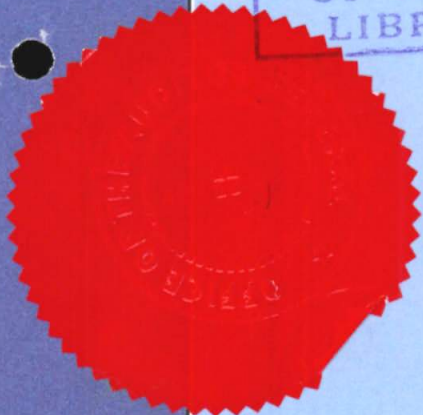


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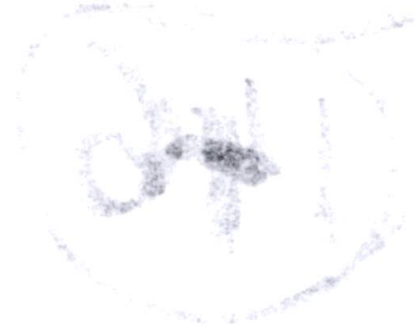
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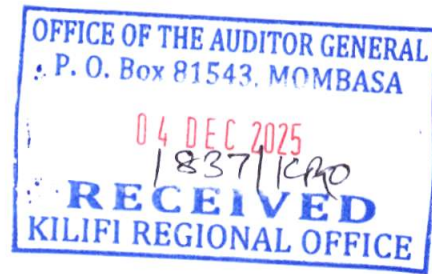
COUNTY ASSEMBLY OF KILIFI

FOR THE YEAR ENDED  
30 JUNE, 2025

PAPERS LAID	
DATE	19/2/26
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COMMITTEE	
CLERK AT THE TABLE	Abdirahman.



Issued on 30<sup>th</sup> September 2025



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(County Assembly of Kilifi)

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2025**

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

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

### **A. Acronyms and Abbreviations**

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

**B. Definition of Key Terms**

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

**Going Concern** –The County Assembly of Kilifi shall be in operation for the unforeseeable future.

**Asset**- Is a resource presently controlled by the County Assembly of Kilifi as a result of a past event.

**Tangible and Intangible Assets**- Tangible assets are those that can be physically seen and touched whereas Intangible assets are assets that cannot be touched or seen physically.

**Revenue from exchange transactions**-This is income received in exchange of services/goods

**Revenue from non-Exchange transactions**- Is revenue/Income that is received but there is no services/goods are exchanged in return/

**Liability**-This is an obligation that the County Assembly of Kilifi has to fulfil

**Depreciation**- It's the wear and tear of an asset/Loss of value of an asset

**Reserves**- Money or funds set aside for future use or expansion of the County Assembly of Kilifi.

**Cash and Cash Equivalents**- Are current assets that can be easily converted into liquid cash

**Useful live**- is the number of years an asset can be used before it becomes obsolete

**Residual Value**-Is the value of an asset after that remains after the asset has been fully depreciated

(County Assembly of Kilifi)

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

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(County Assembly of Kilifi)

**2. Key entity information and management**

**(a) Background information**

The County Assembly of Kilifi is constituted as per article 177 of the Constitution of Kenya 2010. It is headed by the Speaker who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes of 51 Members, 35 elected and 16 nominated to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies, and playing the oversight role over the County Executive.

**(b) Key Management Team**

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

No.	Designation	Name
1.	Speaker of the County Assembly	Hon Teddy Mwambire
2.	Clerk of the County Assembly	CPA Michael Bidii Ngala
3.	Head of Department Finance	CPA Charles Mapinga Lwiga
4.	Head of Department ICT and Research	Obadia Chengo Kipawa
5.	Head of Department Human Resource	Harrison Chizambo
6.	Head of Department Legal Services	Patience Pili Kingi
7.	Head of Department Sergeant At Arms	Omar Chuphi Kaginya

**(c) Fiduciary Management**

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

No.	Designation	Name
1.	Accounting Officer- Clerk	CPA Michael Bidii Ngala
2.	Finance Director	CPA Charles Mapinga Lwiga
3.	Principal Accountant	Joseph Chaka John

**d) Fiduciary Oversight Arrangements**

**Audit committee activities**

The main functions of the audit committee are;

- (a.) Support the accounting officers with regard to their responsibilities for issues of risk, control, governance and associated assurance.
- (b.) Follow up on the implementation of recommendations of internal and external auditors.

Members of the audit committee shall be appointed for a term of three years and shall be eligible for re-appointment for a further one term only.

**Finance committee activities**

The Finance and Economic Planning Committee is one of the Sectoral Committees of the County Assembly established under Standing Order 194 and mandated under the second schedule of the Standing Order to do amongst other things –

Interrogating, investigating and examining the books of accounts on revenue collection (land rates, Cess, Business Permits, Property related income, slaughter houses fees and all county revenue sources) at Revenue Collection Centers.

Oversee all matters related to public finance, monetary policies, and public debt, county financial institutions, and investment policies, revenue policies including taxation, county economic planning, statistics and development.

Standing Order 194 (5) further empowers the Committee to do its oversight capacity to the County department of Education and Digital Economy with the following mandates.

investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments.

study the programs and policy objectives of departments and the effectiveness of the implementation study and review all county legislation referred to it.

study, assess and analyze the relative success of the departments as measured by the results obtained as compared with their stated objectives.

investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the County Assembly.

to vet and report on all appointments where the Constitution or any law requires the County Assembly to approve, except those under Standing Order 185 (Committee on Appointments) ; and

- a) Make reports and recommendations to the County Assembly as often as possible, including recommendations of proposed legislation.

**PIC PAC Committee Activities**

The County Public Investments and Accounts Committee shall be responsible for-

- (a) The examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may deem fit.
- (b) The examination of the reports, accounts and workings of the county public investments;
- (c) The examination, in the context of the autonomy and efficiency of the county public investments, Whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices:

Provided that the Committees shall not examine any of the following, namely:

- (i) Matters of major County or National Government policy as distinct from business or Commercial functions of the public investments;
- (ii) Matters of day-to-day administration; and,
- (iii) Matters for the consideration of which machinery is established by any special statute under which a particular county public investment is established.

**e) County Assembly of Kilifi Headquarters**

P.O. Box 332-80200  
County Assembly Building  
Behind Malindi Sub-County Offices  
Hospital Road  
Malindi, Kenya.

**f) County Assembly Of Kilifi Contacts**

Telephone: (254) 02021712260  
E-mail: [assembly@kilifiassembly.go.ke](mailto:assembly@kilifiassembly.go.ke)  
Website: [www.kilifiassembly.go.ke](http://www.kilifiassembly.go.ke)

**g) County Assembly of Kilifi Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
NAIROBI, KENYA
  
2. Other Commercial Banks  
Kenya Commercial Bank  
P.O. Box 9-80200  
Malindi,  
Lamu Road.

*(County Assembly of Kilifi)*

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

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**a) Independent Auditor**

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

**b) Principal Legal Adviser**

The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
NAIROBI, KENYA

**c) County Attorney.**

The county attorney,  
Kilifi County Government,  
Po box 549-80100,  
Kilifi, Kenya.

**(The County Assembly of Kilifi)**

**3. Governance statement**

**a. Background and roles**


The County Assembly is constituted by the MCAs of Kilifi County government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the County Assembly Service Board while the County Assembly Clerk is the secretary. Section 10 (4) of the County Governments Act 2012 provides that a County Assembly shall observe the following order of precedence.




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

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

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

**b. Profiles**

NAME	Details of qualifications and experience
<p><b>1. Teddy Mwambire Ngumbao- Speaker</b></p> 	<ul style="list-style-type: none"><li>➤ Bachelor of commerce, Business Administration option (Gretsa)</li><li>➤ Diploma in County governance and management(KCA)</li><li>➤ Certificate in County governance (JKUAT)</li></ul>

<p><b>2.Ibrahim Abdi Athman</b>-leader of majority</p> 	<ul style="list-style-type: none"><li>➤ Diploma in tours and travel.</li><li>➤ Certificate in accommodation operations.</li><li>➤ Elected member County Assembly 2022 to date.</li></ul>
<p><b>3.Thomas Mumba Chengo</b>-leader of minority</p> 	<ul style="list-style-type: none"><li>➤ Bachelor of commerce, Finance Option</li><li>➤ Elected member of County Assembly 2017 to date.</li><li>➤ 10 years as a civil servant</li><li>➤ D.O.B: 6<sup>th</sup> Jul 1986</li></ul>
<p><b>4.CPA Michael Bidii Ngala</b>- Clerk</p> 	<ul style="list-style-type: none"><li>➤ PHD candidate</li><li>➤ Master's in business administration-Strategic Management</li><li>➤ Certified Public Accountant-Kenya</li><li>➤ Bachelor of Commerce</li><li>➤ 16 years of experience</li><li>➤ D.O.B:12<sup>th</sup> Oct 1977</li></ul>

**c. Sectoral Committees**

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

The County Assembly has the following Select and Sectoral committees:

- i. Committee of Powers and Privileges
- ii. Audit Committee
- iii. Public Accounts/Investment Committee
- iv. Budget and Appropriations Committee

**d. Select Committees**

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

**Sectorial Committee**

1. Transport and public works
2. Water, Environment and Natural resources
3. Land, Physical planning and Urban Development
4. Trade, Tourism and Co-operative Development
5. Health Services
6. Education
7. Gender, Culture, Social Services and Sports
8. Agriculture, Livestock and Fisheries
9. Devolution, Public Service and Disaster Management
10. ICT and Research
11. Justice and Legal affairs
12. Finance and Economic Planning.

