katisya <small>LLM (1996), LL.B (1990), PGD (1997) in Law (KSL)</small> Speaker of the County Assembly of Kitui</p>	Speaker of the Assembly	<p>Hon. Kinengo is an Advocate of the High Court of Kenya. He is currently pursuing a Doctor of Philosophy of Law (PHD) at the University of Nairobi and holds Masters (LLM) and Bachelor of Laws (LLB) from the same institution. He also holds a Postgraduate Diploma in Law from Kenya School of Law.</p> <p>He has vast experience in legal practice and Consultancy in Governance law, Constitutional litigation and emergent Constitutional Jurisprudence, legislative drafting, General Practice, Constitutional Litigations, Conveyance, Commercial and Civil Litigations and Corporate and Property law.</p>

Kitui County Assembly

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

2.	Hon. Harrison Maluki 	Majority Leader	He holds Bachelor Degree in ICT and has specialized skills in software development, networking and web development. He is a member of County Assembly and the Leader of Majority wing of the Assembly.
3.	Hon. Alex M. Nganga 	Minority Leader	He holds a Diploma from Kenya Polytechnic. He is a member of County Assembly. He is the Leader of Minority wing of the Assembly.
4.	Lucy N. Waema 	Ag. Clerk of Assembly	She holds Bachelor Degree in Public Administration. She brings a wealth of management experience, having held senior positions in the former local authorities, including serving as the Clerk of the Municipal Council. She currently serves as the Acting Clerk of the County Assembly.

c. Select Committees

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

d. 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 Kitui County Assembly has the following Select and Sectoral committees:

Select Committees

- a) Public Accounts/Investment Committee
- b) County Budget and Appropriations Committee
- c) Powers and Privileges Committee
- d) Procedure and Rules Committee
- e) Implementation Committee
- f) Delegated County Legislation Committee
- g) County Assembly Business Committee
- h) Selection Committee
- i) Liaison Committee
- j) Committee on Appointment

Sectoral Committees

- a) Agriculture, Water and Irrigation Committee
- b) Health and Sanitation Committee
- c) Culture, Youth, Sports, Gender and Social Services Committee
- d) Lands, Infrastructure and Urban Development Committee
- e) Tourism and Natural Resources Committee
- f) Environment, Energy and Mineral Investments Committee
- g) Finance and Economic Planning Committee
- h) Basic Education, Training and Skills Development Committee
- i) Trade, Industry, ICT and Cooperatives Committee
- j) Administration and Coordination of County Affairs Committee
- k) Labour and Social Welfare Committee
- l) Justice and Legal Affairs Committee

Kitui County Assembly
Annual Report and Financial Statements for the year ended June 30, 2025

i. Committee of Powers and Privileges

There is an 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 Twenty-Nine (29) meetings in FY 2024-2025. The committee members during FY 2024-2025 were:

S.no	Member	Designation	Ward
1	Hon. Kevin Kinengo Katisya	Chairperson	Speaker of County Assembly
2	Hon. Munira Mohammed	Vice Chairperson	Nominated
3	Hon. Christopher Nzilu Nzioka	Member	Kyangwithya West
4	Hon. Jacqueline Cate Kalenga	Member	Nominated
5	Hon. Boniface Mukwate Katula	Member	Kanyangi
6	Hon. Boniface Maundu Katumbi	Member	Kyangwithya East
7	Hon. Joseph Kasungi Kavula	Member	Waita
8	Hon. Kalamba Musau	Member	Nominated
9	Hon. Ciambutra Karigi	Member	Nominated

ii. Public Accounts/Investment Committee

The committee was formed to provide oversight of the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held 36 extra sittings to deal with arising matters. The members who served on the committee during the year were:

S. no	Member	Designation	Ward
1	Hon. Gabriel Mutunga Munyao	Chairperson	Kauwi
2	Hon. Mary P. Ndumbu	Vice Chairperson	Nominated
3	Hon. David Masaku Munyau	Member	Mutomo/Kibwea
4	Hon. Jeremiah Musee Mutua	Member	Nguni
5	Hon. Paul Maluki	Member	Kithumula/Kwa Mutonga

Kitui County Assembly
Annual Report and Financial Statements for the year ended June 30, 2025

iii. County Budget and Appropriations Committee

The budget and appropriations committee guide the budgetary process. It is charged with the budget-making process and ensuring that there is public participation in the budget process. The Committee held a total of 28 committee sittings. The members who served on the committee during the period were:

Member	Designation	Ward
1. Hon. Zaccheus Ivutha Syengo	Chairperson	Voo/Kyamatu
2. Hon. Jacquelyne Cate Kalenga	Vice Chairperson	Nominated
3. Hon. Alex Mutambu Nganga	Member	Miambani
4. Hon. Sylvester Munyalo Kitheka	Member	Matinyani
5. Hon. Kyalo Kimuli	Member	Kanziko
6. Hon. Boniface Mukwate Katula	Member	Kanyangi
7. Hon. Malinga Munyao	Member	Zombe/Mwitika
8. Hon. Godfrey Muthengi Ndagara	Member	Tharaka
9. Hon. Judith Wanza Kasyoka	Member	Nuu

iv. Procedure and Rules Committee

The Procedure and Rules committee provides guidance for periodic review of standing orders. It may also propose amendments to the standing orders. The committee had a total of 19 sittings during the year under review.

Member	Designation	Ward
1. Hon. Kevin Kinengo Katisya	Chairperson	Speaker of County Assembly
2. Hon. Christopher Nzilu Nzioka	Member	Kyangwithya West
3. Hon. Gabriel Mutunga Munyao	Member	Kauwi
4. Hon. Elizabeth Ndunge Peter	Member	Nominated
5. Hon. Godfrey Muthengi Ndagara	Member	Tharaka

v. Implementation Committee

The Implementation committee provides guidance for scrutinizing the resolutions of the county assembly, petitions and undertakings given by County Executive committee. May also examine and implement decisions of the house resolutions alongside examining whether or not legislations passed by county assembly has been operationalized and the document the status of progress. The Committee had a total of 14 sittings during the year under review.

Member	Designation	Ward
1. Hon. Mathew Vuthi	Chairperson	Chuluni
2. Hon. Frida Maua Mutinda	Vice Chairperson	Nominated
3. Hon. Immaculate Wanza John	Member	Nominated
4. Hon. Charity Mwangangi	Member	Nominated
5. Hon. Alphonse Musyimi	Member	Kyome/Thaana
6. Hon. Boniface Katula	Member	Kanyangi
7. Hon. Anthony Musyoka	Member	Kiomo-Kyethani
8. Hon. Christopher Nzilu Nzioka	Member	Kyangwithya West
9. Hon. Cornelius Muthami Kiteme	Member	Mui
10. Hon. Boniface Maundu Katumbi	Member	Kyangwithya East
11. Hon. Harrison Maluki Mawia	Member	Migwani

vi. Agriculture, Water and Irrigation Committee

The Agriculture, Water and Irrigation Committee guides all matters relating to agriculture, crop and animal husbandry, and livestock sale yards including conservation of fisheries resources and provision of fisheries extension and veterinary services. The Committee had a total of 27 sittings.

Member	Designation	Ward
1. Hon. Antony Musyimi Musyoka	Chairperson	Kiomo/Kyethani
2. Hon. Joseph Musyoka Mbite	Vice Chairperson	Nzambani
3. Hon. Christopher Nzilu Nzioka	Member	Kyangwithya West
4. Hon. Harrison Maluki Mawia	Member	Migwani
5. Hon. Bonface Mukwate Katula	Member	Kanyangi
6. Hon. Sylvester Kithaka Munyalo	Member	Matinyani
7. Hon. Fastina Mwendu Solomon Salu	Member	Nominated
8. Hon. Jacqueline Cate Kalenga	Member	Nominated
9. Hon. Immaculate Wanza John	Member	Nominated
10. Hon. Muthama Musyoka Kieti	Member	Athi
11. Hon. Aron Kilonzi Kasele	Member	Mutito/Kaliku

Kitui County Assembly

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

vii. Health and Sanitation Committee

The Health and Sanitation Committee provides guidance for formulating and implementing county health and sanitation policies and legislation. It may also implement national health policies and standards and all matters related to County health services. The committee had a total of 14 sittings during the year under review.

Member	Designation	Ward
1. Hon. Bernard Mwangangi Munyasya	Chairperson	Mwingi Central
2. Hon. Kyalo Kimuli	Vice Chairperson	Kanziko
3. Hon. Malinga Munyao	Member	Zombe/Mwitika
4. Hon. Dr. Erastus Musyoka Mbuno	Member	Endau/Malalani
5. Hon. Mathew Ngovi Vuthi	Member	Chuluni
6. Hon. Daniel Kimanzi Muange	Member	Tseikuru
7. Hon. Fastina Mwendu Solomon Salu	Member	Nominated
8. Hon. Stephen Ileve Katana	Member	Nguutani
9. Hon. Joseph Kasungi Kavula	Member	Waita
10. Hon. Munira Mohammed	Member	Nominated
11. Hon. Hussein Mwandia	Member	Ikutha

viii. Culture, Youth, Sports, Gender and Social Services Committee

The Culture, Youth, Sports, Gender and Social Services committee guides the formulation of policies and legislation on gender, youth, sports, culture and social development. They also develop and facilitate programs on childcare, cultural activities, and mainstreaming youth affairs. The Committee had a total of 14 sittings.

Member	Designation	Ward
1. Hon. Benjamin Ndambu Mulandi	Chairperson	Mutonguni
2. Hon. Immaculate Wanza John	Vice Chairperson	Nominated
3. Hon. Fridah Maua Mutinda	Member	Nominated
4. Hon. Jacinta Mary Mwoni	Member	Nominated
5. Hon. Zacchaeus Syengo	Member	Voo/Kyamatu
6. Hon. Judith Wanza Kasyoka	Member	Nuu
7. Hon. Erastus Musyoka Mbuno	Member	Endau/Malalani
8. Hon. Cyrus Musyoka Kisavi	Member	Ikanga/Kyatune
9. Hon. Stephen Ileve Katana	Member	Nguutani
10. Hon. Muthama Musyoka Kieti	Member	Athi
11. Hon. Jeremiah Musee Mutua	Member	Nguni

ix. Lands, Infrastructure and Urban Development Committee

The Lands, Infrastructure and Urban Development Committee guide on the development of county policy, and legislation on land, infrastructure and urban development. They facilitate and promote sustainable urban and pre-urban development. The Committee had a total of 17 sittings during the year under review.

Member	Designation	Ward
1. Hon. Sammy Musili Muniyithya	Chairperson	Kivou
2. Hon. Aron Kilonzi	Vice Chairperson	Mutito/Kaliku
3. Hon. Kyalo Kimuli	Member	Kanziko
4. Hon. Alphonse Musyimi Mukwayu	Member	Kyome/Thaana
5. Hon. Priscilla Martha Makumi	Member	Nominated
6. Hon. Mathew Ngovi Vuthi	Member	Chuluni
7. Hon. Godfrey Muthengi Ndagara	Member	Tharaka
8. Hon. Judith Wanza Kasyoka	Member	Nuu
9. Hon. Bernard Mwangangi Munyasya	Member	Mwingi Central
10. Hon. Alex Mutambu Nganga	Member	Miambani
11. Hon. Muthama Musyoka Kieti	Member	Athi

x. Tourism and Natural Resources Committee

The Tourism and Natural Resources committee guides all matters relating to local tourism, cinema, betting, and casinos. They establish tourism-based enterprises, and environmental conservation initiatives in protected areas. The Committee had a total of 19 sittings during the year under review.

Member	Designation	Ward
1. Hon. Mary Mwendu Mutune	Chairperson	Nominated
2. Hon. Mercy Muema Muliwa	Vice Chairperson	Nominated
3. Hon. Waziri Baraka Bakari	Member	Nominated
4. Hon. Rose Kasyoka Kathoka	Member	Nominated
5. Hon. Daniel Ngoima Kimanzi	Member	Township
6. Hon. Cyrus Kisavi Musyoka	Member	Ikanga/Kyatune
7. Hon. Munyoki Mwinzi	Member	Kyuso
8. Hon. Mary Mbithe Musili	Member	Nominated
9. Hon. Ciambutra Karigi	Member	Nominated
10. Hon. Hussein Mwandia	Member	Ikutha
11. Hon. Sylvester Kitheka Munyalo	Member	Matinyani

Kitui County Assembly

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

xi. Environment, Energy and Mineral Investments Committee

The Environment, Energy and Mineral Investments committee provides guidance for implementation of specific national policies on natural resources and environmental conservation alongside facilitating private sector participation as well as creating awareness on issue relating to mining activities. The Committee had a total of 15 sittings during the year under review.