**i. Committee of Powers and Privileges**

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held no meeting in FY 2024-2025. The committee is yet to be fully constituted.

Name	Designation	Ward
Teddy Mwambire Ngumbao	Chairperson	Speaker

**ii. County Public Accounts and Investment Committee**

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

Name	Designation	Ward
1.HarrisonThaura Mweni	Chairperson	Sokoke
2.MohamedMwambire Kadhengi	V/Chairperson	Bamba
3.Elina Mapenzi Samini	Member	Nominated
4.Thomas Mumba Chengo	Member	Tezo
5.Hassan Mohamed Said	Member	Matsangoni
6.Mary Anzazi Maneno	Member	Nominated
7.Agnes Sidi	Member	Nominated
8.TwahaAbdulkarim Mohamed	Member	Shella
9.Jonathan Fondo Birya	Member	Kaloleni

iii. County Budget and Appropriations Committee

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

Name	Designation	Ward
1. Emmanuel Karisa Baya	Chairperson	Marafa
2. Said Juma Idd	V/Chairperson	Junju
3. Cantona Mae Mwadena	Member	Rabai Kisurutini
4. Elina Mapenzi Samini	Member	Nominated
5. Radhia Ali Omar	Member	Nominated
6. Mary Anzazi Maneno	Member	Nominated
7. HarrisonThaura Mweni	Member	Sokoke
8. Martha Koki Musyoki	Member	Mariakani
9. Ibrahim Abdi Athman	Member	Watamu
10. Betty Kache Mwavuo	Member	Nominated
11. Twaher Abdulkarim Mohamed	Member	Shella

iv. Committee On Appointments

The committee on Appointment is mandated to consider, for approval by the County Assembly, Appointments made under Article 179(2) of the constitution, relating to members of the County Executive Committee. The committee is established under standing Order 154. The members who served on the committee during the period from 1<sup>st</sup> July 2024 to 30<sup>th</sup> June 2025 were:

Name	Designation	Ward
1. Teddy M̄wambire	Chairperson	Speaker
2. Naphtali Nyae Kombo	V/chairperson	Ruruma
3. Ibrahim Abdi Athman	Member	Watamu
4. Thomas Mumba Chengo	Member	Tezo
5. Said Juma Idd	Member	Junju

(County Assembly of Kilifi)

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

6. Martha Koki Musyoki	Member	Mariakani
7. Sophia Abdillahi Chacha	Member	Nominated
8. Twaher Abdulkarim Mohamed	Member	Shella
9. Radhia Ali Omar	Member	Nominated

e. Communication with all Stakeholders

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

The County Assembly also subjected 7 bills through public participation at tabled below.

Sn	Law	Remarks
1.	The Kilifi County Co-operatives Bill, 2024, 2023	At first reading
2.	The Kilifi County Wards (Equitable Development Projects) Bill, 2024.	Approved and sent for Assent - returned with a memorandum
3.	The Kilifi county Reproductive Maternal, New-Born Child and Adolescent Health Bill, 2024.	At first reading
4.	The Kilifi County Supplementary Appropriations Bill, 2025	Assented into law
5.	The Kilifi County finance Bill, 2025	At first reading
6.	The Kilifi County Supplementary (No.2) Appropriation Bill, 2025	Assented into law
7.	Kilifi County Appropriation Bill, 2025	Assented into law

f. Risk management

- Effective arrangements for risk management and internal control

-In risk management, the County Assembly established an Internal Audit office which advises the County Assembly Service Board.

-Formal processes to identify and assess risks

- The County Assembly constituted an Audit committee.
- The County Assembly has a Public Accounts and Investments committee which oversight the expenditure of the County.
- Formal processes to analyse risks as a basis for how they should be managed
- Formal processes to assess changes in the internal and external environments which could give rise to risks.

**g. Compliance**

**Constitution of Kenya, 2010**

**Legislative Authority of County Assemblies**

Article 185(1) The legislative authority of a county is vested in, and exercised by, its County Assembly.

(2) A County Assembly may make any laws that are necessary for, or incidental to, the effective performance of the functions and exercise of the powers of the county government under the Fourth Schedule.

(3) A County Assembly, while respecting the principle of the separation of powers, may exercise oversight over the county executive committee and any other county executive organs.

(4) A County Assembly may receive and approve plans and policies for— (a) the management and exploitation of the county’s resources.

The following laws have been passed by the County Assembly during the FY 2024/2025

1.	The Kilifi County Supplementary Appropriations Bill, 2025
2.	The Kilifi County Supplementary (No.2) Appropriation Bill, 2025
3.	Kilifi County Appropriation Bill, 2025

**Article 226(1) (a & b)** mentions on accounts and auditing of public entities. The County Assembly of Kilifi has adhered to this statute because financial records are well maintained and we have a substantive accounting officer who is the Assembly Clerk. Also, the Assembly’s accounts and financial statements are being audited by the Auditor General.

**PFM ACT of 2012 and its Regulations of 2015**

**Section 131.** (1) The County Assembly shall consider the county government budget estimates with a view to approving them, with or without amendments, in time for the relevant appropriation law and any other laws required to implement the budget to be passed by the 30th of June in each year.

(2) Before the county assembly considers the estimates of revenue and expenditure, the relevant committee of the county assembly shall discuss and review the estimates and make recommendations to the county assembly, and in finalising the recommendations to county assembly, the committee shall take into account the views of the County Executive Committee member for finance and the public on the proposed recommendations. (3) An amendment to the budget estimates may be made by the county assembly only if it is in accordance with the resolutions adopted regarding the County Fiscal Strategy Paper and if. (a) any increase in

expenditure in a proposed appropriation, is balanced by a reduction in expenditure in another proposed appropriation; and (b) any proposed reduction in expenditure is used to reduce the deficit.

**164. (1)** At the end of each financial year, the accounting officer for a county government entity shall prepare financial statements in respect of the entity in formats to be prescribed by the Accounting Standards Board.

(2) The accounting officer shall include in the financial statements

(a) appropriation accounts, showing

(i) the services for which the appropriated money was spent.

(ii) the amounts spent on each service; and

(iii) the status of each Vote compared with the appropriation for the Vote; and

(iv) a statement explaining any variations between the actual expenditure and the sums

Voted; and

(v) any other information specified by the County Treasury.

(b) a statement of the entity's debt that is outstanding

(c) a statement of the entity's debt guaranteed by the national government as at the end of the financial year.

(d) a statement of the entity's assets and liabilities as at the end of the financial year in respect of-

(i) each Vote, clearly identifying between recurrent and development expenditure; and

(ii) funds and deposits; (e) a statement of the accounting policies followed in preparing the

financial statement; and

(f) a statement of the county government entity's performance against predetermined objectives.

(3) The accounting officer shall prepare the financial statements in a form that complies with relevant accounting standards prescribed and published by the Accounting Standards Board from time to time. (4) Within three months after the end of each financial year, the accounting officer for an entity shall (a) submit the entity's financial statements to the Auditor-General; and

(b) deliver a copy of the statements to the relevant County Treasury, the Controller of Budget, and the Commission on Revenue Allocation.

(5) In the case of an entity that is a County corporation, the accounting officer shall submit a copy of the county corporation's financial statements to the County Executive Committee member responsible for that corporation who shall approve and forward the statements to the County Executive Committee member for finance.

166. (1) An accounting officer for a county government entity shall prepare a report for each quarter of the financial year in respect of the entity.

(2) In preparing a quarterly report for a county government entity, the accounting officer shall ensure that the report

(a) Contains information on the financial and non- financial performance of the entity; and

(b) is in a form determined by the Accounting Standards Board.

(3) Not later than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the County Treasury.

(4) Not later than one month after the end of each quarter, the County Treasury shall.

(a) Consolidate the quarterly reports and submit them to the county assembly.

(b) Deliver copies to the Controller of Budget, National Treasury and the Commission on Revenue Allocation; and

(c) Publish and publicise them.

(5) In the case of an entity that is a county corporation, the accounting officer for the corporation shall also submit a copy of the quarterly report to the County Executive Committee member responsible for the corporation, who, upon approving it, shall submit a copy to the County Treasury.

**Section 131(1)** of the PFM ACT of 2012 requires that the county assembly to consider the county government budget estimates with a view to approving them, with or without amendments, in time for the relevant appropriation law and any other laws required to implement the budget to be passed by the 30<sup>th</sup> June of each year, (2) Also requires that before the county assembly considers the estimates of revenue and expenditure, the relevant committee of the county assembly shall discuss and review the estimates and make recommendations to the county assembly, the committee shall take into account the views of the County Executive Committee Member for Finance and the public on the proposed recommendations.

**The Public Procurement and Disposal Act of 2015 and its Regulations**

**Sect 44(1) Responsibilities of the accounting officer:** An accounting officer of a public entity shall be primarily responsible for ensuring that the public entity complies with the Act.

**Sect.46(1) Evaluation Committee:** An Accounting officer shall ensure that an ad hoc evaluation committee is established in accordance with this Act and Regulations made thereunder and from within the members of staff, with the relevant expertise

**Sect.47(1) Procurement function:** A procurement function shall be handled by procurement professionals whose qualifications are recognized in Kenya. (2) The head of the procurement function shall among other functions under this Act, be responsible for rendering procurement professional advice to the accounting officer.