Member	Designation	Ward
1. Hon. Alphonse Musyimi Mukwaiyu	Chairperson	Kyome/Thaana
2. Hon. Rose Kasyoka Kathoka	Vice Chairperson	Nominated
3. Hon. David Masaku Munyau	Member	Mutomo/Kibwea
4. Hon. Fastina Mwendu Solomon	Member	Nominated
5. Hon. Deborah Katungwa Mutuku	Member	Nominated
6. Hon. Titus Munywoki Kasinga	Member	Mumoni
7. Hon. Judith Wanza Kasyoka	Member	Nuu
8. Hon. Antony Musyimi Musyoka	Member	Kiomo/Kyethani
9. Hon. Dominic Isumail Mwamisi	Member	Mutha
10. Hon. Charity S. Mwangangi	Member	Nominated
11. Hon. Jeremiah Musee Mutua	Member	Nguni

xii. Finance and Economic Planning Committee

The Finance and Economic Planning Committee guides the development and implementation of financial management and economic planning documents. They also mobilize resources for funding the county budgets and reporting regularly to the county assembly on the implementation of the county budgets. The Committee had a total of 32 sittings during the year under review.

Member	Designation	Ward
1. Hon. Daniel Kimanzi Muange	Chairperson	Tseikuru
2. Hon. Waziri Bakari Baraka	Vice Chairperson	Nominated
3. Hon. Paul Maluki	Member	Kithumula/ Kwa Mutonga
4. Hon. Sammy Musili Munyithya	Member	Kivou
5. Hon. David Masaku Munyau	Member	Mutomo
6. Hon. Priscilla Martha Makumi	Member	Nominated
7. Hon. Benjamin Ndambu Mulandi	Member	Mutonguni
8. Hon. Mary P. Ndumbu	Member	Nominated
9. Hon. Peter Kitonyo Mwanza	Member	Mulango
10. Hon. Munira Mohammed	Member	Nominated
11. Hon. Grace Syoindo Mulandi	Member	Nominated

xiii. Basic Education, Training and Skills Development Committee

The Basic Education, Training and Skills Development committee guides the development of county policies and legislations on ECDE, training, and skills developments, registration of county ECDE Centres, village polytechnic and home crafts alongside all matters related to pre-primary education, village polytechnics, home craft centres and promotion of advocacy and awareness creation on policies, programmes and opportunities on ECDE and post-primary and secondary schooling and skills development. The Committee had a total of 8 sittings during the year under review.

Member	Designation	Ward
1. Hon. Priscilla Martha Makumi	Chairperson	Nominated
2. Hon. Jacinta Mary Mwoni	Vice Chairperson	Nominated
3. Hon. Immaculate Wanza John	Member	Nominated
4. Hon. Paul Maluki	Member	Kithumula/ Kwa Mutonga
5. Hon. Mercy Muliwa Muema	Member	Nominated
6. Hon. Harrison Maluki Mawia	Member	Migwani
7. Hon. Stephen Ileve Katana	Member	Nguutani
8. Hon. Godfrey Muthengi Ndagara	Member	Tharaka
9. Hon. Joseph Musyoka Mbite	Member	Nzambani
10. Hon. Gabriel Mutunga Munyao	Member	Kauwi
11. Hon. Charity Kathathi Musyoka	Member	Nominated

xiv. Trade, Industry, ICT and Cooperatives Committee

The Trade, Industry, ICT, and Cooperatives committee provides guidance for trade development and regulation such as markets, trade licenses, fair trading practices and cooperatives societies, ICT sector development, industrial development and development of markets and markets infrastructure. The Committee had a total of 22 sittings during the year under review.

Member	Designation	Ward
1. Hon. Daniel Kimanzi Ngoima	Chairperson	Township
2. Hon. Nzavu Mwanzia	Vice Chairperson	Mbitini
3. Hon. Aron Kilonzi Kasele	Member	Mutito/Kaliku
4. Hon. Jacqueline Cate Kalenga	Member	Nominated
5. Hon. Daniel Kimanzi Muange	Member	Tseikuru
6. Hon. Munyoki Mwinzi	Member	Kyuso
7. Hon. Joseph Musyoka Mbite	Member	Nzambani
8. Hon. David Masaku Munyau	Member	Mutomo/Kibwea
9. Hon. Elizabeth Ndunge Peter	Member	Nominated
10. Hon. Boniface Maundu Katumbi	Member	Kyangwithya East
11. Hon. Kalamba Musau	Member	Nominated

Kitui County Assembly

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

xv. Administration and Coordination of County Affairs Committee

The Administration and Coordination of County Affairs committee provides guidance for ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in governance at the local level. The committee had a total of 7 sittings during the year under review.

Member	Designation	Ward
1. Hon. Peter Kitonyo Mwanza	Chairperson	Mulango
2. Hon. Dominic Isumail Mwamisi	Vice Chairperson	Mutha
3. Hon. Christopher Nzilu Nzioka	Member	Kyangwithya West
4. Hon. Sammy Musili Munyithya	Member	Kivou
5. Hon. Jacinta Mary Mwonji	Member	Nominated
6. Hon. Munyoki Mwinzi	Member	Kyuso
7. Hon. Waziri Bakari Baraka	Member	Nominated
8. Hon. Erastus Musyoka Mbuno	Member	Endau/Malalani
9. Hon. Alex Mutambu Nganga	Member	Miambani
10. Hon. Kalamba Musau	Member	Nominated
11. Hon. Deborah Katungwa Mutuku	Member	Nominated

xvi. Labour and Social Welfare Committee

The Labour and Social Welfare Committee guides all matters relating to labour trade unions relations, employment, manpower or human resource planning, and social welfare. The Committee had a total of 12 sittings during the year under review.

Member	Designation	Ward
1. Hon. Joseph Kasungi Kavula	Chairperson	Waita
2. Hon. Charity Kathathi Musyoka	Vice Chairperson	Nominated
3. Hon. Bernard Mwangangi Munyasya	Member	Mwingi Central
4. Hon. Mary P. Ndumbu	Member	Nominated
5. Hon. Antony Musyimi Musyoka	Member	Kiomo/Kyethani
6. Hon. Zacchaeus Ivutha Syengo	Member	Voo/Kyamatu
7. Hon. Mary Mbithe Musili	Member	Nominated
8. Hon. Elizabeth Ndunge Peter	Member	Nominated
9. Hon. Mercy Muliwa Muema	Member	Nominated
10. Hon. Fridah Maua Mutinda	Member	Nominated
11. Hon. Jeremiah Musee Mutua	Member	Nguni

xvii. Justice and Legal Affairs Committee

The Justice and Legal Affairs committee guides oversight over the office of the County Attorney. They also consider all matters related to constitutional affairs and the administration of law and justice including, inspectorate and enforcement services, ethics and anti-corruption, good governance, and protection of human rights in the county. The Committee had a total of 22 sittings during the year under review.

Member	Designation	Ward
1. Hon. Cyrus Kisavi Musyoka	Chairperson	Ikanga/Kyatune
2. Hon. Debora Katungwa Mutuku	Vice Chairperson	Nominated
3. Hon. Dominic Isumail	Member	Mutha
4. Hon. Elizabeth Ndunge Peter	Member	Nominated
5. Hon. Mark Kitute Nding'o	Member	Yatta/Kwa Vonza
6. Hon. Joseph Nzungi Ngwele	Member	Ngomeni
7. Hon. Rose Kasyoka Kathoka	Member	Nominated
8. Hon. Nicholus Muema Mutemi	Member	Kisasi
9. Hon. Mary Mbithe Musili	Member	Nominated
10. Hon. Grace Syoindo Mulandi	Member	Nominated
11. Hon. Sylvester Kitheka Munyalo	Member	Matinyani

xviii. Committee on Delegated County Legislation

The Committee on Delegated County Legislation was established under section 189 of the Standing Order. The committee is mandated to consider in respect of any statutory instruments. The Committee had a total of 19 sittings during the year under review.

Member	Designation	Ward
1. Hon. Cornelius Ngumbao Muthami	Chairperson	Mui
2. Hon. Mary Mbithe Musili	Vice Chairperson	Nominated
3. Hon. Sammy Musili Munyithya	Member	Kivou
4. Hon. Dr. Erastus Musyoka Mbuno	Member	Endau/Malalani
5. Hon. Charity Syomiti Mwangangi	Member	Nominated
6. Hon. Ciambutra Karigi	Member	Nominated
7. Hon. Nzavu Mwanzia	Member	Mbitini
8. Hon. Daniel Ngoima Kimanzi	Member	Township
9. Hon. Grace Syoindo Mulandi	Member	Nominated
10. Hon. Cyrus Kisavi Musyoka	Member	Ikanga/Kyatune
11. Hon. Boniface Kyalo Kimuli	Member	Kanziku

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xix. Liaison Committee

The Liaison Committee is established pursuant to the provisions of Standing Order 191 which consist of the Chairperson of Committees as the chairperson and the chairpersons of all committees of the County Assembly. Its mandate is to guide and co-ordinate the operations, policies and mandates of all Committees and deliberate on and apportion the annual operating budget among the Committees. The Committee had a total of 20 sittings during the year under review.

Member	Designation	Ward
1. Hon. Kevin Kinengo Katisya	Member	Speaker of Assembly
2. Hon. Christopher Nzilu Nzioka	Chairperson	Kyangwithya West
3. Hon. Harison Maluki Mawia	Member	Migwani
4. Hon. Sammy Munyithya	Member	Kivou
5. Hon. Pricila Martha Makumi	Member	Nominated
6. Hon. Joseph Kasungi Kavula	Member	Waita
7. Hon. Peter Kitonyo Mwanza	Member	Mulango
8. Hon. Mathew Vuthi Ngovi	Member	Chuluni
9. Hon. Daniel Kimanzi Muange	Member	Tseikuru
10. Hon. Gabriel Mutunga Munyao	Member	Kauwi
11. Hon. Mary Mwendu Mutune	Member	Nominated
12. Hon. Stephen Ileve Katana	Member	Nguutani
13. Hon. Antony Musyimi Musyoka	Member	Kiomo/Kyethani
14. Hon. Daniel Ngoima Kimanzi	Member	Township
15. Hon. Bernard Mwangangi Munyasya	Member	Mwingi Central
16. Hon. Alphonse Mukwaiyu Musyimi	Member	Kyome/Thaana
17. Hon. Cyrus Kisavi Musyoka	Member	Ikanga/Kyatune
18. Hon. Zacheaus Ivutha Syengo	Member	Voo/Kyamatu
19. Hon. Benjamin Ndambu Mulandi	Member	Mutonguni

xx. Selection Committee

The Selection Committee is established pursuant to the provisions of Standing Order 152 which further states that the Committee shall be appointed within ten (10) days on the Assembly of a new County Assembly. This is thus an outright indication that the Committee is an important instrument that is key in facilitating and providing administrative services in the formation of other County Assembly Committees save for the Committee on County Assembly Business Committee and Committee on Appointments. The committee held 1 sitting during the year under review.

Member	Designation	Ward
1. Hon. Harrison Maluki Mawia	Member	Migwani
2. Hon. Alex Mutambu Nganga	Chairperson	Miambani
3. Hon. Boniface Mukwate Katula	Member	Kanyangi
4. Hon. Sylvester Munyalo Munyalo	Member	Matinyani
5. Hon. Jeremiah Mutua	Member	Nguni
6. Hon. Godfrey Muthengi Ndagara	Member	Tharaka
7. Hon. Antony Musyoka	Member	Kiomo/Kyethani
8. Hon. Judith Wanza	Member	Nuu
9. Hon. Priscilla Makumi	Member	Nominated
10. Hon. Mark Nding'o	Member	Yatta/Kwavonza
11. Hon. Grace Syoindo Mulandi	Member	Nominated
12. Hon. Deborah Mutuku	Member	Nominated
13. Hon. Mathew Ngovi Vuthi	Member	Chuluni
14. Hon. Peter Kitonyo Mwanza	Member	Mulango
15. Hon. Malinga Munyao	Member	Zombe/Mwitika
16. Hon. Daniel Kimanzi Muange	Member	Kyuso
17. Hon. Titus Munyoki Kasinga	Member	Mumoni
18. Hon. Charity Syomiti Mwangangi	Member	Nominated
19. Hon. Mercy Muliwa	Member	Nominated
20. Hon. Sammy Munyithya	Member	Kivou
21. Hon. David Munyau Masaku	Member	Mutomo

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xxi. County Assembly Business Committee

The County Assembly Business Committee is established pursuant to the provisions of Standing Order 151 which consist of the Speaker, Leader of the Majority Party, Leader of the Minority Party, and not less than eleven and not more than seventeen members of the County Assembly. It is appointed within seven days on assembly of a new County assembly. It is mandated to prepare and, if necessary, from time to time adjust the County Assembly Calendar with the approval of the County Assembly; and monitor and oversee the implementation of the County Assembly. The committee held 44 meetings during the year under review.

Member	Designation	Ward
1. Hon. Kevin Kinengo Katisya	Chairperson	Speaker of Assembly
2. Hon. Boniface Maundu Katumbi	Member	Kyangwithya East
3. Hon. Charity Katahti Musyoka	Member	Nominated
4. Hon. Harison Maluki Mawia	Member	Migwani
5. Hon. Daiel Kimanzi Ngoima	Member	Township
6. Hon. Munyoki Mwinzi	Member	Kyuso
7. Hon. Godfrey Muthengi Ndagara	Member	Tharaka
8. Hon. Jacqueline Cate Kalenga	Member	Nominated
9. Hon. Sylvester Munyalo Kitheka	Member	Matinyani
10. Hon. Fastina Mwendu Salu	Member	Nominated
11. Hon. Elizabeth Ndunge Peter	Member	Nominated
12. Hon. Gabriel Mutunga Munyao	Member	Kauwi
13. Hon. Boniface Mukwate Katula	Mmeber	Kyangi

xxii. Appointment Committee

The Appointment Committee is established pursuant to the provisions of Standing Order 184. Consists of the Speaker, the Leader of the Majority Party, the Leader of the Minority party and not more than three other Members nominated by the County Assembly Business Committee, on the basis of proportional Party Membership in the County Assembly taking into consideration the numerical strength of the Parties and interests of Independent Members. Assembly. The Committee on Appointments shall consider, for approval by the County Assembly, appointments of Members of County Executive Committees. The committee held 11 sittings during the year under review.

Member	Designation	Ward
1. Hon. Kevin Kinengo Katisya	Chairperson	Speaker of Assembly
2. Hon. Harrison Maluki Mawia	Member	Migwani
3. Hon. Alex Mutambu Nganga	Member	Miambani
4. Hon. Judith Wanza Kasyoka	Member	Nuu
5. Hon. Hussein Mwandia	Member	Ikutha
6. Hon. Pricilla Makumi	Member	Nominated

xxiii. Audit Committee

In addition to the above committees of the County Assembly, the County Assembly has an independent Audit Committee which was constituted in 2024 to comply with the PFM (County Government) Regulations (2015) on the formation of audit committees for all Counties. Its mandate is to advise the County Government on institutional risk management and compliance. The committee held Twenty-One (21) Sittings in FY 2024-2025. The committee members during FY 2024-2025 were:

S.no	Member	Designation
1	Michael Kimwele	Chairperson
2	Kevin Kisavi	Member
3	Pius Mutemi	Member

Communication with all Stakeholders

Kitui County Assembly is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the County Assembly held an Annual consultative meeting in Kitui 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.

Risk management

The County Assembly has developed and operationalized a risk management policy. Through the internal Audit unit, the county assembly carries out risk-based audits on a timely basis where all auditable areas popularly referred to as the Audit universe are assessed and put into plan. Further, the county assembly internal audit unit has a risk inventory whereby all the auditable areas are rated paving the way to focus on the most glaring areas. It is worth noting that the County Assembly has a strategic plan that entails a detailed assessment of the internal and external environment for the proper realization of its mandate hence they can identify the possible risks. Some of the risks identified include the absence of fire exit which poses a major risk in case a fire breaks out. The tiles on the pavements and walkways which were slippery and loose posing a health hazard to the users have since been replaced which outdoor suitable tiles to prevent a risk from occurring. The management is in the process of constructing a modern office block with proper utilities to curb the possibility of danger occurring.

Compliance

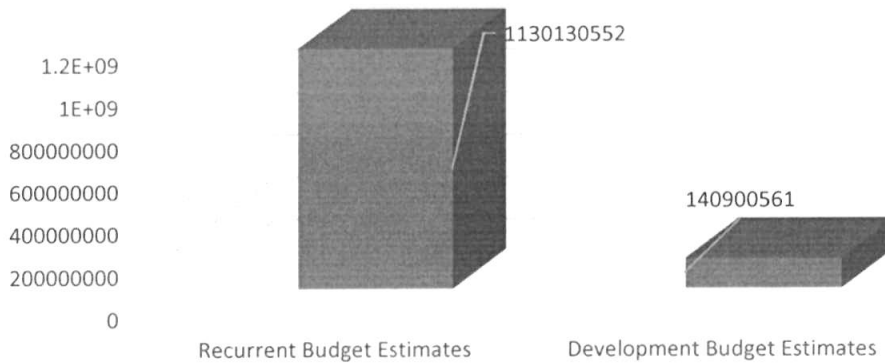
The Kitui County Assembly complies with all the governing laws and regulations among the County Governments Act, The Constitution of Kenya, and The Public Finance Management Act. The Assembly ensures that there is compliance to the set timelines on reporting and always engage all the relevant stakeholders for discussions at their levels.

4. Foreword by the Clerk of the County Assembly

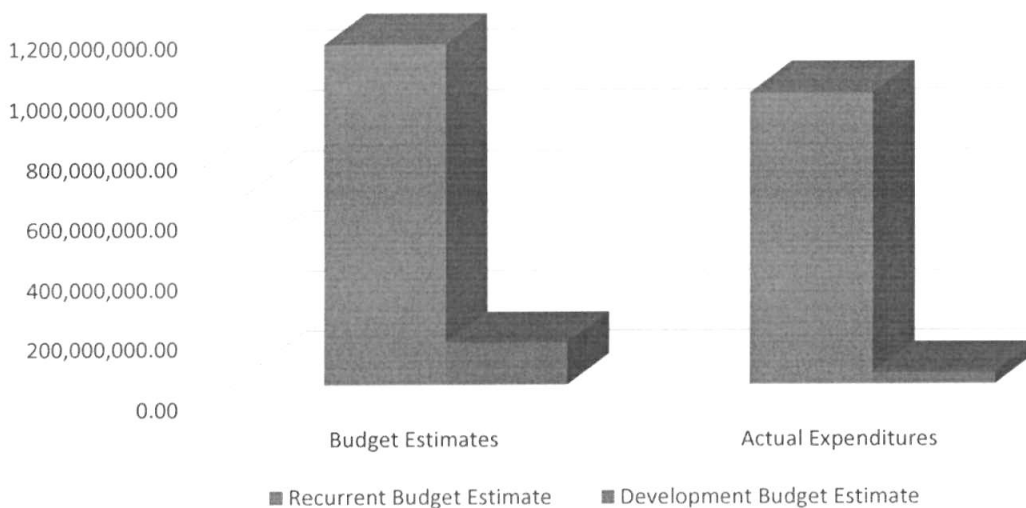
(i) Budget performance

Kitui County Assembly had an approved budget of Kshs 1,271,031,113 for the FY 2024/25 comprising of Kshs 1,130,130,552 for recurrent expenditure and Kshs 140,900,561 for development. The actual absorption of the total budget was Kshs. 1,016,343,986 representing 80% of the budget. The recurrent budget utilization was Kshs. 978,614,816 against the allocated budget of Kshs. 1,130,130,552 translating 86.6%. The development absorption was Kshs. 37,729,170 against an allocation of Kshs. 140,900,561 translating to 26.8%. This underutilization in development was majorly since the assembly had not yet secured the land for construction of speaker’s residence.

Budget Estimates FY 2024/25



Budget Estimates vs Actual Expenditures



(ii) Operational Performance

a) Laws and Policies Passed

During the year under review, the Kitui County Assembly successfully passed 6 Bills and 74 Motions. These legislative measures are expected to improve efficiency in the operations of the County Government by strengthening governance structures, enhancing service delivery, and ensuring accountability in the use of public resources. Additionally, the laws and motions passed are aimed at addressing pressing socio-economic issues, thus benefiting the people of Kitui County by improving infrastructure, service delivery, and overall standards of living.

To further strengthen efficiency, Members of the County Assembly (MCAs) underwent specialized training in legislation, oversight, and representation, as well as in project inspection skills. This equipped them to ensure county-funded projects deliver value for money and uplift the livelihoods of citizens.

b) Budget-Making and Approval Process

The operations of the Assembly are financed through a budget approved by the County Assembly. The budget-making process is guided by the Public Finance Management Act, 2012, relevant regulations, and circulars. In line with Section 128 of the Act, the County Executive Committee Member (CECM) for Finance issues a budget circular not later than 30th August each year, after which departments prepare and submit their work plans. These are consolidated into the County Assembly's Annual Work Plan, discussed, and adopted by the County Assembly Service Board (CASB) by 30th September.

Subsequently, the Clerk instructs the finance department to prepare the draft budget estimates, which are then submitted to CASB by 1st April for approval before presentation to the Assembly plenary.

For the year under review, the Assembly passed the following budgets:

- Annual Budget Estimates was approved on 28th June 2024.
- 1st Supplementary Budget Estimates was approved on 13th November 2024.
- 2nd and Final Supplementary Budget was approved on 4th June 2025.

c) Assembly Committees and Achievements

The Third Assembly conducted its business through 22 Committees (12 Sectoral and 10 Select Committees). Sectoral Committees oversee County Executive departments, while Select Committees focus on internal management of the Assembly. Key committees and their highlights include:

- Labour and Social Welfare Committee – successfully conducted oversight on the welfare of workers in vocational centers and county corporations. It further engaged the County Public Service Board and other stakeholders on policy and service delivery to improve workers' welfare.
- Justice and Legal Affairs & Delegated County Legislation Committees – jointly considered the Kitui County Public Forums (Implementation) Guidelines, 2024, ensuring increased public

participation in county governance. The committee also reviewed the Community Level Infrastructure Development Programme (CLIDP) Framework and addressed insecurity issues in border areas jointly with the Committee on Administration and Coordination of County Affairs.

- Public Accounts and Investments Committee – received specialized training on handling audited financial reports, enabling members to critically interrogate reports and provide objective recommendations for improved financial management.
- Budget and Appropriations Committee – ensured prudent scrutiny and approval of the County Budget and supplementary budgets in line with fiscal strategy and expenditure priorities.
- Sectoral Committees (Agriculture, Health, Education, Trade, Tourism, Lands, Infrastructure, Environment, Energy, among others) – carried out departmental oversight, policy reviews, and stakeholder engagements to enhance service delivery in their respective sectors.

d) Oversight Role of the County Assembly

Oversight remained a central function of the Assembly. Through committee work and plenary debates, MCAs ensured accountability in county expenditure, implementation of development projects, and compliance with existing laws and regulations. The Assembly enhanced its oversight role by training members in project inspection and audit review processes, equipping them to ensure that projects funded by public resources delivered value for money and directly improved the lives of Kitui residents.

(iii) Performance of key development projects

Kitui County Assembly continued to make significant progress in implementing its strategic, procurement, and annual work plans during the year under review. The development projects undertaken were aligned to the Assembly’s vision of enhancing legislative effectiveness, strengthening oversight, and improving service delivery.

a) Physical Progress and Achievements

The Assembly registered notable progress in infrastructure development, ICT capacity enhancement, and civil works. These initiatives were designed not only to provide modern facilities for Members and staff but also to improve efficiency, accountability, and the overall working environment. The outcomes include enhanced accessibility, better use of digital systems, improved security, and stronger institutional capacity to deliver on the Assembly’s mandates.

In terms of impact, the completed projects have created a more conducive environment for legislative work, strengthened administrative support, and improved service delivery to the citizens of Kitui County.

b) Key Development Projects

(i) Infrastructural Renovations

- Renovation of the Assembly Offices was commenced in 2025, creating functional and modernized workspaces for staff and Members.
- Renovation of the Debating Chamber began in May 2015 and was completed and commissioned in 2016. The chamber, with a capacity of 80 Members, is equipped with modern facilities and technology that have significantly improved legislative debate and deliberations.
- Laying of cabro blocks in the Assembly car park was completed in 2014, improving accessibility and aesthetics.
- Construction of the **main gate** enhanced security and access control to the Assembly premises.

(ii) ICT and Digital Infrastructure

- **Internet Connectivity:** The Assembly is connected to a reliable fiber optic link, enabling effective use of IFMIS, Internet Banking, and other e-services. Bandwidth has been upgraded from 2 Mbps to 4 Mbps, and the network improved from WIMAX to microwave technology, ensuring stable and secure connections.
- **ICT Equipment:** The Assembly procured desktop computers, laptops, and printers. Most staff members have been issued with laptops, significantly enhancing work efficiency, research capacity, and service delivery.

(iii) Minor Civil Works

Continuous improvements in physical facilities have been undertaken, including:

- Construction of a walkway to the chambers.
- Completion of a new ablution block to improve sanitation.
- Renovation of the sentry house, strengthening security.
- Installation of an elevated water tank to ensure a consistent water supply.
- Installation of air-conditioning systems for staff and Members' comfort.
- Upgrade of the electricity supply to three-phase power to support modern office equipment and ICT systems.

These physical improvements have collectively enhanced the Assembly's institutional efficiency, created a better working environment, and strengthened service delivery.

c) Responsible Competition Practices

The County Assembly Service Board (CASB) has consistently ensured fairness and transparency in its operations, guided by the Public Procurement and Asset Disposal Act, 2015. Key practices include:

- **Fair Recruitment Processes:** Staff recruitment adheres to principles of fairness, gender balance, and regional equity. Training opportunities, including managerial and supervisory courses, have been provided to enhance staff skills and job performance.