**Sect48 9 (1) Inspection and acceptance committee:** An accounting officer of a procuring entity may establish an ad hoc committee known as the inspection and acceptance committee. (2) The inspection and acceptance committee shall be composed of a chairman and at least two other members appointed by the accounting officer or the head of the procuring entity on the recommendation of the head of procurement function. (3) The inspection and acceptance committee shall immediately after the delivery of the goods, works or services (a) inspect and where necessary, test the goods received (b) inspect and review the goods, works or services in order to ensure compliance with the terms and specifications of the contract; and (c) accept or reject, on behalf of the procuring entity, the delivered goods, works or services. (4) The inspection and acceptance committee shall— (a) ensure that the correct quantity of the goods is received; (b) ensure that the goods, works or services meet the technical standards defined in the contract; (c) ensure that the goods, works or services have been delivered or completed on time, or that any delay has been noted; (d) ensure that all required manuals or documentation has been received; and (e) issue interim or completion certificates or goods received notes, as appropriate and in accordance with the contract.

**Sect. 57(1) List of registered suppliers:** The head of the procurement function of a procuring entity shall maintain and update lists of registered suppliers, contractors and consultants in the categories of goods, works or services according to its procurement needs. (2) Submission of names shall be continuous, and the registration list shall be updated periodically as prescribed in Regulations and in accordance with this Act.

**Sect. 71(1) Registration of suppliers:** The head of procurement function shall maintain and continuously update lists of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs. (2) An application to be included in the list of the procuring entity may be made at any time, at no cost and shall contain proof of the following (a) eligibility criteria as prescribed in this Act; and (b) capability criteria that defines necessary qualifications, experience, resources, equipment and facilities to provide what is being procured; (3) A procuring entity may seek clarification from the candidate or relevant government agency on eligibility but not on capability.

**Sect. 78(1) Opening of tenders:** An accounting officer of a procuring entity shall appoint a tender opening committee specifically for the procurement in accordance with the following requirements and such other requirements as may be prescribed (a) the committee shall have at least three members; and (b) at least one of the members shall not be directly involved in the processing or evaluation of the tenders. (2) Any bid withdrawn in writing shall not be eligible for evaluation or consideration in the tender process. (3) Immediately after the deadline for submitting tenders, the tender opening committee shall open all tenders received before that deadline. (4) Those submitting tenders or their representatives may attend the opening of tenders. (5) The tender opening committee shall assign an identification number to each tender and record the number of pages received.

**Section 92.** Subject to this act and prescribed provisions an accounting officer of a procuring entity shall procure goods, works or services by a method which may include any of the following,

- a. Open tender
- b. Two-stage tendering
- c. Restricted tendering
- d. Direct procurement
- e. Request for quotations
- f. Competitive negotiations
- g. Request for proposal
- h. Any other procurement method and procedures prescribed in regulations and described in the tender documents.

4. Foreword By the Clerk of the county Assembly

(a) Laws and Policies passed by the Assembly

During the period under review, the County Assembly of Kilifi considered and approved the following pieces of legislation:

Sn	Law	Remarks	Expectations/Objectives
1.	The Kilifi County Co-operatives Bill, 2024, 2023	At first reading	It seeks to effect, to Sec 7(e) of part 11 of the Fourth Schedule of the Constitution, to make provisions relating to the formation, registration and regulation of co-operatives and for connected purposes.
2.	The Kilifi County Wards (Equitable Development Projects) Bill, 2024.	Approved and sent for Assent - returned with a memorandum	An ACT of the County Assembly of Kilifi to provide a framework for the promotions of equitable development in wards within Kilifi County by providing for the allocation of funds for ward based development projects to provide mechanisms for selection of projects to provide an oversight mechanism for the utilisation of funds allocated for ward based development project and for connected purposes.
3.	The Kilifi county Reproductive Maternal, New-Born Child and Adolescent Health Bill, 2024.	At first reading	An ACT of the County Assembly of Kilifi to provide for the regulation of maternal, new born and child health within Kilifi County to make provision for reproduction health, and to provide for

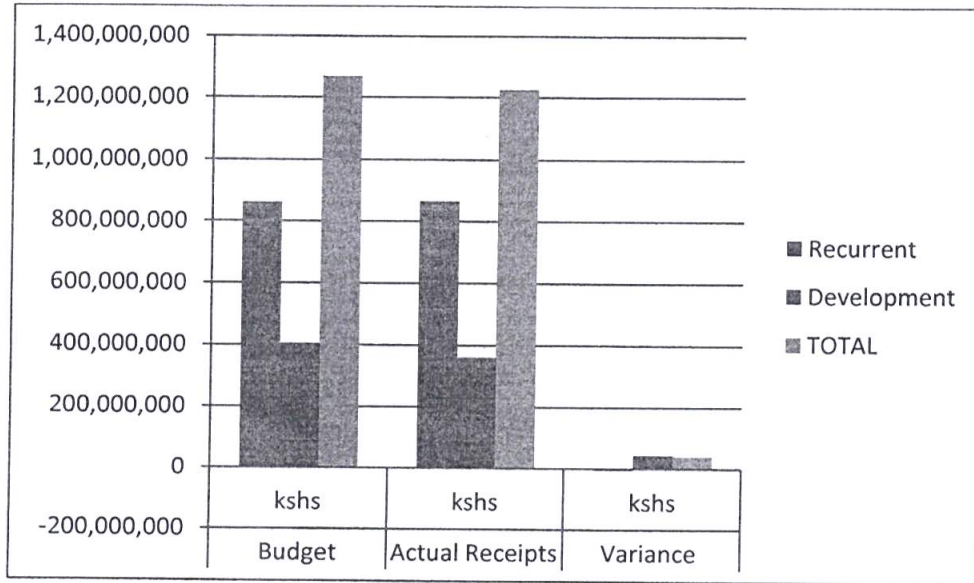
**Annual Report and Financial Statements for the year ended June 30, 2025.**

			matters connected therewith and incidental thereto.
4.	The Kilifi County Supplementary Appropriations Bill, 2025	Assented into law	It assists in fair distribution of resources to the entire County.
5.	The Kilifi County finance Bill, 2025	At first reading	It gives the framework on how county revenue is going to be realised.
6.	The Kilifi County Supplementary (No.2) Appropriation Bill, 2025	Assented into law	It gives the framework on how funds are to be appropriated to the county vote heads.
7.	Kilifi County Appropriation Bill, 2025	Assented into law	It gives the framework on how funds are to be appropriated to the county vote heads.

**(i) Budget performance**

The County Assembly had a total budget of Kshs 1,266,827,989 which includes a Recurrent Budget of Kshs 861,428,332 and Development Budget of KES 405,399,657. Receipts received in cash Kshs 821,834,856 for Recurrent and Kshs 332,590,252 for Development making a total of kshs 1,154,425,108. Deferred income for Recurrent Kshs 43,326,726 and Development Kshs 27,921,938 making a total of Kshs 71,248,664.

2024-2025	Budget	Actual Receipts	Variance
	KES	KES	KES
Recurrent	861,428,332	821,834,856	(3,733,250)
Development	405,399,657	332,590,252	44,887,467
TOTAL	1,266,827,989	1,154,425,108	41,154,217



**(ii) Budget performance**

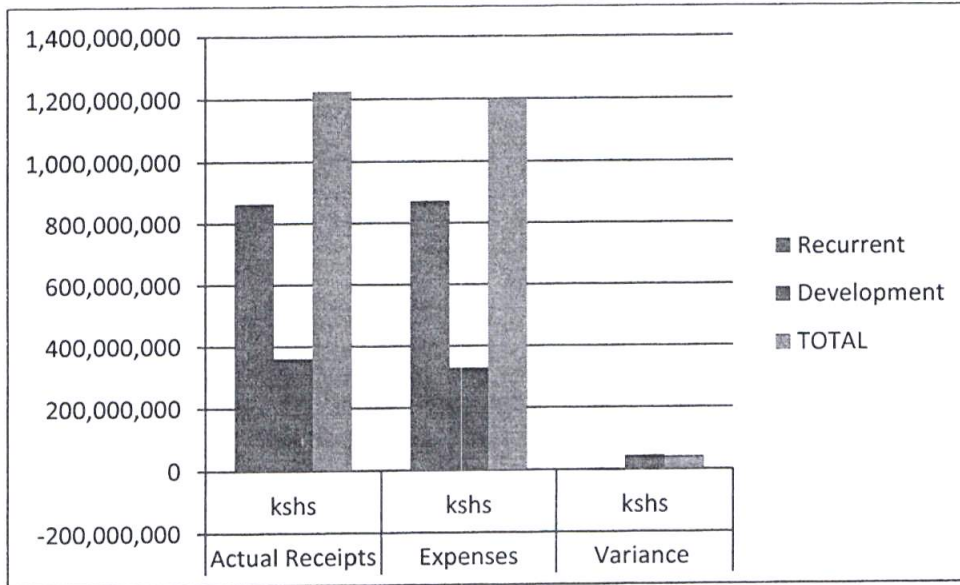
**Receipts**

The County Assembly of Kilifi received Kenya shillings 1,225,673,772 from the exchequer. This amount comprises of Recurrent and Development funds as Kenya shillings 865,161,582 and 360,512,190 respectively.

**Expenditure**

The County Assembly of Kilifi incurred recurrent expenditure of KES 872,547,824 and development expenditure of KES 328,942,103 during the year.

2024-2025	Actual & deferred receipt	Expenses	Variance
	KES	KES	KES
Recurrent	865,161,582	834,601,737	(3,733,250)
Development	360,512,190	366,888,189	44,887,467
TOTAL	1,225,673,772	1,201,489,926	41,154,217



**(iii) Operational Performance**

**(a) Laws and Policies passed by the Assembly**

During the period under review, the County Assembly of Kilifi considered and approved the following pieces of legislation:

Sn	Law	Remarks
1.	The Kilifi County Co-operatives Bill, 2024, 2023	At first reading
2.	The Kilifi County Wards (Equitable Development Projects) Bill, 2024.	Approved and sent for Assent - returned with a memorandum
3.	The Kilifi county Reproductive Maternal, New-Born Child and Adolescent Health Bill, 2024.	At first reading
4.	The Kilifi County Supplementary Appropriations Bill, 2025	Assented into law
5.	The Kilifi County finance Bill, 2025	At first reading
6.	The Kilifi County Supplementary (No.2) Appropriation Bill, 2025	Assented into law
7.	Kilifi County Appropriation Bill, 2025	Assented into law

**(b) APPROVAL OF THE COUNTY BUDGET**

During the period under review, the County Assembly approved the County Budget Estimates, including Supplementary Budget Estimates and other budget-related documents, as outlined in the table below:

Document	Objective	Outcome	Status	Date Approved
County Budget Estimates (Main) FY 2025-2026	To allocate resources for implementation of county priorities and services	Enabled planning and implementation of development programmes	Approved	Friday 27th June, 2025
Supplementary Budget Estimates No.1 FY 2024-2025	To realign budget allocations to emerging needs and priorities	Enhanced responsiveness to emerging challenges	Approved	Wednesday 12th March, 2025
Supplementary Budget Estimates No.2 FY 2024-2025	To adjust for underutilized or surplus funds and new expenditure priorities	Improved efficiency in resource utilization	Approved	Friday 27th June, 2025
County Fiscal Strategy Paper	To set out the county's economic policies and priorities for the medium term	Guided the budget-making process	Approved	Wednesday 12th March, 2025
Annual Development Plan (ADP)	To outline the development priorities for the year under review	Provided a framework for departmental planning	Approved	Friday 27th June, 2025
Finance Bill	To provide the legal basis for revenue raising measures	Enabled the county to raise own-source revenue	Approved	At first reading

(iv) Performance of key development projects

3 PROJECTS UNDERTAKEN FY 2024-2025

N O S	PAYMENT	CONTRAC T NO.	CONTRAC T VALUE (KSHS)	FINANC IAL STATE MENTS (KSHS)		INSPECTIO N REPORT/PR OJECT IMPLEMEN TATION STATUS REPORT ITEMISED PAYMENT CERTIFICA TE
1	Constructio n of building (Assembly Office Block)	1364703- 2023-2024	387,412,179 .20	1 <sup>ST</sup> Payment certificate	54,141,6 70	Project implementation status report .Itemised payment certificate
				2 <sup>nd</sup> payment certificate	4270125 7.10	Project implementation status report attached. Itemised payment certificate.
				3 <sup>rd</sup> payment certificate	45,440,1 99.28	Project implementation status report. Itemised payment certificate.
				4 <sup>th</sup> payment certificate	33,75079 4.33	Project implementation status report

						attached. Itemised payment certificate.
2	Refurbishm ent of Assembly galleries and improveme nt of	CAK/183386 4/2024-2025	4,581,942	Paid whole sum upon completion.	4,581,94 2	Completion certificate and payment voucher.
3	Renovation Assembly Chamber block wall paints, repair and improveme nt of county Assembly offices.	CAK/168969 9/2024-2025	4,803,525.2 0	Paid whole sum upon completion	4,803,52 5.20	Completion certificate and payment voucher.
4	Refurbishm ent of majority leader office at the county assembly of kilifi	CAK/188294 8/2024-2025	3,511,552	Paid whole sum upon completion	3,511,55 2	Completion certificate.
5	Proposed Refurbishm ent of assembly strong room and	CAK/178537 /2024-2025	4,769,386.4 0	Paid whole sum upon completion	4769386. 40	Completion certificate and payment voucher.

	2.no server room					
6	Proposed sinking no. soak pit at the county assembly precincts	CAK/206512 2/2024-2025	1,720,000.0 0	Paid whole sum upon completion	1,720,00 0.00	Completion certificate and payment voucher.
7	Proposed refurbishment of the county assembly main chamber	CAK/181250 6	4,859,240	Paid whole sum upon completion	4,869,24 0	Completion certificate and payment voucher.
8	Proposed refurbishment of 1 no. borehole and upgrading of electrical power system at the county assembly of Kilifi.	CAK/	4,066,403	Paid whole sum upon completion	4,066,40 3	Completion certificate and payment voucher.
9	Proposed renovation and repair of water pumping systems and washroom	CAK/178691 2	3,520,832	Paid whole sum upon completion	3,520,83 2	Completion certificate and payment voucher.

	at the county assembly of kilifi					
10	Proposed renovations, construction and labelling of car parking shades at the county assembly of Kilifi.	CAK/168412 7/2024-2025	4,465,000	Paid whole sum upon completion	4,465,000	Completion certificate and payment voucher.
11	Proposed renovation ceiling, office side boards and improvements of the county assembly offices.	CAK/183406 7/2024-2025	4,140,000	Paid whole sum upon completion.	4,140,000	Completion certificate and payment voucher.

**(i) Comment on value-for-money achievements**

The major impact of this project upon completion,

- i. It will decongest the current office block.
- ii. Enhance wellness and a secured working environment.
- iii. Improve the staff performance in service delivery.
- iv. Improve the image of the County Assembly of Kilifi as an institution.
- v. Improve the effectiveness and efficient of Member of County Assembly in representation, oversight and Legislation.
- vi. It will support members engagement with their electorates.
- vii. It will strengthen devolution in the wards.
- viii. Improve the effectiveness and efficient of Member of County Assembly in representation, oversight and Legislation.


**(ii) Challenges and recommended way forward**

The tendering is a time-consuming process.

Price of construction materials keep on increasing.

Natural occurrences like rainfall which interferes with the progress of the projects.

Bureaucracy in fund requests.



.....  
**Name: CPA Michael Bidii Ngala**

**Clerk of the County Assembly**

5. Statement of performance against predetermined objectives.

County Assembly of Kilifi

Strategic development objectives

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

Programs	Objective	Outcome	Indicator	Performance	Remarks
Legislation	To consider and approve Bills on need basis	Improved service delivery to the people of Kilifi County	7 Bills introduced to the Assembly	4 Bills passed into law 4 Bills assented into law 3 at different stages	-
	To consider and approve key policies	For smooth operation of government and to inform various legislation	None introduced for consideration	None	None
	To consider and approve regulations	For effective implementation of various county laws	No regulation considered	No regulation approved	Executive to formulate regulation as provided for in the laws
Oversight and Representation	-To ensure efficiency and effectiveness of service delivery. -To make reports and	-Improve implementation of county projects -Efficient and effective	19 reports of committees	19 reports approved by the County Assembly	Approve for implementation by different entities

(County Assembly of Kilifi)

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

	<p>recommendations on county projects and policies          -To ensure the needs and priorities of county residents are met</p>	<p>utilization of resources.          -Effective representation          -County executive held accountable.</p>			
			3 substantive motions and 1 special motion	3 substantive and 1 special motion approved	Motions forwarded to executive for implementation
			67 members' statements	67 statements sought	43 statements responded to

## 6. Environmental and Sustainability Reporting

### Introduction

-Article 185 of the Kenya constitution 2010, outlines the authority of County Assemblies empowering it to make laws necessary for the effective performance of County Government functions under the fourth schedule. The Assembly exercises oversight role over County Executive Committees and other County Executive Organs while receiving and approving county plans, policies and annual budgets together with their supplementary budgets if any.

-The County Government Act of 2012 further delineates the Assembly's roles including vetting and approving nominees for County Public Offices. Also the County Assemblies' powers and privileges Act, 2017 reinforces the Assembly's power to summon witnesses including CEC members to respond to question relating their responsibilities.

#### a) Sustainability strategy and profile

-The priority of Kilifi County Assembly is to enhance and improve the quality of life of Kilifi County residents by enacting legislation in good time, provide effective representation and exercising efficient oversight on CEC members in order to drive sustainable developments in the entire county. Among the areas to be developed include but not limited to Climate Change Mitigation and renewable energy expansion like solar power generation in Chakama. Infrastructure investments, water security, disaster preparedness, and climate-smart agriculture.

#### b) Environmental performance

-The county has several plans policies that help in safeguarding the environment. These include The mining Act, quarry operation policies and guidelines, conservation of water resources Act, The Forest Act, Conservation of the cultural and historic sites like the Gede ruins and Vascoda gamma pillar among others. Waste reduction, recycling and product life-cycle design are also being considered as part of environmental conservation

#### c) Employee welfare

-The assembly has an approved Human Resource policy that guides the hiring of employees (attached). The gender ratio as required by the Kenya Constitution, 2010 is properly catered for and employees are given opportunities to submit their proposals for any change they desire necessary. Issues related to skills improvement and career progression are well covered in the training guide and policy – Equity, inclusion, just transition for workers in fossil-fuel dependent sectors. The assembly leadership ensured that there is a staff welfare society which is fully operational. The Assembly's Safety and Health Act of 2007, (OSHA) is operational all employees are insured under WIBA

#### d) Marketplace practices-

##### (i)Responsible supply chain and supplier relation

-The County Assembly has a good business relationship with its suppliers irrespective of the constraints on financial resources which are limited and also not disbursed in good time.