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- **Transparent Procurement:** All procurement is conducted competitively and transparently. The Assembly has upheld accountability in tendering, ensuring value for money and compliance with procurement laws.
- **Supplier Relations:** The Assembly has maintained strong working relationships with suppliers by honoring contracts and paying for goods and services on time. Pending bills, where they arise, are minimal and are cleared within the first quarter of the subsequent year, avoiding financial strain on suppliers.
- **Integrity and Anti-Corruption Measures:** Mechanisms have been put in place to safeguard against corruption and irresponsible political interference, thereby fostering a culture of transparency, accountability, and ethical governance in the management of public resources.

(iv) Value-for-money achievements

Renovation of Debating Chamber

This has offered Members a conducive environment for carrying out their main work; to scrutinize the county government policies and proposed legislations, consider committee reports, monitor their implementation, and represent the citizenry of Kitui.

Purchase of Motor Vehicles

The motor vehicles purchased have facilitated the members' movement while discharging their service. Most notably the ten (10) seater Nissan Urvan and twenty-six (26) seater Toyota Coaster have been of much value during project inspection exercises at the county wards. These vehicles assist in traversing the terrains within Kitui County during public participation engagements and other official events. This has consequently enabled the members to reach the electorates for constructive engagements regarding the businesses of the county during public participation. Further, the County Assembly had purchased a Toyota Cross in financial year 2023-2024 which has been instrumental in facilitating the transport of both the County Assembly Staff and Members of the County Assembly during official duties.

(v) Challenges and Recommended Way Forward

Lack of adequate training for committees

The members' performance is hampered by a lack of adequate training geared toward enhancing their legislative, representation, and oversight roles. The committees also require adequate exposure and benchmarking programs to other assemblies however, the same is not fully forthcoming. Given that the Assembly committees are very critical instruments in the processing of the Assembly's work, proper training is necessary.

Budgetary Constraints

The Assembly requires a substantive amount of budgetary allocation every financial year to effectively conduct its role of legislation, oversight, and representation. We have been facing stringent budget ceilings which are insufficient to adequately facilitate Assembly operations. There have been constant engagements with the Commission on Revenue Allocation to review the ceilings.

Inadequate Staffing in the Assembly Service

Some key departments have been understaffed hence straining productivity and creating fatigue, stress, and depression among the existing staff due to the overwhelming workload.

In adequate Infrastructural

The Assembly's infrastructure cannot handle the voluminous personnel for both the members of the county assembly and the staff. There are no sufficient committee rooms that are well equipped with the necessary equipment for audio recording. The members also require offices for their daily operations. There is not enough designated parking space for the leadership of the Assembly MCAs and staff. However, the County Assembly has started construction of new modern office block with sufficient offices, a parking lot, and committee rooms to cure the above challenge. The Assembly has already procured the necessary contractual services and actual works have been commenced.

Lack of Library and inadequate Research Materials

The Assembly does not have library services for use by the members during the review of periodicals and other issues. There are also low levels of awareness of the availability of research services to the members of the county assembly. This is compounded by the slow pace of setting up the Research Services Centre. To achieve this objective, the Assembly needs a fully-fledged research Section. This shall assist in providing members with readily processed and factual information to enable them to carry out their duties effectively. In addition, the assembly may consider adopting e-resources on its website as an alternative to a physical library.

A challenge in identifying plenary quorum

There has been a challenge in registration and identification of members' attendance during plenary and committee sessions due to the bulky paperwork involved. It is imperative to introduce the use of a biometric control system for the members of the county assembly during these sessions to alleviate the hiccup of quorum and reduce the paperwork.

Inadequate Surveillance Systems

There has been a major challenge on security matters within the county assemblies. Insecurity has been an emerging issue in many commonwealth assemblies including Canada and the House of Commons following recent security breaches. Considering the sensitivity of these institutions, there is a need to install extra security surveillance systems like CCTV monitors.

Low Staff capacity on Legislative matters

The performance of the employees heavily relies on their motivation and morale. Globally, there is laxity among the employees owing to the monotony of duty, fatigue, and work-related stress. To attain the best standards within the Commonwealth parliamentary system, there is a need for frequent capacity building to improve the morale of the staff and subsequently improve their performance. Much of the training has been on the job and need basis. With this in mind, there is a need to frequently

collaborate with institutions, consultants, and other bodies that offer such pieces of training to enable the members of staff to bring out the required output and assist the assembly in achieving its mandate within the committees and the plenary.

Inadequate staff team-building exercises

Poor interpersonal relations lead to low performance, mistrust, and poor working relationships among the employees. The assembly has not been conducting enough team-building exercises due to financial constraints. Therefore, there is a need to have frequent team-building exercises to boost the cordial working relationship among the members of the staff.

Inefficient broadcasting equipment for proceedings

The assembly has been experiencing notable challenges in broadcasting her proceedings due to inadequate facilities. One of the objectives of county communications according to the County Governments Act is to create awareness of devolution and good governance. Section 95 of the CGA provides that a county government shall establish mechanisms to facilitate public communication and access to information in the form of media with the widest public outreach. This read along with the First Schedule of the Standing Order necessitates the establishment of an Assembly Broadcasting Unit to broadcast the proceedings and provide access to assembly information. Therefore, there is a need to improve telecommunication facilities to facilitate seamless access to information by public communication through the integration of all development activities.



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Lucy N. Waema

Ag. Clerk of the County Assembly

5. Statement of Performance against Predetermined Objectives

Strategic development objectives

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

Program 1	Objective	Outcome	Indicator	Performance	Remarks (Reasons for underperformance/ Overperformance)
Legislation, oversight, and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	Number of bills passed in the County Assembly	In FY 2024/2025 all the MCA were trained on how to enhance public participation in legislation, promoting quality service delivery through objective debates and strict adherence to good governance practices.	
	Enhance processing of bills, motions, statutory reports, and regulations	Improved legislations	Number of bills, motions, reports, and regulations passed	In FY 2024/2025, 6 bills, and 74 motions were passed.	

	Enhance professional development of MCAs – Review standing orders	Review standing orders	% Increase in efficient Assembly operation	In FY2024-2025 the process of reviewing the standing orders has been ongoing.	
General Administration and Support	To develop competent and motivated human capital, to put in place appropriate infrastructure and equipment	Improved productivity	Provision of Quality reports and output	In FY2024-2025, 12 members of staff were trained in senior management courses and 1 in supervisory management at Kenya School of Government.	

6. Environmental and Sustainability Reporting

The Kitui County Assembly exists to transform lives. This purpose drives our vision, strategy, and day-to-day operations. Our strategy is anchored on three pillars: **putting the citizen first, delivering relevant services, and improving operational excellence**. Below is a summary of key achievements under these pillars

a) Sustainability Strategy and Profile

The Assembly has developed a Strategic Plan through an inclusive and consultative process involving both the political and administrative arms of the institution, as well as contributions from key stakeholders. This participatory approach reflects the principles of representative democracy and ensures broad ownership of the Assembly's development agenda.

The Strategic Plan reaffirms the Assembly's commitment to its three core mandates: representation, legislation, and oversight. It provides a clear roadmap for institutional growth, organizational development, and improved service delivery.

Since inception, notable achievements include:

- Establishment of the County Assembly Service Board (CASB).
- Capacity building for Members and staff of the Assembly.
- Development of a functional organizational structure.
- Recruitment of additional personnel.
- Renovation of offices and infrastructure improvements.
- Acquisition of essential equipment and facilities.

To ensure successful implementation, the Assembly has adopted a comprehensive framework supported by realistic annual work plans and departmental action plans. Monitoring and evaluation mechanisms are directly aligned with the Strategic Plan, linking both individual and departmental performance to long-term institutional goals.

b) Environmental Performance

The Assembly is actively engaged in promoting sustainable development. Current initiatives include:

- Development of sustainable agribusiness policies.
- Formulation of sound environmental policies and disaster management frameworks.
- Implementation of appropriate mitigation measures to safeguard natural resources.

These efforts aim to address critical challenges such as food insecurity, environmental degradation, noise and dust pollution, health risks, depletion of water catchment areas, and threats to community

livelihoods. Once enacted, these policies will provide a strong foundation for sustainable socio-economic growth across the County.

c) Employee Welfare

The County Assembly is committed to building a motivated, skilled, and well-balanced workforce. Through the County Assembly Service Board, staff recruitment is guided by an approved establishment framework, ensuring gender and regional balance. The Human Resource Department conducts regular staff appraisals to identify training needs, while training programs are implemented on a rotational basis to build capacity, enhance performance, and support career development.

d) Marketplace Practices

The Assembly upholds the highest standards of integrity and accountability in service delivery. Measures include:

- Establishing secure and confidential reporting channels for corruption.
- Plans to introduce an online corruption reporting portal on the Assembly's website.
- Formation of a dedicated Anti-Corruption Audit Committee.

The Assembly also ensures professionalism and fairness in supplier engagements, fostering strong, trust-based relationships with suppliers, customers, and other stakeholders.

e) Community Engagements

Public participation remained a central focus during the year under review. The Assembly actively engaged communities in legislative processes, policy formulation, and oversight activities. This inclusive approach has enhanced transparency, deepened citizen trust, and ensured that public views are reflected in decision-making.

7. Management Discussion and Analysis

The Management of the Kitui County Assembly is pleased to present the Management Discussion and Analysis (MD&A) for the year under review. This section provides an overview of the Assembly's operational and financial performance for the past five years, highlights key programs and investments undertaken, and outlines the risks, opportunities, and future outlook.

(a) Key Programs, Projects, and Investments

Over the review period, the County Assembly has continued to strengthen its institutional capacity through various development projects and programs aligned to its Strategic Plan. Notable achievements include:

- **Infrastructure Development:** Renovation and modernization of the Assembly Offices and Debating Chamber, construction of ablution blocks, installation of water supply systems, and upgrading of ICT infrastructure.
- **ICT Modernization:** Upgrading of internet connectivity, installation of microwave network technology, and procurement of laptops, desktops, and printers to improve efficiency in legislative and administrative functions.
- **Capacity Building:** Regular training programs for Members and staff, focusing on legislation, oversight, financial management, and project monitoring.
- **Public Participation Frameworks:** Development of guidelines to strengthen citizen engagement in legislative processes, ensuring inclusivity and transparency.

These investments have improved service delivery, enhanced oversight, and created a more conducive working environment for Members and staff.

(b) Compliance with Statutory Requirements

The County Assembly has consistently complied with relevant laws, regulations, and circulars, including:

- Timely preparation and approval of budget estimates in line with the Public Finance Management (PFM) Act, 2012.
- Adherence to the Public Procurement and Asset Disposal Act, 2015 in all procurement activities.
- Regular submission of statutory deductions and contributions such as PAYE, NSSF, and NHIF to relevant authorities within stipulated timelines.
- Preparation and submission of financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and other applicable frameworks.

(c) Major Risks Facing the Organisation

The Assembly continues to operate in a dynamic environment, with the following risks identified as significant:

- **Budgetary Constraints:** Delays in disbursement of funds from the National Treasury, which affects timely implementation of programs.
- **Political Interference:** Risks of undue influence in legislative and oversight roles, potentially impacting objectivity.
- **ICT Security Risks:** Increased reliance on digital platforms exposes the Assembly to cybersecurity threats.
- **Operational Risks:** Gaps in staffing levels, training needs, and infrastructure maintenance may affect efficiency.

Mitigation measures include strengthening internal controls, enhancing ICT security protocols, and continuous staff training.

(d) Material Arrears in Statutory and Other Financial Obligations

The Assembly has maintained prudent financial management and does not carry significant arrears in statutory obligations. Minimal pending bills, where they arise, are cleared within the second quarter of the subsequent financial year, ensuring compliance and maintaining trust with suppliers and service providers.

(e) Review of the Economy and Sector

The County Assembly's performance is influenced by the broader economic environment, including national budgetary allocations, inflationary trends, and changes in government policy. During the review period:

- National revenue challenges led to delays in county disbursements.
- Rising inflation and exchange rate fluctuations increased the cost of goods and services, impacting procurement budgets.
- Policy shifts on devolution and public finance reforms have shaped Assembly operations, particularly in oversight and resource allocation.

Despite these challenges, the Assembly has remained resilient and focused on delivering its mandate.

(f) Future Developments

Looking ahead, the Assembly has outlined several strategic priorities:

- Expansion of ICT systems to enhance e-governance and paperless operations.
- Strengthening oversight through enhanced training on audit reviews and monitoring of development projects.
- Enhanced public participation frameworks to promote inclusivity and citizen engagement in decision-making.
- Infrastructure upgrades including expansion of office space, modernization of facilities, and improved accessibility.
- Environmental sustainability initiatives, focusing on green energy, waste management, and sustainable agribusiness policy development.

(g) Other Relevant Information

The Assembly remains committed to transparency, accountability, and prudent management of public resources. Through capacity building, institutional reforms, and stakeholder engagement, the Assembly continues to position itself as a strong and credible institution that delivers value to the citizens of Kitui County.

8. Statement of Management Responsibilities

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

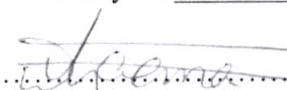
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements which have been prepared using appropriate financial standards, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30,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

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

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

Approval of the financial statements

The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 2nd December 2025.