(ii) Responsible ethical practices

-The County Assembly of Kilifi is a corruption free environment as stated as some of its core values; Integrity, very professional, fairness and respect to all people of different caliber and above all results oriented. To strengthen the fight against corruption the county Assembly shall put in place an Integrity Assurance committee so which shall work hand in hand with the internal audit department together with the Audit committee to investigate any areas that are prone to corruption and suggest ways of mitigation.

(iii) Stewardship of goods and services

-Constitutional Protection-Enshrining rights to basic services like health, education, and goods like food production, affordable shelter and clean water.

-Legislation-Laws, regulations, policies and guidelines that set standards and guide timely service delivery, citizen protection and resource utilization.

-Oversight-The ombudsman, Auditor General, Public Procurement Regulatory Authority

Judicial Recourse-Courts where aggrieved citizens can challenge violations of service delivery or misuse of resources

-Public participation-citizen's involvement in budget and decision making processes.

(e) Community Engagements

The Assembly staff have been helping different communities in many ways like blood donation, going for charity walks like cancer awareness, donating food supplies to the areas that had been affected by drought and floods, giving out bursaries to the needy students among others

## 7. Management Discussion and Analysis

### Performance of key development projects

- (a) The key development project that the County Assembly is undertaking and planning to undertake as captured in the strategic plan 2024-2028 are as follows,
- (1) Proposed completion and Equipping of the Assembly Office Block for the County Assembly of Kilifi.

**(1) Proposed Construction and Equipping of 35 Ward Offices for the Members of County Assembly**

Through a resolution of the County Assembly Service Board (CASB), offices of members representing the Majority Proposed Construction and Equipping of 35 Ward Offices for the Members of County Assembly.

Proposed Completion of the Assembly Office Block for the County Assembly of Kilifi

The project contract commencement date was the 15th of December 2023 and expected contract completion date is not later than Dec 2025.

Upon completion, this office block will house all the 54 Members of County Assembly and Members of staff, the 54 Member of County Assembly will occupy the first and second floor, the Assembly management will occupy the third floor while the house leadership will be occupying the fourth floor. The Office block is fitted with 2 nos. 8 persons lift to enhance quick access for persons living with disabilities around the building.

The office block has auxiliary buildings which include the Generator house, workshop building, Gym block and staff changing rooms.

and Minority parties and the adoption of the County Assembly of Kilifi budget for the FY 2023/2024, Members unanimously resolved to kick-start the construction of 35 ward offices for Members of County Assembly.

The process includes purchase of ½ acre of land and construction.

The purchase of land and construction was to be done in phases where the first phase of the project was to capture seven wards in every financial year, whereby the 35 ward offices will be completed by the end of the five year period.

#### List of key development projects.

Sno	Project Description	Project Start Date	Project Completion Date	Project Contract Value	Payment FY 2024/2025	%Of completion	Cumulative work Done
1	Completion of Assembly Office Block	15th December 2023	15 <sup>th</sup> Feb 2026	Main Office Block =387,412,179.20	96,842,929.15		
			15 <sup>th</sup> Feb 2026	Electrical Installation Works =47,268,144.00			
			15 <sup>th</sup> Feb 2026	Internal Plumbing Installation Works =20,248,672.00			
			15 <sup>th</sup> Feb 2026	Air Conditioning			

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

				System Installation Works =35,153,757.00			
			15 <sup>th</sup> Feb 2026	Ict Connectivity, CCTV, Security Alarm Installation and Access Control System Works =43,790,450.00			
			15 <sup>th</sup> Feb 2026	Supply Delivery, Assembly and Fitting of Office Furnitures for the Office Block =50,000,000.00			
2	Construction of Ward Offices	N/A		Purchase of 35 Parcels of ½ acre Land =105,000,000.00	N/A		
				Construction of 35 Ward Offices =420,000,000.00			
				Purchase of furnitures for the 35 Offices =87,500,000.00			
3	Renovation of Assembly Main Chamber and Offices	27th October 2023		3,687,616	3,687,616	Completed	3,687,616
4	Drilling, Equiping and Piping of borehole	29th April 2023		2,800,000	2,800,000	Completed	2,800,000
5	Refurbishment of Office of the Clerks	26th September 2023		4,409,113	4,409,113	Completed	4,409,113
6	Refurbishment and Additional space for procurement store	25th April 2024		3,355,021.60	3,355,021.60	Completed	3,355,021.60

Upon completion, the projects will improve the effectiveness and efficiency of operations by;

- Decongesting the current office block.
- Enhancing wellness and a secured working environment.
- Improving the staff performance in service delivery.
- Improving the image of the County Assembly of Kilifi as an institution.
- Supporting member's engagement with their electorate.
- Strengthening devolution in the wards.

**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 to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

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

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


The Clerk further confirms the completeness of the accounting records maintained for the 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 funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Further the Clerk confirms that the County Assembly’s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Assembly of Kilifi’s financial statements were approved and signed by the Clerk on 25th Aug 2025

  
.....  
Clerk of County Assembly

# REPUBLIC OF KENYA

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NAIROBI

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

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying transitional IPSAS financial statements of County Assembly of Kilifi set out on pages 1 to 42, 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of County Assembly of Kilifi as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the County Governments Act, 2012, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

### **Basis for Qualified Opinion**

#### **1. Non-Compliance with Transitional IPSAS Reporting Template**

The Public Sector Accounting Standards Board (PSASB) guideline on the first-time adoption of IPSAS Accrual required entities transitioning from IPSAS (Cash Basis) to IPSAS (Accrual Basis) to disclose whether the financial statements were Transitional IPSAS Statements or were prepared in accordance with the Accrual Basis of Accounting under the International Public Sector Accounting Standards (IPSAS). This disclosure was required to appear on the cover page of the annual report and the financial statements. However, the cover page did not clearly indicate that these were transitional financial statements. Instead, it was presented as both Transitional financial statements and prepared in accordance with the Accrual Basis of Accounting under the IPSAS.

Further, Management did not disclose in Note 2 to the financial statements the specific transitional provisions applied, nor steps being taken towards full compliance with IPSAS Accrual.

In addition, the entity did not indicate the elements of the financial statements that had not been recognized as result of taking advantage of the transition provisions outlined in IPSAS 33 on First Time Adoption of Accrual Basis IPSAS.

In the circumstances, the omission affected disclosure and the fair presentation of the financial statements and limits the ability of stakeholders to assess the County's progress towards full compliance with IPSAS Accrual.

#### **2. Misstatements in the Statement of Financial Position**

Review of the statement of financial position revealed that the statement did not reflect the total net assets. Further, the statement reflect comparative balance of Kshs.710,982,594 in respect to accumulated surplus. However, the balance varies with the audited fund balance brought forward of Kshs.481,810, resulting to an unreconciled variance of Kshs.710,500,784.

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

### **3. Misstatement in Statement of Cash Flows**

The statement of cash flows reflects net cash flows from operating activities amount of Kshs.404,237,688. However, the Note indicated on the face of the statement is 39 instead of the correct Note 17 to the financial statements. Further, the amount in the Note of Kshs.420,842,550 varies with the reported amount, resulting in an unreconciled variance of Kshs.16,604,862.

In the circumstances, the accuracy of Kshs.404,237,688 in respect to net cash flows from operating activities could not be confirmed.

### **4. Unsupported Employee Costs**

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects employee costs of Kshs.484,843,192. However, the Integrated Payroll and Personnel Database (IPPD) and Human Resource Information System (HRIS) payrolls provided reflect employee costs of Kshs.405,773,972, resulting in an unreconciled variance of Kshs.79,069,220.

In the circumstances, the accuracy and completeness of the employee costs of Kshs.484,843,192 could not be confirmed.

### **5. Unsupported Clearance of Receivables from Exchange Transactions**

The statement of financial position reflects a Nil balance in respect to receivables from exchange transactions and opening balance of Kshs.432,000 as at 1 July, 2024. However, the movement schedule detailing how the balance was cleared or accounted for during the year under review was not provided for audit.

In the circumstances, the accuracy of the Nil balance in respect to receivables from exchange transactions could not be confirmed.

### **6. Inaccuracy in Inventories Balance**

The statement of financial position and as disclosed in Note 12 to the financial statements reflects inventories balance of Kshs.3,011,755. However, the movement schedule indicating supplier name, inventory description, invoice number, quantity, cost, opening balance, purchases and usage to arrive at the closing balance was not provided for audit.

In the circumstances, the accuracy and completeness of inventories balance of Kshs.3,011,755 could not be confirmed.

### **7. Unsupported Property, Plant and Equipment Balance**

The statement of financial position and as disclosed in Note 13 to the financial statements reflects property, plant and equipment balance of Kshs.1,275,024,249. However, the balance includes additions for the year of Kshs.360,766,706 whose supporting schedule does not indicate details of assets, contract number, contract amount, implementation period, payments for the period and accumulated payments to-date and or any outstanding commitments.

Further, the balance includes land and motor vehicles valued at Kshs.50,000,000 and Kshs.35,625,000 respectively of which the ownership documents were not provided

for audit. In addition, no provision for depreciation charge on the assets was made in the financial statements.

Furthermore, Note 13A to the financial statements reflects additions to buildings of Kshs.277,232,911 in respect of the County Assembly office block under construction and not in use. As such, the buildings balance of Kshs.1,017,993,109 is overstated by Kshs.277,232,911 which ought to have been classified separately as work in progress.