.....

Lucy N. Waema

Ag. Clerk of the County Assembly

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
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NAIROBI

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

PREAMBLE

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

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

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 transitional International Public Sector Accounting Standards (IPSAS) financial statements of County Assembly of Kitui set out on pages 1 to 67, which comprise of the statement of financial position as at 30 June, 2025 and the

statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual 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 transitional International Public Sector Accounting Standards financial statements present fairly, in all material respects, the financial position of Kitui County Assembly as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.1,271,031,113 and Kshs.1,008,108,759 respectively resulting to under-funding of Kshs.262,922,354 or approximately 21% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Information

The Management is responsible for the Other Information set out on pages iii to xxxv which comprise of Key Entity Information and Management, Governance Statement,

Foreword by the Clerk of the County Assembly, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting, Management Discussion and Analysis and the Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Payment to County Assembly Forums

As previously reported, the statement of financial performance reflects use of goods and services totalling Kshs.518,148,766, which as disclosed in Note 10 to the financial statements includes other operating expenses of Kshs.45,034,136. Included in the amount is Kshs.5,750,000 in respect to subscriptions paid to County Forums and Society of Clerks. However, these entities are not established in law and therefore the payment amounting to Kshs.5,750,000 was irregular. This was contrary to Section 149(1)(a) of the Public Finance Management Act, 2012 which states that an Accounting Officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is lawful and authorized.

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

2. Delay in Construction of New Assembly Building

Review of records revealed that the County Assembly awarded a contract for the construction of a new Assembly building at a contract sum of Kshs.249,507,369 which was to start on 9 October, 2024 with a completion date of 7 October, 2026. As at the time

of audit in October, 2025 the Assembly had paid Kshs.58,871,497 or approximately 24% of the contract sum while the percentage of completion was 8%. Further, physical verification of the building revealed that the base was excavated and left open which poses danger to the already existing structure which may collapse due to unstable base. In addition, the contractor had abandoned the site.

Further, the procurement records including the bid documents and the bills of quantity were not provided for audit review as they were said to be with Ethics and Anti-Corruption Commission under investigations.

In the circumstances, value for money for the Kshs.58,871,497 paid for the project could not be confirmed.

3. Non-Compliance with Law on Ethnic Composition

During the year under review, the total number of employees of the County Assembly was seventy-nine (79) out of which seventy-four (74) or approximately 94% of the total number were members of the dominant ethnic community in the County. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public Institution shall have more than one-third of its staff establishment from the same ethnic community".

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

4. Lack of a Strategic Plan

During the year under review, the Assembly operated without a Strategic Plan as they were operating on an expired Strategic Plan for the year 2018-2023. Management had therefore not developed a Strategic Plan in conformity with the Medium-Term Fiscal Framework financial objectives for the County Assembly for the next five (5) years. This was contrary to Section 149(2)(g) of the Public Finance Management Act, 2012 which states that in carrying out a responsibility imposed by Sub-Section (1), an Accounting Officer shall, in respect of the entity concerned, prepare a Strategic Plan for the entity in conformity with the Medium-Term Fiscal Framework financial objectives of the County Government.

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

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

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

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

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

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

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

to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

10 December, 2025

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

Description	Notes	Period ended June 30, 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	1,008,108,759
Miscellaneous Revenue	7	0
Revenue from exchange transactions		
Other income	8	0
Total revenue		1,008,108,759
Expenses		
Employee costs	9	432,764,453
Use of goods and services	10	518,148,766
Transfers to other Government Entities	11	205,800
Depreciation and amortization expense	12	309,652
Other Grants and Subsidies	13	0
Finance costs	14	0
Social Benefits	15	0
Total expenses		951,428,671
Gain/(loss) on sale of assets	16	205,800
Gain/Loss on Foreign Exchange	17	0
Gain/Loss on fair value of investments	18	0
Impairment loss	19	0
Surplus/Deficit for the year		56,885,888
Taxation	20	0
Net Surplus/(Deficit)		56,885,888

The Financial Statements set out on pages 1 to 8 were signed by:



Lucy N. Waema
Ag. Clerk of the Assembly



Augustus M. Kyenze
Principal Finance Officer – County Assembly
ICPAK Member Number:9667

Kitui County Assembly
Annual Report and Financial Statements for the year ended June 30, 2025

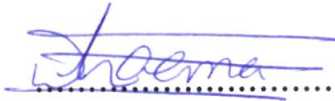
11. Statement of Financial Position as at 30 June 2025

Description	Notes	Period ended	Opening
		Jun 30, 2025	Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	21	36,940,730	1,054,691
Receivables from Exchange Transactions	22(a)	0	0
Receivables from Non-Exchange Transactions	23	30,431,740	114,235,515
Inventories	24	0	0
Current portion of investments	25	0	0
Refundable deposits and prepayments	33	24,496,392	0
Total Current Assets		91,868,862	115,290,206
Non-Current Assets			
Receivables from Exchange Transactions	22(b)	0	0
Non-Current portion of investments	25	0	0
Property, Plant and Equipment	26	66,824,723	30,171,256
Right of Use Assets	27	0	0
Intangible Assets	28	0	0
Investment Property	29	0	0
Biological Assets	30	0	0
Tangible Natural Resources	31	0	0
Total Non- Current Assets		66,824,723	30,171,256
Total Assets (A)		158,693,585	145,461,462
Liabilities			
Current Liabilities			
Trade and Other Payables	32	75,607,697	115,290,206
Refundable deposits and prepayments	33	0	0
Current Provision	34	0	0
Lease Liabilities	35	0	0
Deferred Income	36	0	0
Employee Benefit Obligation	37	0	0
Current Portion of Borrowings	38	0	0
Total Current Liabilities		75,607,697	115,290,206
Non-Current Liabilities			
Non-Current Provisions	34	0	0
Lease Liabilities	35	0	0
Deferred Income	36	0	0
Non-Current Employee Benefit Obligation	37	0	0
Borrowings – Non-Current Portion	38	0	0
Service Concession Liability	39	0	0
Total Non- Current Liabilities		0	0
Total Liabilities (B)		75,607,697	115,290,206
Net Assets (A-B)		83,085,888	30,171,256

Kitui County Assembly
Annual Report and Financial Statements for the year ended June 30, 2025

Represented by:			
Reserves		0	0
Accumulated Surplus/(Deficit)		56,885,888	0
Capital Fund		26,200,000	30,171,256
Net Assets		83,085,888	30,171,256

The financial statements set out on pages 1 to 8 were signed by:



Lucy N. Waema
Ag. Clerk of the Assembly



Augustus M. Kyenze
Principal Finance Officer – County Assembly
ICPAK Member Number: 9667

Kitui County Assembly
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30 th June 2024 (cash basis)	0	0	0	0
Adjustments:				
Recognition of assets			145,461,462	145,461,462
Recognition of liabilities			(115,290,206)	(115,290,206)
As at July 1, 2024	0	0	30,171,256	30,171,256
Surplus/ deficit for the period	0	0	0	0
Returns to CRF	0		0	0
Surplus/ deficit for the year	56,885,888	0	0	56,885,888
Other changes (<i>Disposal of Assets</i>)		0	(3,971,256)	(3,971,256)
As at 30th June, 2025	56,885,888	0	26,200,000	83,085,888

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

Description	Notes	Period ended Jun 30, 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		977,677,019
Miscellaneous Revenue		0
Other income		0
Total receipts		977,677,019
Payments		
Employee costs		403,057,567
Use of goods and services		497,799,038
Transfers to other Government Entities		205,800
Other Grants and Subsidies		0
Finance costs		0
Social Benefits		0
Total payments		901,062,405
Net cash flows from/(used in) operating activities	40	76,614,614
Cash flows from investing activities		
Purchase of PPE		(40,934,375)
Purchase Intangible assets		0
Proceeds from sale of PPE		205,800
Proceeds from sale of Biological Assets		0
Purchase of investments		0
Sale of investments		0
Net cash flows from/(used in) investing activities		(40,728,575)
Cash flows from financing activities		
Returns to CRF		0
Proceeds from borrowings		0
Repayment of borrowings		0
Net cash flows from financing Activities		0
Net increase/(decrease) in cash & Cash equivalents		35,886,039
Cash and cash equivalents as at Period Start 01.07.2024		1,054,691
Cash and cash equivalents as at Period End 30th June 2025		36,940,730

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

Revenue/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	Kshs
Budget carry overs (Special Purpose A/c)	0	0	0	0	0	0%
Receipts						
Transfers from CRF	1,100,630,000	170,401,113	1,271,031,113	1,008,108,759	262,922,354	79%
Other income	0	0	0	0	0	
Total Receipts	1,100,630,000	170,401,113	1,271,031,113	1,008,108,759	262,922,354	79%
Payments						
Compensation of employees	480,847,070	(39,621,873)	441,225,197	431,744,124	9,481,073	98%
Use of goods and services	581,740,922	(36,711,500)	545,029,422	535,275,175	9,754,247	98%
Subsidies	0	0	0	0	0	
Transfers to other Government units	0	140,594,663	140,594,663	0	140,594,663	0%
Other Grants and Subsidies	0	0	0	0	0	
Social security benefits	0	0	0	0	0	
Acquisition of assets	38,042,008	106,139,823	144,181,831	40,688,820	103,493,011	28%
Finance costs, including loan interest	0	0	0	0	0	
Repayment of principal on borrowings	0	0	0	0	0	
Other payments	0	0	0	0	0	
Total	1,100,630,000	170,401,113	1,271,031,113	1,007,708,119	263,322,994	79%
Surplus/ deficit	0	(0)	0	400,640	(400,640)	

Recurrent and Development Budgets Combined

Reconciliation table

Sno	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	400,640
1	Basis difference	0
2	Timing differences	0
3	Entity differences	0
4	Classification differences	36,540,090
	Closing Cash and Cash Equivalent as per the statement of Cash flows	36,940,730

Budget Notes

Reasons for Underutilization

- (a) **Acquisition of Assets-** These relate to the purchase of Computers, Printers, and Office Furniture, Land and Building. The amount budgeted was not fully spent as of 30th June 2025. These includes the allocation of development projects for the construction of the Speaker's residence and office block.
- (b) The changes between the original and final budget were as a result of reallocations within the budget and additional revote amount for the previous financial year.

15. Notes to the Financial Statements

1. General Information

County Assembly of Kitui is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are to Represent, Legislate, Oversight the county executive.

2. Statement of Compliance and Basis of Preparation

Statement of compliance

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

Guiding Note during the transition period:

Kitui County Assembly has taken advantage of the transitional provisions under IPSAS 33 and therefore these first years Financial Statements are transition financial statements. The following elements of the financial statements have not been recognized as the entity has taken advantage of the transition provisions outlined in IPSAS 33.

- Non-Current Assets Recognition – The Assembly has recognized Assets acquired during FY 2024/2025. In addition, opening assets disposed of during the year have been recognized in the financial statements since their costs were reliably measurable. The assembly undertakes to ascertain and revalue assets acquired in previous period for recognition by the third year of transition.
- The Assembly has not recognized intangible assets, Provisions and Contingent Liabilities and long-term employee benefit obligations.
- Inventory recognition – the Assembly has not recognized the inventory held at the close of the year. The Assembly commit to undertake stock taking and recognize the inventory in the 2nd year of transition.

These financial statements were authorised for issue by the accounting officer on 26th August 2025

Basis of Preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and

Notes to the Financial Statements (Continued)

expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Entity. The accounting policies adopted have been consistently applied to all the years presented.

Reporting period

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

Critical accounting judgements

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

Recognition of revenue

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

Recognition of non-exchange expenses and liabilities

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

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

Kitui County Assembly
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

Purpose and nature of financial instruments

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

Climate change obligations

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

Physical assets

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
<p>IPSAS 43: Leases</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>There was no impact of the amendment to IPSAS 43 with respect to the current financial report.</i></p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>There was no impact of the amendment to IPSAS 44 with respect to the current financial report.</i></p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>

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Standard	Effective date and impact:
	<i>There was no impact of the amendment to IPSAS 45 with respect to the current financial report.</i>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>There was no impact of the amendment to IPSAS 46 with respect to the current financial report.</i></p>

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

Standard	Effective date and impact:
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>There was no impact of the amendment to IPSAS 47 with respect to the current financial report.</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

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Standard	Effective date and impact:
	<i>There was no impact of the amendment to IPSAS 48 with respect to the current financial report.</i>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>There was no impact of the amendment to IPSAS 49 with respect to the current financial report.</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>There was no impact of the amendment to IPSAS 50 with respect to the current financial report.</i></p>

iii) Early adoption of standards

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

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 28th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of

Notes to the Financial Statements (Continued)

Kshs. 170,401,113 on the FY 2024/2025 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial cash flows has been presented under section 14 of these financial statements.

c) Investment property

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

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in

Notes to the Financial Statements (Continued)

surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value

e) Right of use asset

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

f) Tangible Natural Resources

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

g) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments

Notes to the Financial Statements (Continued)

are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

h) Intangible assets

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

i) Research and development costs

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

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

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

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At

Notes to the Financial Statements (Continued)

initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

i. Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

ii. Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

k) Inventories

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

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

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

l) Provisions

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

m) Contingent liabilities

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

Notes to the Financial Statements (Continued)

n) Contingent assets

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

o) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *The assembly does not maintain reserves.*

p) Changes in accounting policies and estimates

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

q) Employee benefits

Retirement benefit plans

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

r) Foreign currency transactions

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

s) Borrowing costs

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

t) Related parties

The Kitui County Assembly regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over it, or vice versa. Members of key management are regarded as related parties and comprise the Governor, Deputy governor, County Secretary, County Executive Committee Members and Chief Officers, Speaker of the county assembly and, Clerk of the county Assembly, Directors and senior managers.

u) Service concession arrangements.