In the circumstances, the accuracy, completeness, rights and obligations of property, plant and equipment balance of Kshs.1,275,024,249 could not be confirmed.

## **8. Unsupported Trade and Other Payables Balance**

The statement of financial position reflects trade and other payables-recurrent balance of Kshs.328,696,919 as disclosed in Note 14A to the financial statements. This balance represents an increase of Kshs.122,360,404 from the opening balance of Kshs.206,336,515. However, the supporting movement schedule for the increase was not provided for audit review. Further, included in trade and other payables-recurrent balance is employee payables balance of Kshs.57,840,421 and a comparative balance of Kshs.15,425,285. However, the movement schedule was not provided for audit review.

In addition, the opening trade and other payables-recurrent balance of Kshs.206,336,515 differs with the audited pending bills balance of Kshs.188,403,792 (comprising pending accounts payable of Kshs.106,658,568 and pending staff payables of 81,748,224) as at 30 June, 2024, resulting to an unreconciled variance of Kshs.17,932,723.

In the circumstances, the accuracy, completeness and existence of the trade and other payables-recurrent balance of Kshs.328,696,919 could not be confirmed.

## **9. Unsupported Expenditure**

The statement of comparison of budget and actual amounts reflects total actual expenditure amount of Kshs.1,266,827,989. However, data analysis of the Integrated Financial Management Information System (IFMIS) revealed one hundred and thirty-four (134) transactions with a total amount of Kshs.147,966,871 as having been voided during the year under review. However, reconciliation with the Controller of Budget (CoB) funding request approvals was not provided for review and therefore there was a risk that the funds may have been diverted to other uses.

Further, a total of two thousand three hundred and sixty-five (2,365) transactions amounting to Kshs.682,869,804 were paid without indicating specific expenditure classification codes. Failure to classify the expenditure was an indication that the transactions were processed through suspense or below the line accounts.

In addition, there were seventy-three (73) transactions amounting to Kshs.74,924,856 included in system payments whose actual payments amounted to Kshs.1,482,198, resulting to an unreconciled variance of Kshs.73,442,657.

In the circumstances, the accuracy, completeness and regularity of actual expenditure amounting to Kshs.1,266,827,989 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Kilifi Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Audit Matters**

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the County Assembly in 2024/2025 revealed that the following six (6) issues remained unresolved as at 30 June, 2025:

<b>S/ No.</b>	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Inaccuracies in the Financial Statements
2	2023/2024	Budgetary control and performance
3	2023/2024	Non-Compliance with Affirmative Action on Gender, Ethnicity and Regional Distribution.
4	2023/2024	Delayed Construction of the County Assembly Office Block
5	2023/2024	Failure to Establish Audit Committee
6	2023/2024	Lack of Approved Staff Establishment

### **Other Information**

Management are responsible for the Other Information set out on pages iv to xxxvi 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 effects of the matter 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**

#### **Delayed Construction of the County Assembly Office Block**

As previously reported, the construction of the County Assembly Office Block was awarded to a local company and various sub-contractors on 12 February, 2016 at a contract sum of Kshs.583,873,202. The objective of the Project was to create more office accommodation for the staff and members of the County Assembly. As at 30 June, 2025, the accumulated payments of works amounted to Kshs.288,582,700 and the project cost was reduced to Kshs.350,771,955 through a circular from The National Treasury. During the year under review an amount of Kshs.146,377,035 was incurred on the project which remained incomplete.

In the circumstances, value for money for the accumulated payments of Kshs.288,582,700 was not realized.

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

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

### **Conclusion**

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

## **Basis for Conclusion**

### **1. Failure to Establish an Audit Committee**

As previously reported, the Management had not constituted the Audit Committee. Further, although the Internal Audit Department was in place, evidence of its plan execution and management responses to internal audit reports were not provided for audit.

In the circumstances, the governance structure of the Assembly was not properly constituted and therefore the effectiveness of internal controls and oversight systems during the year under review could not be confirmed.

### **2. Lack of an Approved Staff Establishment**

As previously reported, records provided revealed that the County Assembly did not have in place an approved staff establishment to indicate the authorized staffing levels in position for each category of employee and or any variance thereof. Further, no evidence was provided to indicate that the County Assembly had carried out job evaluation to determine the staff requirements for each category contrary to section B.5(2) of the County Public Service Human Resources Manual, 2013 which provides that all vacancies shall be declared in a prescribed format which shall include number of vacancies, date of vacancy occurrence and whether it's within the authorized staff establishment and other relevant details.

In the circumstances, Management may not be able to evaluate whether the current staff levels in each functional area are optimal.

### **3. Failure to Constitute Transition to Accrual Accounting Committee**

Management did not establish the project co-ordination committee at the entity level and made up of officers from the relevant departments to ensure coordinated adoption of accrual accounting within the entire organization. The committee was allowed to co-opt members from other institutions to provide technical assistance and advice during the transition process. Further, the responsibility of the committee included identifying, recognizing, measurement and disclosure of assets and liabilities of the entity.

In the circumstances, the effectiveness of the identification of assets and liabilities, risk management and governance could not be confirmed.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free

from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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


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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

15 December, 2025

(County Assembly of Kilifi)

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

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

Description	Notes	Period ended Dec 2025 KES
<b>Revenue from non-exchange transactions</b>		
Transfers from CRF	6	1,225,673,772
<b>Revenue from exchange transactions</b>		
<b>Total revenue</b>		<b>1,225,673,772</b>
<b>Expenses</b>		
Employee costs	7	484,843,192
Use of goods and services	8	387,704,632
<b>Total expenses</b>		<b>872,547,824</b>
<b>Surplus/Deficit for the year</b>		<b>353,125,948</b>
<b>Net Surplus/Deficit</b>		<b>353,125,948</b>

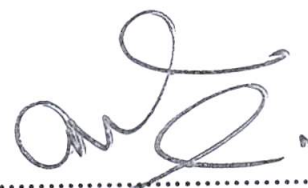
The Financial Statements set out on pages 1 to 5 were signed by:



Name: CPA Michael Bidii Ngala

Clerk of The County Assembly

ICPAK M/No 23174



Name: CPA Charles Mapinga

Director Finance

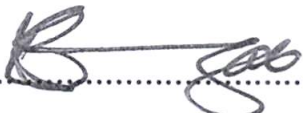
ICPAK M/No 10435


*(Paragraph 79 of IPSAS 33 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 adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made, and therefore, there are no comparatives in the first year of transition.)*

11. Statement of Financial Position as at 30 June 2025

Description	Notes – Period ended Jun 2025	Opening Statement	
		KES	1 <sup>st</sup> Jul 2024
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	9	107,043,510	15,143,063
Receivables from Exchange Transactions	10	-	432,000
Receivables from Non-Exchange Transactions	11	71,248,664	-
Inventories	12	3,011,755	2,579,755
<b>Total Current Assets</b>		<b>181,303,929</b>	<b>18,154,818</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	13	1,275,024,249	914,257,543
<b>Total Non- Current Assets</b>		<b>1,275,024,249</b>	<b>914,257,543</b>
<b>Total Assets (A)</b>		<b>1,456,328,178</b>	<b>932,412,361</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables -Recurrent	14A	328,696,919	206,336,515
Trade Payables -Development	14B	31,824,603	-
Refundable deposits and prepayments	15	31,698,114	15,093,252
<b>Total Current Liabilities</b>		<b>392,219,636</b>	<b>221,429,767</b>
<b>Represented by:</b>			
Reserves		-	-
Accumulated Surplus		1,064,108,542	710,982,594
Capital Fund		-	-
<b>Net Assets</b>		<b>1,064,108,542</b>	<b>710,982,594</b>

The financial statements set out on pages 1 to 5 were signed by:

  
.....  
Name: CPA Michael Bidii Ngala  
Clerk of The County Assembly  
ICPAK M/No 23174

  
.....  
Name: CPA Charles Mapinga  
Director Finance  
ICPAK M/No 10435

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

Description	Accumulated Surplus	Reserves	Capital Fund	Total
	KES	KES	KES	KES
As at 1st July 2024 (cash basis)	710,982,594			710,982,594
Adjustments: (to recognize assets and liabilities)	-			-
As at July 1, 2024	710,982,594	-		710,982,594
Surplus/ deficit for the period	353,125,948			353,125,948
Returns to CRF	-			-
Additions during the period		-	-	-
Other changes (specify)		-	-	-
As at 30th June, 2025	1,064,108,542	-	-	1,064,108,542

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

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

Description	Notes	Period ended Jun 2025
		KES
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from CRF		1,154,425,108
Other income		-
<b>Total receipts</b>		<b>1,154,425,108</b>
<b>Payments</b>		
Employee costs		442,428,056
Use of goods and services		307,759,364
<b>Total payments</b>		<b>750,187,420</b>
<b>Net cash flows from/(used in) operating activities</b>	39	<b>404,237,688</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE		(312,337,241)
<b>Net cash flows from/(used in) investing activities</b>		<b>(312,337,241)</b>
<b>Cash flows from financing activities</b>		
<b>Net cash flows from financing Activities</b>		-
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>91,900,447</b>
Cash and cash equivalents as at Period Start	9	15,143,063
<b>Cash and cash equivalents as at Period End</b>	<b>9</b>	<b>107,043,510</b>

(County Assembly of Kilifi)