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

v) Cash and cash equivalents

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

Notes to the Financial Statements (Continued)

w) Comparative figures

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

x) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

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Notes to the Financial Statements (Continued)

Provisions

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

Kitui County Assembly did not have provisions during the year.

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers for Period ended 30-Jun-25
	Kshs	Kshs	Kshs
Recurrent	970,379,589	0	970,379,589
Development	37,729,170	0	37,729,170
Special purpose transfers	0	0	0
Total	1,008,108,759	0	1,008,108,759

7. Miscellaneous Revenue

Nature of Revenue	FY 2024-2025
	Kshs
In kind grants and donations	0
Refunds & Reimbursements	0
Revenues not classified anywhere else	0
Total	0

8. Other Incomes

Description	FY 2024-2025
	Kshs
Insurance recoveries	0
Sale of tender documents	0
Services concession income	0
Other incomes not specified elsewhere	0
Total other income	0

Kitui County Assembly
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Notes to the Financial Statements (Continued)

9. Employee Costs

Description	FY 2024-2025 Kshs
Basic salaries of permanent employees	286,470,053
Basic wages of temporary employees	2,859,878
Personal allowances – part of salary	96,036,402
Pension and other social security contributions	32,182,502
Employer contributions to compulsory national social security schemes	0
Employer contributions to compulsory national health insurance schemes	0
Other social benefit schemes	15,215,618
Other personnel costs	0
Employee costs	432,764,453

NB: Employee costs – Constitutes kshs. 431,744,124 and Kshs. 1,020,329 expensed in IFMIS and pending bills for the year respectively.

10. Use of Goods and Services

Description	FY 2024-2025 Kshs
Utilities, supplies and services	752,241
Communication, supplies and services	6,639,234
Domestic travel and subsistence	151,560,660
Foreign travel and subsistence	80,540,768
Printing, advertising, and information supplies & services	76,042,344
Rentals of produced assets	2,424,737
Training expenses	19,238,510
Hospitality supplies and services	82,577,385
Insurance costs	16,145,349
Specialized materials and services	7,098,366
Other operating expenses <i>including bank Charges</i>	45,034,136
Office and general supplies and services	11,949,088
Fuel Oil and Lubricants	7,865,885
Routine maintenance – vehicles and other transport equipment	5,907,905
Routine maintenance – other assets	4,372,158
Others (specify)	0
Total	518,148,766

N/B Use of goods and services - Constitutes kshs. 510,778,783 and Kshs. 7,369,983 expensed in IFMIS and pending bills for the year respectively. This expenditure excludes prepaid insurance of kshs. 24,496,392

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Notes to the Financial Statements (Continued)

11. Transfers to Other Government Entities

Description	FY 2024-2025
	Kshs
Transfers to other County Government entities	0
Transfers to self-reporting projects	0
Transfers to car loan and mortgage schemes	0
Others (specify) – <i>Transfer to CRF of money from sale of Assets</i>	205,800
Total	205,800

N/B Transfers to other Government Entities - This was amount transferred to County Government CRF after sale of laptops, ipads, and furniture at kshs. 205,800

12. Depreciation and Amortization Expense

Description	FY 2024-2025
	Kshs
Property, plant and equipment	309,652
Intangible assets	0
Investment property carried at cost	0
Total	309,652

N/B Depreciation is on straight line method considering the acquisition date and cost of the assets.

13. Other Grants and Subsidies

Description	FY 2024-2025
	Kshs
Membership dues and subscriptions to international organizations	0
Scholarships and other educational benefits	0
Emergency relief and refugee assistance	0
Grants to small businesses, cooperatives, and self employed	0
Subsidies to Public entities	0
Subsidies to Private entities	0
Total Grants and Subsidies	0

Kitui County Assembly
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Notes to the Financial Statements (Continued)

14. Finance Costs

Description	FY 2024-2025
	Kshs
Interest Payments on Guaranteed Debt Taken over by Govt	0
Interest on Domestic Borrowings (Non-Govt)	0
Interest on Borrowings from Other Government Units	0
Interest on bank overdrafts	0
Interest on loans from commercial banks	0
Total finance costs	0

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

15. Social Benefits

Description	FY 2024-2025
	Kshs
Transfers to the elderly	0
Transfers to orphans	0
Transfers to the physically challenged	0
<i>Add any other category</i>	0
Total social benefit expenses	0

16. Gain/Loss on Sale of Assets

Description	FY 2024-2025
	Kshs
Property, plant and equipment	205,800
Intangible assets	0
Other assets not capitalised	0
Total gain on sale of assets	205,800

N/B Gain on sale of assets - This was generated after sale of laptops, iPads, and furniture

17. Gain/Loss on Foreign Exchange

Description	FY 2024-2025
	Kshs
Gain or loss on foreign exchange transactions	0
Gain or loss on balances in foreign exchanges	0
Total	0

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Notes to the Financial Statements (Continued)

18. Gain/Loss on Fair Value Investments

Description	FY 2024-2025
	Kshs
Investments at Fair Value	0
Total Gain	0

19. Impairment Loss

Description	FY 2024-2025
	Kshs
Property, Plant and Equipment	0
Intangible Assets	0
Total Impairment Loss	0

20. Taxation

Description	FY 2024-2025
	Kshs
Current income tax charge	0
Tax charged on rental income	0
Tax charged on interest income	0
Original and reversal of temporary differences	0
Income tax expense reported in the statement of financial performance	0

21. Cash and Cash Equivalents

Description	<i>Period ended</i> <i>Jun 30, 2025</i>	<i>Opening Statement</i> <i>1st July 2024</i>
	Kshs	Kshs
Recurrent Account CBK	34,156,489	397,127
Development Account CBK	2	0
Deposits Account CBK	2,633,172	0
Kenya Commercial Bank-Operation A/C	151,067	657,564
Family Bank-MCA Car & Mortgage A/C	0	0
KCB-Staff Car & Mortgage A/C	0	0
KCB-Fund A/c	0	0
Total	36,940,730	1,054,691

Notes to the Financial Statements (Continued)

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

		FY 2024-2025	Opening Statement 1 st July 2024
Financial Institution	Account number	Kshs	Kshs
Recurrent Accounts			
Central Bank of Kenya, Kitui County Assembly Recurrent Account, Kenya Shillings	1000197919	34,156,489	397,127
Kenya Commercial Bank, Kitui County Assembly Operations Account, Kenya Shillings	1143459695	151,067	657,564
Development Accounts			
Central Bank of Kenya, Kitui County Assembly Development Account, Kenya Shillings	1000197927	2	0
Deposits Accounts			
Central Bank of Kenya, Kitui County Assembly Deposit Account, Kenya Shillings	1000363711	2,633,172	0
Other operating commercial accounts (<i>Specify</i>)	0	0	0
<i>Cash on Hand</i>		0	0
Total		36,940,730	1,054,691

22. Receivables from Exchange Transactions

Description	Period ended	Opening Statement
	Jun 30, 2025	1 st July 2024
	Kshs	Kshs
Total receivables		
Other exchange debtors (<i>Specify</i>)	0	0
Less: impairment allowance	0	0
Total receivables	0	0
a) Current receivables	0	0
b) Non-current receivables	0	0
Total Receivables (a+b)	0	0

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Notes to the Financial Statements (Continued)

i) Ageing analysis for Receivables

Description	FY 2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
	FY2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	0	0%	0	0%
Between 1- 2 years	0	0%	0	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total (a+b)	0	0%	0	0%

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance	FY 2024-2025
	Kshs
At the beginning of the year	0
Additional allowance during the year	0
Recovered during the year	(0)
Written off during the year	(0)
At the end of the year	0

23. Receivables from Non-Exchange Transactions

Description	FY 2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Other debtors (non-exchange transactions)	0		0	
Less: impairment allowance	(0)		(0)	
Total receivables from non- exchange transactions	0		0	
Ageing Analysis- Receivables from non-exchange transactions	FY2024-2025	% of the total	Opening Balance 1 st July 2024	% of the total
Less than 1 year	30,431,740	100%	114,235,515	100%
Between 1-2 years	0	%	0	%
Over 3 years	0	%	0	%
Total	30,431,740	100 %	114,235,515	100 %

Notes to the Financial Statements (Continued)

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

Description	FY 2024-2025
	Kshs
At the beginning of the year	0
Additional provisions during the year	0
Recovered during the year	(0)
Written off during the year	(0)
At the end of the year	0

24. Inventories

Description	FY 2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Spare parts	0	0
Goods held for distribution	0	0
Less: allowance for impairment	(0)	(0)
Total	0	0

Detailed disclosure on inventories

	FY 2024-2025
Opening balance	0
Additional Inventory in the year	0
Inventory expensed in the year	0
Write-downs in the year	0
Others specify	0
Closing balance	0

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Notes to the Financial Statements (Continued)

25. Investments

Description	FY 2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK	0	0
CBK	0	0
Sub- total	0	0
b) Investment with Financial Institutions/ Banks		
Bank x	0	0
Bank y	0	0
Sub- total	0	0
c) Equity investments (specify)		
Equity/ shares in Entity xxx	0	0
Sub- total	0	0
Grand total	0	0
Analysed as:		
Current portion of Investment	0	0
Non-current portion of investment	0	0

d) Movement of Equity Investments

	FY2024-2025
	Kshs
At the beginning of the year	0
Purchase of investments in the year	0
Sale of investments during the year	(0)
Increase /(decrease) in fair value of investments	0
At the end of the year	0

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Notes to the Financial Statements (Continued)

e) Shareholding in other entities

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

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Kshs	Kshs
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
Entity C	0	0	0	0	0	0
	0	0	0	0	0	0

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Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
Depreciation Rate		2.0%	16.67%	2-20%	12.5%	30.0%	0.0%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	0	0	0	0	114,680	3,856,576	0	26,200,000	0	30,171,256
Additions	2,424,500	0	0	0	133,000	3,072,205	0	35,304,670	0	40,934,375
Disposals	0	0	0	0	(114,680)	(3,856,576)	0	0	0	(3,971,256)
Transfer/Adjustment	0	0	0	0	0	0	0	0	0	0
As At 30 Jun 2025	2,424,500	0	0	0	133,000	3,072,205	0	61,504,670	0	67,134,375
Depreciation And Impairment										
Opening Bal as 1 st July 2024	0	0	0	0	(114,680)	(3,856,576)	0	0	0	(3,971,256)
Depreciation for the period	0	0	0	0	(1,385)	(308,266)	0	0	0	(309,652)
Disposals	0	0	0	0	114,680	3,856,576	0	0	0	3,971,256
Impairment	0	0	0	0	0	0	0	0	0	0
Transfer/Adjustment	0	0	0	0	0	0	0	0	0	0
As At 30 Jun 2025	0	0	0	0	(1,385)	(308,266)	0	0	0	(309,652)
Net Book Values										0
Opening Bal as at 1st July 2024	0	0	0	0	114,680	3,856,576	0	26,200,000	0	30,171,256
As At 30 Jun 2025	2,424,500	0	0	0	131,615	2,763,939	0	61,504,670	0	66,824,723

Kitui County Assembly
Annual Report and Financial Statements for the year ended June 30, 2025

NB:

Motor Vehicles

The Assembly did not report motor vehicles which were acquired prior to the current financial year. Some logbooks were not in the Assembly's name.

Computers & ICT Equipment

The Assembly did not include Computers & ICT Equipment which were acquired prior year apart from the ones which were disposed during the current financial year.

Laptops and Ipads costing Kshs. 3,856,576 were disposed at Kshs. 191,000 during the year. The assets were fully depreciated at the time of disposal, hence realizing a gain.

Furniture & Fittings

The Assembly did not include Furniture & Fittings which were acquired prior year apart from the ones which were disposed during the current financial year.

Furniture and Fittings costing Kshs. 114,680 were disposed at Kshs. 14,800 during the year. The assets were fully depreciated at the time of disposal, hence realizing a gain.

Land

The Assembly recognized Land which was acquired during the current year. This land was for the construction of proposed Speaker's residence.

Building

we recognized opening balance of payments made in the prior financial year for the construction of office block of Ksh. 26,200,000

Payments for the construction of building in the current financial year was recognized in the financial statement. This related to construction of the proposed office block. It was recognized as work in progress.

Kitui County Assembly
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Notes to the Financial Statements (Continued)

27. Intangible Assets

Description	FY 2024-2025
	Kshs
Cost/Opening balance at the beginning of the year	0
Additions	0
Disposal	(0)
At end of the year	0
Additions–internal development	0
Disposal	(0)
At end of the year	0
Amortization and impairment	
At beginning of the year	0
Amortization	0
At end of the year	0
Impairment loss	0
At end of the year	0
NBV	0

28. Investment Property

Description	FY 2024-2025
	Kshs
Cost/Opening balance at the beginning of the year	0
Additions	0
Disposal during the year	(0)
Depreciation	(0)
Impairment	(0)
At end of the year	0

Notes to the Financial Statements (Continued)

29. Right-of-use assets

	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Plant and equipment</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2024	0	0	0	0
Additions	0	0	0	0
As at June 2025	0	0	0	0
Accumulated Depreciation				
As at 1 July 2024	0	0	0	0
Charge for the year	0	0	0	0
As at June 2025	0	0	0	0
Carrying Amount				
As at June 2025	0	0	0	0

30. Biological Assets

Description	FY 2024-2025	<i>Opening Statement</i>
	Kshs	<i>1st July 2024</i>
		Kshs
Specify	0	0
Specify	0	0
Total	0	0

31. Tangible Natural Resources

	Sub- soil assets	Water	Wildlife	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2024	0	0	0	0
Additions	0	0	0	0
As at June 2025	0	0	0	0
Accumulated Depreciation				
As at 1 July 2024	0	0	0	0
Charge for the year	0	0	0	0
As at June 2025	0	0	0	0
Carrying Amount				
As at June 2025	0	0	0	0

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Notes to the Financial Statements (Continued)

32. Trade and Other Payables

Description	FY2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	35,006,251		60,577,479	
Payments received in advance	0		0	
Employee payables	39,881,983		54,712,727	
Third-party payments	0		0	
Other payables-Taxes	719,463		0	
Total trade and other payables	75,607,697		115,290,206	
Ageing analysis: (Trade and other payables)	FY2024-2025	%	Opening balance 1st July 2024	% of the Total
Under one year	75,607,697	100%	115,290,206	100%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (tie to above total)	75,607,697	100%	115,290,206	100%

33. Refundable Deposits and Prepayments

Description	FY2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Customer deposits	0		0	
Prepayments	0		0	
Other deposits-Prepaid insurance	24,496,392		0	
Total deposits & Prepayments	24,496,392		0	
Ageing analysis: (Refundable deposits)	FY2024-2025	% of the Total	Opening Balance 1st July 2024	% of the Total
Under one year	24,496,392	100%	0	0%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	24,496,392		0	

NB: These were insurance expenses prepaid by the Assembly running upto February 2026

Notes to the Financial Statements (Continued)

34. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	0	0	0	0
Additional provisions	0	0	0	0
Provision utilised	(0)	(0)	(0)	(0)
Change due to discount and time value for money	(0)	(0)	(0)	(0)
Total provisions year end	0	0	0	0
Current Provisions	0	0	0	0
Non-Current Provisions	0	0	0	0

35. Lease Liabilities

Description	FY 2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Balance at the beginning of the year	0	0
Discount interest on lease liability	0	0
Paid during the year	(0)	(0)
At end of the year	0	0

Maturity Analysis

Period	Amount
Year 1	0
Year 2	0
Year 3	0
Year 4	0
Year 5 and onwards	0
Less: unearned Interest	(0)
	0

Analysed as:

Description	Amount
Current	0
Non- Current	0
Total	0

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Notes to the Financial Statements (Continued)

36. Deferred Income

Description	FY 2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
National Government	0	0
International Funders	0	0
Public Contributions and Donations	0	0
Total Deferred Income	0	0

The deferred income movement is as follows:

	National government	Internationa l funders	Public contribution s and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	0	0	0	0
Additions	0	0	0	0
Transfers To Capital Fund	(0)	(0)	(0)	(0)
Transfers To Income Statement	(0)	(0)	(0)	(0)
Other Transfers	(0)	(0)	(0)	(0)
Balance Carried Forward	0	0	0	0

Analysed as:

Description	Amount
Current	0
Non- Current	0
Total	0

Notes to the Financial Statements (Continued)

37. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	Insert Current FY	Opening Statement 1 st July 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0	0	0	0	0
Non-Current Benefit Obligation	0	0	0	0	0
Total Employee Benefits Obligation	0	0	0	0	0

Retirement benefit Asset/ Liability

The Entity operates a defined benefit scheme for all full-time employees from July 1, 2024. The scheme is administered by Lapfund and CPF while Kenya Commercial are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at 30th June 2025 by N/A. On this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

	FY 2024-2025	Opening Statement 1 st July 2024
Discount Rates	0%	0%
Future Salary Increases	0%	0%
Future Pension Increases	0%	0%
Mortality (Pre- Retirement)	0%	0%
Mortality (post-retirement)	0%	0%
Withdrawals	0%	0%
Ill Health	0%	0%
Retirement	N/A	N/A

NB: The Assembly did not recognize Employee Benefits and Pension Liabilities due to actuarial complexities.

Kitui County Assembly
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Notes to the Financial Statements (Continued)

Recognition of Retirement Benefit Asset/ Liability

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

	FY 2024-2025	<i>Opening Statement 1st July 2024</i>
Description	Kshs	Kshs
The return on defined plan assets	0	0
Actuarial gains/ losses arising from changes in demographic assumptions	0	0
Actuarial gains/ losses arising from changes in financial assumptions	0	0
Actuarial gains and losses arising from experience adjustments	0	0
Others (specify)	0	0
Adjustments for restrictions on the defined benefit asset	0	0
Remeasurement of the net defined benefit liability (asset)	0	0

b) Amounts recognized in the Statement of Financial Position

	FY 2024-2025	<i>Opening Statement 1st July 2024</i>
Description	Kshs	Kshs
Present value of defined benefit obligations(a)	0	0
Fair value of plan assets(b)	(0)	(0)
Funded status(=a-b)	0	0
Restrictions on asset recognised	0	0
Others	0	0
Net asset or liability arising from defined benefit obligation	0	0

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 360 per employee under defined contribution schemes and Kshs.1,080 for those not under defined contribution scheme every month. Other than NSSF the Entity also has a defined contribution scheme operated by Local Authorities Provident Fund (Lapfund) and CPF Financial Services. Employees contribute 12% while employers contribute 15% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

Notes to the Financial Statements (Continued)

38. Borrowings

Description	FY 2024-2025
	Kshs
a) External borrowings	
Balance at beginning of the year	0
External borrowings during the year	0
Repayments of during the year	(0)
Balance at end of the year	0
b) Domestic borrowings	
Balance at beginning of the year	0
Domestic borrowings during the year	0
Repayments during the year	(0)
Balance at end of the year	0
Balance at end of the period- domestic and External borrowings c = (a+b)	0

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

Description	FY 2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organisation'	0	0
Sterling Pound Denominated Loan From 'Y Organisation'	0	0
Euro Denominated Loan from Z Organisation'	0	0
Domestic Borrowings	0	0
Kenya Shilling Loan From KCB	0	0
Kenya Shilling Loan from Barclays Bank	0	0
Kenya Shilling Loan from Consolidated Bank	0	0
Total /Balance at end of The Year	0	0

Description	FY 2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	0	0
Long Term Borrowings	0	0
Total	0	0

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Notes to the Financial Statements (Continued)

39. Service Concession Arrangements Liability

Description	FY 2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	(0)	(0)
Net carrying amount	<u>0</u>	<u>0</u>
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	(0)	(0)
Service concession liability at end of the year	<u>0</u>	<u>0</u>

40. Cash Generated from Operations

Description	Period ended Jun 30, 2025
Surplus for the year before tax	56,885,888
Adjusted for:	
Depreciation	309,652
Non-cash grants received	0
Contributed assets	0
Impairment	0
Gains and losses on disposal of assets	(205,800)
Contribution to provisions	0
Contribution to impairment allowance	0
Working capital adjustments	
Increase in inventory	0
Increase in receivables	83,803,775
Increase in deferred income	0
Increase in payables	(39,682,509)
Increase in payments received/ (Paid) in advance	(24,496,392)
Net cash flow from operating activities	76,614,614

Notes to the Financial Statements (Continued)

41. Financial Risk Management

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

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

i) Credit risk

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

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	30,431,740	30,431,740	0	0
Bank balances	37,297,875	37,297,875	0	0
Total	67,729,615	67,729,615	0	0

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Notes to the Financial Statements (Continued)

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity does not have significant concentration of credit risk on amounts due. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Trade payables	75,607,697	0	0	75,607,697
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	75,607,697	0	0	75,607,697

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

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

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

a) Foreign currency risk

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

Kitui County Assembly
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Notes to the Financial Statements (Continued)

Financial Risk Management

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

FY2024-2025

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 June 2025			
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total Financial Assets	0	0	0
Financial Liabilities			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Total Financial Liabilities	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

Financial Risk Management

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

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
20xx			
Euro	10%	0	0
USD	10%	0	0
20xx-1			
Euro	10%	0	0
USD	10%	0	0

Notes to the Financial Statements (Continued)

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 10,082 (2024: KShs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs 2,844,294 (2024 – KShs 0)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

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Notes to the Financial Statements (Continued)

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

Financial Risk Management

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

	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Financial Assets				
Quoted Equity Investments	0	0	0	0
Non- Financial Assets				
Investment Property	0	0	0	0
Land And Buildings	0	0	0	0
Total	0	0	0	0

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

iv) Capital Risk Management

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

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Description	FY 2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	56,885,888	0
Capital Reserve	26,200,000	0
Total Funds	83,085,888	0
Total Borrowings	0	0
Less: Cash And Bank Balances	(36,940,730)	(1,054,691)
Net Debt/(Excess Cash And Cash Equivalents)	46,145,158	(1,054,691)
Gearing	56%	0%

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Notes to the Financial Statements (Continued)

42. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

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

	FY 2024-2025
	Kshs
Transactions with related parties	
a) Sales to related parties	
Others (specify) e.g. interest and bank charges	0
Total	0
B) purchases from related parties	
Purchases of electricity from KPLC	0
Purchase of water from govt service providers	0
Rent expenses paid to govt agencies	0
Training and conference fees paid to govt. Agencies	0
Others (specify)	0
Total	0
b) Grants /transfers from the government	
Grants from national govt	0
Grants from county government	0
Donations in kind	0
Total	0
c) Expenses incurred on behalf of related party	
Payments of salaries and wages for xxx employees	0
Payments for goods and services for xxx	0
Total	
d) Key management compensation	
Compensation to key management	0
Total	0

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43. Segment Information

The Entity does not operate in different geographical regions. Therefore, IPSAS 18 on segmental reporting does not apply here. Where we are obligated to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments

44. Contingent Assets and Contingent Liabilities

Contingent Assets

	FY 2024-2025
	Kshs
Contingent Assets	
Insurance Reimbursements	0
Assets Arising from Determination Of Court Cases	0
Reimbursable Indemnities and Guarantees	0
Receivables From Other Government Entities	0
Others (Specify)	0
Total	0

Contingent Liabilities

	FY 2024-2025
	Kshs
Contingent Liabilities	0
Court Case xx against the Entity	0
Bank Guarantees in Favour of Subsidiary	0
Contingent Liabilities arising from Contracts Including PPPs	0
Others (Specify)	0
Total	0

45. Capital Commitments

Capital Commitments	FY 2024-2025
	Kshs
Authorised for	0
Authorised and contracted for	0
Total	0

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Notes to the Financial Statements (Continued)

46. Program for Results (PforR) Disclosure

The entity does not implement Programs for Results (PforR).