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

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

**Recurrent and Development Budgets Combined**

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 *100
<b>Revenues</b>						
Opening balance (Non-refundable special purpose accounts)					-	
Transfers from CRF	1,357,085,485	(90,257,496)	1,266,827,989	1,225,673,772	41,154,217	1.0
<b>Total revenues</b>	<b>1,357,085,485</b>	<b>(90,257,496)</b>	<b>1,266,827,989</b>	<b>1,225,673,772</b>	<b>41,154,217</b>	<b>1.0</b>
<b>Expenses</b>						
Employee costs	526,552,303	(76,958,929)	449,593,374	442,428,056	7,165,318	1.0
Use of goods and services	375,133,525	(13,298,567)	361,834,958	307,759,364	54,075,594	0.9
Transfers to other Government Entities	50,000,000		50,000,000	-	50,000,000	
<b>Total</b>	<b>951,685,828</b>	<b>(90,257,496)</b>	<b>861,428,332</b>	<b>750,187,420</b>	<b>111,240,912</b>	<b>0.9</b>
<b>Capital items</b>						
Acquisition of PPE	405,399,657		405,399,657	328,942,103	76,457,554	0.8
<b>Total expenses Development</b>	<b>405,399,657</b>	<b>-</b>	<b>405,399,657</b>	<b>328,942,103</b>	<b>76,457,554</b>	<b>0.8</b>
<b>Total Expenses</b>	<b>1,357,085,485</b>	<b>(90,257,496)</b>	<b>1,266,827,989</b>	<b>1,079,129,523</b>	<b>187,698,466</b>	<b>0.9</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>146,544,249</b>		

Reconciliation Table		
Description of Particulars		Amount in Kes
	Actual Surplus Amounts as per the statement of Budget	146,544,249
1	opening Balance	15,143,063
2	Fund transferred to Deposit account	16,604,862
5	National treasury delay in reimbursement of funds	(71,248,664)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	107,043,510

## **15. Notes to the Financial Statements**

### **1. General Information**

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

### **2. Statement of Compliance and Basis of Preparation**

#### **Statement of compliance**

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

#### **Guiding note during the transition period:**

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the County Assembly of Kilifi has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1<sup>st</sup>/ 2<sup>nd</sup>/ 3<sup>rd</sup>/ years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the County Assembly of Kilifi has taken advantage of the transition provisions outlined in IPSAS 33.

These financial statements were authorised for issue by the accounting officer on 25<sup>th</sup> Aug 2025

#### **Basis of Preparation**

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

#### **Reporting period**

The reporting period for these financial statements is for the period ended 30<sup>th</sup> June 2025.

**Notes to the financial statements**

**Critical accounting judgements**

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

Recognition of revenue

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

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of the County Assembly of Kilifi 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 County Assembly of Kilifi 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 County Assembly of Kilifi 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 County Assembly of Kilifi policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the County Assembly of Kilifi future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

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

Climate change obligations

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

Physical assets

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

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

**3. Adoption of New and Revised Standards**

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

Standard	Effective date and impact:
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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 cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"><li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li></ol>

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

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

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

Standard	Effective date and impact:
IPSAS 47- Revenue	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1<sup>st</sup> January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <p>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</p> <p>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any</p>

(County Assembly of Kilifi)

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

Standard	Effective date and impact:
	impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

*iii) Early adoption of standards*

The County Assembly of Kilifi did early – adopted new and 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 fulfillment of the set conditions.

**ii) Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2024/25 was approved by the County Assembly on 26<sup>th</sup> June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals to conclude the final budget. Accordingly, the Entity recorded additional appropriations of funds on the 2024/25 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

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

**Budget information (continued)**

The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial cash flows has been presented under section 10 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 agreed year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**d) Property, plant and equipment**

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

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

**e) Right of use asset**

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

**f) Tangible Natural Resources**

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

**Leases**

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

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

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**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**i) Financial instruments**

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

**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.

**ii. Financial liabilities**

**Classification**

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

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

**j) Inventories**

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

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

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

**k) Provisions**

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

**l) Contingent liabilities**

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

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

**m) Contingent assets**

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

**n) Nature and purpose of reserves**

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

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

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

**p) Employee benefits**

**Retirement benefit plans**

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

**q) Foreign currency transactions**

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

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

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

**r) Borrowing costs**

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

**s) Related parties**

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

**t) Service concession arrangements.**

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

**u) Cash and cash equivalents**

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

*(County Assembly of Kilifi)*

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

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

**v) Comparative figures**

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

**w) Subsequent events**

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

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

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

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

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

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

**Provisions**

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

(County Assembly of Kilifi)

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

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

**6. Transfers from CRF**

Nature of Transfer	Amount recognized	Amount deferred	Total transfers
	to Statement of financial performance	under deferred income	for Period ended
	KES	KES	KES
Recurrent	865,161,582	43,326,726	821,834,856
Development	360,512,190	27,921,938	332,590,252
Special purpose transfers	0	-	-
<b>Total</b>	<b>1,225,673,772</b>	<b>71,248,664</b>	<b>1,154,425,108</b>

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

**7. Employee Costs**

Description	Period ended
	Jun-25
KES/TOTAL	
Basic salaries of permanent employees	224,107,463
Basic wages of temporary employees	60,976,122
Personal allowances – part of salary	138,920,622
Housing Levy	6,407,410
Nita	233,850
Pension and other social security contributions	18,282,984
Employer contributions to compulsory national social security schemes	4,970,160
Other social benefit schemes/Gratuity	30,944,582
<b>Employee costs</b>	<b>484,843,192</b>

8. Use of Goods and Services

Description	Period ended
	Jun-25
	Kshs
Utilities, supplies and services	2,974,111
Communication, supplies and services	556,722
Domestic travel and subsistence	199,934,042
Foreign travel and subsistence	4,050,815
Printing, advertising, and information supplies & services	4,597,831
Rentals of produced assets	15,038,108
Training expenses	7,942,803
Hospitality supplies and services	35,238,384
Insurance costs	38,916,988
Specialized materials and services	11,736,929
Other operating expenses <i>including bank Charges</i>	22,826,440
Office and general supplies and services	18,395,391
Fuel Oil and Lubricants	15,165,582
Routine maintenance – vehicles and other transport equipment	2,130,660
Routine maintenance – other assets	3,280,525
Computer and accessories	4,919,301
<b>Total</b>	<b>387,704,632</b>

9. Cash and Cash Equivalents

Description	Period ended	Opening Statement
	30th June 2025	1st Jul 2024
	KES	KES
Recurrent Account	71,371,047	-
Development Account	3,903,666	-
Deposits Account	31,698,114	15,093,252
Special Purpose Accounts-KCB	-	-
Other operating commercial accounts CO-OP	789	789
cash on hand	69,894	49,022
<b>Total</b>	<b>107,043,510</b>	<b>15,143,063</b>

9. (a) Detailed Analysis of the Cash and Cash Equivalents

		Period ended	Opening Statement
			(31 Jul 2024)
Financial Institution	Account number	KES	KES
<b>Recurrent Accounts</b>			
CBK00001	1000239285	71,371,047	-
<b>Development Accounts</b>			
CBK00002	1000265108	3,903,666	-
<b>Deposits Accounts</b>			
CBK00003	1000286644	31,698,114	15,093,252
<b>Other operating commercial accounts</b>			
kenya commercial bank	1243762055	-	-
co-operative bank	1141262122000	789	789.00
Cash on Hand		69,894	49,022
<b>Total</b>		<b>107,043,510</b>	<b>15,143,063</b>

Notes to the Financial Statements (Continued)

10. Receivables from Exchange Transactions

Description	Period ended Jun 2025	Opening Statement 1st Jul. 2024
	KES	KES
<b>Total receivables</b>	-	-
Other exchange debtors salary advance	-	432,000
Less: impairment allowance	-	-
<b>Total receivables</b>	-	<b>432,000</b>
a) Current receivables	-	-
b) Non-current receivables	-	-
<b>Total Receivables (a+b)</b>	-	<b>432,000</b>

11. Receivables from Non- Exchange Transactions

Description	Period ended June 2025	Opening Statement 1st July 2024
	KES	KES
Other debtors (non-exchange transactions)	71,248,664	-
Less: impairment allowance	-	-
<b>Total receivables from non- exchange transactions</b>	<b>71,248,664</b>	<b>-</b>

Notes to the Financial Statements (Continued)

12. Inventories

Description	Period ended Jun	Opening Statement
	2025	1st Jul 2024
	KES	KES
Spare parts	0	-
Goods held for distribution	3,011,755	2,579,755
Less: allowance for impairment	-	-
<b>Total</b>	<b>3,011,755</b>	<b>2,579,755</b>

13A. Property, Plant and Equipment

	Land	Buildings WIP	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Total
<b>Depreciation Rate</b>		2-10%	10-16.67%	2-20%	0.13	33.30%	
<b>Cost</b>	<b>KES</b>	<b>KES</b>	<b>KES</b>	<b>KES</b>	<b>KES</b>	<b>KES</b>	<b>KES</b>
Opening Bal as 1 <sup>st</sup> July 2024	50,000,000	740,760,198	35,625,000	2,800,000	25,627,306	59,445,039	914,257,543
Additions	-	277,232,911	-	-	19,995,500	63,538,295	360,766,706
Disposals	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-
<b>As At 30th Jun 2025</b>	<b>50,000,000</b>	<b>1,017,993,109</b>	<b>35,625,000</b>	<b>2,800,000</b>	<b>45,622,806</b>	<b>122,983,334</b>	<b>1,275,024,249</b>
<b>Depreciation And Impairment</b>							
Depreciation	-	-	-	-	-	0	-
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	0	-
Transfer/Adjustment	-	-	-	-	-	0	-
<b>As At 30th Jun 2025</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>
<b>Net Book Values</b>							
Opening Bal as at 1 <sup>st</sup> July 2024	0	-	-	-	-	0	-
<b>As At 30th jun, 2025</b>	<b>50,000,000</b>	<b>1,017,993,109</b>	<b>35,625,000.00</b>	<b>2,800,000</b>	<b>45,622,806</b>	<b>122,983,334</b>	<b>1,275,024,249</b>