Name of PforR: <i>N/A</i>		Name of Financing Partners: <i>N/A</i>				
Expenditure Details*	Opening Cumulative for 1 st July 2024		FY 2024-2025		Total Cumulative	
	Budget	Actual	Budget	Actual	Budget	Actual
Program code						
Sub-program						
Sub-program						
Sub-total						
Program code						
Sub-program						
Sub-program						
Sub-total						
Total	0	0	0	0	0	0s

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

47. Events after the Reporting Period

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

48. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

49. Currency

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

16. Appendix

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

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

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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)
1	<p>REPORT ON THE FINANCIAL STATEMENTS</p> <p>Budget Control and Performance The statement of comparison of budget and actual amounts: Recurrent and Development reflects final receipts budget and actual on comparable basis of Kshs.1,409,872,841 and Kshs.1,024,015,986 respectively resulting to an under-funding of Kshs.385,856,855 or approximately 27% of the budget.</p> <p>The under-funding budgeted receipts may affect the planned activities and impact negatively on service delivery to the public.</p>	<p><i>The County Assembly had the intention of implementing all the budgeted activities during the year under review. However, there was underfunding by the County Treasury towards the end of the financial year which made the Assembly not to meet 100% budget absorption.</i></p>	Resolved	30 th June,2025

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2.	<p>Pending Accounts Payables Annex 1 to the financial statements, analysis of pending accounts payables reflects pending payables balance of Kshs.17,742,283 that were not settled as at 30 June 2024. However, no explanation was given for failure to settle the bills. Failure to settle the bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent years as they form a first charge.</p>	<p><i>The management concurs with the Auditor's observation that there were pending accounts payables amounting to Kshs.17,742,283 that were not settled as at 30th June 2024. This was caused by late disbursement of funds by the National Treasury. Disbursement for June 2024 was received on 1st August, 2024. However, the management treated these pending accounts payables as first charge in the year 2024/2025</i></p>	Resolved	31 st August,2024
	<p>REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES</p>			
1.	<p>Non-Adherence to Fiscal Responsibility The statements of receipts and payments as disclosed in Note 4 to the financial statements reflects an expenditure of Kshs.394,270,338 on compensation of employees</p>	<p><i>It is important to note that the County Assembly Expenditure Ceilings are fixed by the Senate through County Allocation of Revenue Act (CARA) following the recommendations by the Commission on Revenue Allocation. The salaries of the county assembly's staff are set by the</i></p>	Resolved	30 th June 2025

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	<p>representing approximately 39% of the total receipts of Kshs.1,024,015,986. This is contrary to the provisions of Regulations 25(1) (a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires that the expenditure does not exceed the legal threshold of 35%.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p><i>Salaries and Remuneration Commission (SRC) and the number of staff is also set by the Commission of Revenue Allocation (CRA); therefore, the management has no control over the expenditure relating to wages.</i></p>		
<p>2.</p>	<p>Staff Ethnic Composition During the year under review, the total number of employees of the County Assembly was one hundred and thirty-eight (138) out of which one hundred and thirty-three (133) or approximately 96% of the total number were members of the dominant ethnic community in the county. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, “all public offices shall seek to represent the diversity of the people of</p>	<p><i>The management concurs with the auditor’s observation that the County Assembly failed to comply with the provisions of the National Cohesion and Integration Act, 2008. When County Governments came into existence in 2013, the County Assembly inherited most of its employees from the defunct local authorities, who came from the local community.</i> <i>Further, in case there are vacancies to be filled in the Assembly, the County Assembly Service Board advertises for</i></p>		

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	<p>Kenya in the employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community”.</p> <p>In the circumstances, Management was in breach of the law</p>	<p><i>these positions in the national dailies However, most of those who apply are from the dominant community leaving the Assembly with no option but to carry out shortlisting from the applications received.</i></p> <p><i>Nevertheless, the management takes note of the non-compliance and undertakes to ensure that all future recruitments comply with the National Cohesion & Integration Act, 2008.</i></p>		
3	<p>Irregular Payment to County Assembly Forums</p> <p>As previously reported, the statement of receipts and payments reflects use of goods and services amounting to Kshs.529,171,208, which as disclosed in Note 5 to the financial statements includes other operating expenses totaling Kshs.41,339,694. Included in this amount is Kshs.5,750,000 in respect to subscriptions paid to County Forums and Society of Clerks. However, it was noted that these entities are not established in law and therefore the payment amounting to Kshs.5,750,000 was irregular. This is</p>	<p><i>The County Government Act. 2012 established the County Assembly Service Board which is a body corporate with perpetual succession and a common seal.</i></p> <p><i>Section 12 sub section 7 (e) provides that the responsibilities of the Assembly Boards amongst others is to perform functions necessary for the wellbeing of the Members and staff of the County Assembly.</i></p> <p><i>The County Assemblies Forum (CAF) and Society of Clerk’s at the table (SOCATT) are registered Societies</i></p>	Resolved	30 th June 2025

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	<p>contrary to Section 149 (1) (a) of the Public Finance Management Act, 2012 which states that an Accounting Officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is lawful and authorized.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p><i>under the Societies Act Cap 108 of the Laws of Kenya.</i></p> <p><i>The objectives of County Assemblies Forum are;</i></p> <ul style="list-style-type: none"> • <i>To coordinate the 47 County Assemblies in Kenya through institutionalization of the law-making process in the Counties, representation, advancement of the Oversight capacities of County Assemblies, the National Government, and Stakeholders who include the general public.</i> • <i>The Society of Clerk's (K) is a replica of the technical Arm of commonwealth Assemblies which deals with procedures and gives technical advice to the members of the County Assemblies and staff.</i> <p><i>Its main objective is to Harmonize the County Assemblies operations, capacity development of both members and staff of the County Assemblies.</i></p> <p><i>The Subscriptions paid to the above bodies is budgeted in the Assembly's</i></p>		
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		<i>budget which is approved by the County Assembly Service Board and subsequently approved by the Assembly in the overall budget of the County as per the County Government Act 2012 section 8 subsection 1 (c).</i>		
4	<p>Exchequer Releases Received after Cut-Off Period</p> <p>The statement of receipts and payments and as disclosed in Note 1 to the financial statements reflects transfers from the County Revenue Fund (CRF) amounting to Kshs.1,024,015,986. Included in the amount are late exchequer releases amounting to Kshs.88,035,515 and Kshs.26,200,000 received on 2nd and 5th July, 2024 respectively after the Cut-off period of 30 June, 2024 all totaling Kshs.114,235,515.</p> <p>In addition, payments amounting to Kshs.31,798,516 during the month of July 2024 were included in the expenditure for the year under review.</p>	<p><i>The management concurs with the Auditor's observation that the statement of receipts and payments included a balance totaling Kshs.114,235,515 received between 2nd and 5th of July, 2024 which was after the Cut-off period of 30 June, 2024. This was caused by late disbursement of funds to County Government by the National Treasury.</i></p> <p><i>The management also concurs with the Auditor's observation that payments amounting to Kshs.31,798,516 were done during the month of July 2024 and included in the expenditure when reporting for the year under review. These funds were appropriated for in the Financial Year 2023/2024; hence</i></p>	Resolved	30 th June 2025

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	<p>This is contrary to Regulation 97 (1) of the Public Finance Management (County Governments) Regulations, 2015 which stipulates that the accounts of the County government entities shall record transactions which take place during a financial year running from the 1st July to the 30th June. Regulation 97 (4) further states that an actual cash transaction taking place after the 30th June, shall not, however, be treated as pertaining to the previous financial year.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p><i>reporting done within the same financial year.</i></p>		
5	<p>Lack of a Strategic Plan</p> <p>During the year under review, the Assembly operated without a strategic plan as they were operating on an expired strategic plan for the year 2018-2023. Management had therefore not developed a strategic plan in conformity with the medium-term fiscal framework financial objectives</p>	<p><i>The management concurs with Auditor's observation that the Assembly operated on a strategic plan for the year 2018-2023. The board has appointed Eastern and Southern Africa Management Institute (ESAMI) to assist in reviewing the Assembly's Strategic plan.</i></p>	<p>Not Resolved</p>	<p>30th June 2026</p>

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	<p>for the Assembly for the next five years. This is contrary to Section 149 (2) (g) of the Public Finance Management Act 2012, which states that in carrying out a responsibility imposed by subsection (1), an Accounting Officer shall, in respect of the entity concerned, prepare a strategic plan for the entity in conformity with the medium-term fiscal framework financial objectives of the County government.</p> <p>In the circumstances, the Management was in breach of the law.</p>			
	<p>REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE</p>			
1.	<p>Lack of Risk Management Policy and Strategy Review of internal controls revealed that the County Assembly did not have a risk management policy, strategies, and risk register and there was also no</p>	<p><i>The Management concurs with the auditor's observation that the County Assembly operated without an approved risk management policy during the year under review. The same has been</i></p>	Resolved	14 th March 2025

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	<p>evidence to show that formal risk assessment was undertaken. This is in contravention of the provisions of Regulation 158 (1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer to develop risk management strategies which include fraud prevention mechanism and to develop a system of risk management and internal controls that build robust business operations.</p> <p>In the circumstances, the effectiveness of the risk management measures put in place could not be confirmed.</p>	<p><i>developed and approved by the Kitui County Assembly Service Board.</i></p>		
2	<p>Lack of Disaster Recovery and Business Continuity Plan</p> <p>During the year under review, the County Assembly operated without a disaster recovery and business continuity plan contrary to the provisions of section 99 of the Public Finance Management Act, 2012. The Act stipulates that the role of a disaster recovery plan is to secure the County government's ability to meet its</p>	<p><i>The Management concurs with the auditor's observation that the County Assembly operated without a disaster recovery and business continuity plan during the year under review. The management undertakes to develop a disaster recovery and business continuity plan, in the current financial year so as to ensure business continuity with minimal interruptions in the event of occurrence of a disaster.</i></p>	Not Resolved	30 th June 2026

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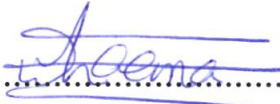
	<p>obligations to provide basic services or its financial commitments, identify the financial problems and be designed to place the County government in a sound and sustainable financial condition as quickly as possible in case of a disaster.</p> <p>In the circumstances, the County assembly is exposed to loss of critical information in case of a disaster.</p>			
3	<p>Lack of Information Communication Technology (ICT) Security Policy</p> <p>Review of the County Assembly’s ICT environment revealed that the County Assembly did not have an approved ICT policy for governance and management of its ICT resources. In addition, there is no ICT steering committee in place to assist in the development of ICT policy framework to enable the County realize long-term ICT strategic goals. Lack of an approved ICT policy may result in an unclear direction regarding maintenance of information security</p>	<p><i>The management concurs with auditor’s observation that the Assembly did not have an approved ICT Policy for governance and management of its ICT resources in the year under review. The Assembly has developed an ICT Policy and the same was approved by the Board in the month of September, 2024.</i></p>	Resolved	4 th September 2024

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	<p>across the organization and safeguarding the Assembly's ICT assets. Further, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.</p> <p>In the circumstances the effectiveness of the ICT internal controls could not be confirmed.</p>			
4.	<p>Unconfirmed Value of Assets As previously reported, Annex 4 to the financial statements on summary of non-current asset register shows that the Assembly had assets cumulatively valued at Kshs.687,596,633. The assets include those acquired and those inherited from the defunct local governments and Kitui County government. However, the handing over and ownership documents were not provided for audit verification. In addition, the asset register includes buildings and structures and transport</p>	<p><i>The management concurs with Auditor's observation that the asset register includes land and buildings valued at Kshs.561,110,705 and that the ownership document held by management is an Allotment Letter issued on 27th June 2005. The management is making a follow up with the Ministry of Lands, Infrastructure and Urban Development for issuance of Title deed.</i></p> <p><i>In relation to the buildings, the Valuation has been carried out and we are awaiting the valuation report.</i></p>	Not Resolved	30 th June 2026

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	<p>equipment valued at Kshs.561,110,705 and Kshs.60,505,699 respectively whose ownership and valuation documents were also not provided. Further, Management did not provide a breakdown of the valuation amounts and the basis for their inclusion.</p> <p>In Circumstances, the effectiveness of internal controls in management of non-current assets could not be confirmed.</p>	<p><i>The management also concurs with auditor's observation that included in the asset register are motor vehicles valued at Kshs.60,505,699 which were inherited from Kitui County Council; however, the management wishes to clarify that the said vehicles were valued in the month of June, 2023 by the Ministry of Roads and Transport – State Department for Roads</i></p> <p><i>In relation to the ownership documents for the said motor vehicles, the Management is awaiting transfer of assets to the County Assembly by Inter-governmental technical relations committee.</i></p>		
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Lucy N. Waema

Ag. Clerk of the County Assembly

Date: 02/12/2025

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Appendix II: Projects implemented by The County Assembly of Kitui

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

Status of Projects completion

Project	Total project Cost	Total expended date	to	Completion % to date	Budget	Actual	Sources of funds
Construction works for the building costs incurred for the Proposed Assembly Office Block	249,507,369	35,304,671		14%	97,400,561	35,304,671	Exchequer
Purchase of Land for Proposed construction of Speakers Residence	2,424,500	2,424,500		100%	5,000,000	2,424,500	Exchequer
Total	251,931,869.00	37,729,171			102,400,561	37,729,171	

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Appendix IV: Transfers from Other Government Entities

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

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Appendix VI: Reporting of Climate Relevant Expenditures

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

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Appendix VII: Disaster Expenditure Reporting Template

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

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Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) FY2023-2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) FY2024-2025
Land	0	2,424,500	0	0	2,424,500
Buildings and structures	26,200,000	35,304,670	0	0	61,504,670
Transport equipment	0	0	0	0	0
Office equipment, furniture and fittings	114,680	133,000	(114,680)	0	133,000
ICT Equipment	3,856,576	3,072,205	(3,856,576)	0	3,072,205
Machinery and Equipment	0	0	0	0	0
Biological assets	0	0	0	0	0
Infrastructure Assets- Roads, Rails	0	0	0	0	0
Heritage and cultural assets	0	0	0	0	0
Intangible assets	0	0	0	0	0
Work in Progress	0	0	0	0	0
Total	30,171,256	40,934,375	(3,971,256)	0	67,134,375