Notes to the Financial Statements (Continued)

13B. Property, Plant and Equipment

	Cost	Accumulated Depreciation	NDV
	KES	KES	KES
Land	50,000,000	-	50,000,000
Buildings-WIP	1,017,993,109	-	1,017,993,109
Infrastructure	2,800,000	-	2,800,000
Motor Vehicles, Including Motorcycles	35,625,000	-	35,625,000
Computers And Related Equipment	122,983,334	-	122,983,334
Office Equipment, Furniture, And Fittings	45,622,806	-	45,622,806
<b>Total</b>	<b>1,275,024,249</b>	<b>-</b>	<b>1,275,024,249</b>

14A. Trade and Other Payables

Description	Jun-25	Opening Statement
		1st Jul 2024
	Kshs	Kshs
Trade payables	207,194,429	109,163,006
Payments received in advance	-	-
Employee payables	57,840,421	15,425,285
Third-party payments	-	-
Other payables	63,662,069	81,748,224
<b>Total trade and other payables</b>	<b>328,696,919</b>	<b>206,336,515</b>

14B. Trade and other payables - Development

Description	Jun-25	Opening Statement
		1st Jul 2024
	KES	KES
Trade payables-Development	31,824,603	-
	-	-
	31,824,603	-

**15. Refundable Deposits and Prepayments**

Description	Period ended Jun 2025	Opening Statement 1st Jul 2024
	KES	KES
Customer deposits	0	-
Prepayments	0	-
Other deposits	31,698,114	15,093,252
<b>Total deposits</b>	<b>31,698,114</b>	<b>15,093,252</b>

**16. Deferred Income**

Description	Period ended June 2025	Opening Statement 1st July 2024
	KES	KES
National Government	71,248,664	-
International Funders	-	-
Public Contributions and Donations	-	-
<b>Total Deferred Income</b>	<b>71,248,664</b>	<b>-</b>

**17. Cash Generated from Operations**

	Period ended 30th June 2025
	KES
<b>Surplus for the year before tax</b>	353,125,948
<b>Adjusted for:</b>	
<b>Working capital adjustments</b>	
Increase in inventory	432,000
Increase in receivables	(71,680,664)
Increase in payables	122,360,404
Increase in payments received in advance	16,604,862
<b>Net cash flow from operating activities</b>	<b>420,842,550</b>

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

*(County Assembly of Kilifi)*

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

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

**Events after the Reporting Period**

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

**Ultimate and Holding Entity**

The County Assembly of Kilifi ultimate parent is the Government of Kenya.

**Currency**

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

(County Assembly of Kilifi)

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

**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.

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>➤ <b>Inaccuracies in the financial statements</b></p> <p>The statement of receipts and payments reflects total receipts of Kshs. 1,189,781,973 against total payments of Kshs. 1,190,499,600 resulting to over funding of Kshs. 717,627 that is inconsistent with cash basis of accounting. The statement of receipts and payments reflects transfers to Exchequer (CRF) of Kshs. 25,826 which differs with the statement of financial position net financial assets carried forward balance of Kshs 1,199,437 resulting to un reconciled variance of Kshs. 1,173,611. Other disclosures under note 5 reflects contingent liabilities of Kshs. 3,881,138 whereas Annex 6 reflects Kshs 2,503,938 resulting to un reconciled variance of Kshs. 1,377,200.</p>	<p>The over funding of kshs 717,627 was as a result of the opening cash balances in the imprest account kshs 988,868 (Amount that had been committed as petty cash to pay emergency issues for the County Assembly)</p> <p>Appendix 1 The fund balance brought forward of kshs 1,199,437 was from the previous financial year 2022-2023 as shown in note 12 of the financial statements where reconciliation of the figure was done . Appendix 2 The contingent liability of</p>	Not Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved? Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.	kshs 3,881,138 disclosed under note 5 was erroneous therefore the correct figure is kshs 2,503,938 as shown in Annex 6		
2.	<p>➤ <b>Budgetary control and performance</b></p> <p>The statement of comparison of budget and actual amounts: recurrent and development reflects final receipts budget and actual on comparable basis of Kshs. 1,191,334,267 and Kshs. 1,189,781,973 respectively resulting to an under-funding of Kshs. 1,552,294 or 0.13% of the budget. Similarly, the Assembly spent a balance of Kshs. 1,190,499,600 against actual receipts of Kshs. 1,189,781,973 resulting to over expenditure of Kshs. 717,627 of 0.06%.</p>	The underfunding of kshs1,552,294 or 0.13% was for funds that had been budgeted in Development as for completion of the new office block. By the end of the financial year, the work done was less than what was expected and the Assembly could not request for the funds from	Not Resolved	

(County Assembly of Kilifi)

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	The under-funding and over-utilization affected the planned activities and may have impacted negatively on service delivery to the public.	County Treasury. The over utilization of kshs 717,627 or 0.06% was for the payments that were done from imprest account opening balance of kshs 988,868.		
3.	<p>➤ <b>Unresolved Prior Audit Matters</b></p> <p>In the audit report of the previous year, several issues were raised. However management had not resolved and disclosed the status of the prior year matters as prescribed in the reporting requirements set out by the Public Sector Accounting Standards.</p>	<p>The County Assembly has taken action to resolve some of the audit matters raised.</p> <p><b><u>Stalled Construction of County Assembly Offices</u></b></p> <p>The Assembly office block is now in its completion stage. Attached is the report of the County Assembly project coordinator. Its expected to complete the</p>	<p>The construction was delayed due to exogenous factors:</p> <ul style="list-style-type: none"> <li>(i) Death of the first contractor</li> <li>(ii) Covid 19</li> <li>(iii) Scaling down of the construction by the public works department.</li> </ul> <p>The Assembly has now overcome all the changes and the project is ongoing.</p>	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>project by 10<sup>th</sup> June 2025. Appendix 3</p> <p><b><u>Failure to Establish Audit Committee</u></b>                      The County Assembly recruited the Audit committee and its now operational. Appendix 4</p>	<p>The tentative completion date of the office block is 9<sup>th</sup> February 2026.</p> <p><b>Resolved</b>                      This matter was resolved in----- after the recruitment process was followed to the later. The committee had two sittings during the financial year as shown in the minutes attached.</p>	
4.	➤ <b>Non-compliance with Affirmative</b>	The staff establishment now comprises of:	The management had initiated the matter now the draft is now	

(County Assembly of Kilifi)

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><b>Action on Gender, and Regional Distribution</b></p> <p>The staff establishment provided indicate that the Assembly had one hundred and twenty five.(125) staff out of which three(3) were persons living with disability and one hundred and fourteen (114) or 91% from the dominant community. This was in breach of section 7(2) of the National cohesion and integration Act, 2008 that states that no public establishment shall have more than one third of its staff from the same ethnic community.</p>	<p>Giryamas 71            Chonyi 13            Jibana 5            Kauma 3            Ribe 0            Rabai 8            Kambe 6            Duruma 7            Digo 4            Taita 2            Kikuyu 2            Luo 1            Luhya 2            Kalenjin 1            Pokomo 2            Bajun 1</p> <p>This is as a result of the Assembly taking action in future recruitments, advertisements were made in the newspapers of National circulation and</p>	<p>in place. The CASB is a waiting to sit and deliberate for approval. Beyond doubt the staff establishment will be in place on or before 30<sup>th</sup> March 2026.</p>	

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)
		Kenyan applied Competitive recruitment was done and applicants from all tribes were given an equal opportunity through a competitive recruitment process.		
5	<p>➤ <b>Delayed construction of the County Assembly office Block</b></p> <p>As previously reported, the construction of the county assembly office block was awarded to a local company on 12<sup>th</sup> February, 2016 at a contract sum of Kshs. 508,549,889. The project objective was to create more office accommodation for the staff and members of the county assembly. As at 30<sup>th</sup> September, 2023 the valuation of works was Kshs. 155,985.743 and the project cost was reduced to Kshs. 350,771,955 through a circular form</p>	<p>The contract was awarded to a new contractor Shamim Investment Limited who took over on 15<sup>th</sup> December 2023. Currently, the project is almost complete with structural building while the finishing is about 91.5% as shown in the project engineer report. Appendix 3</p> <p>The project is expected to complete by 10<sup>th</sup> June</p>	<p><b>The construction was delayed due to exogenous factors:</b></p> <ul style="list-style-type: none"><li>(iv) <b>Death of the first contractor</b></li><li>(v) <b>Covid 19</b></li><li>(vi) <b>Scaling down of the construction by the public works department.</b></li></ul> <p><b>The Assembly has now overcome all the changes and the project is ongoing.</b></p>	<p>According to the project manager, the building will be ready for occupation on Dec 2025. Refer the extension letter of the project attached.</p>

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved).
	<p>national treasury. During the year under review Kshs. 96,842,929 was incurred on the project and it was still incomplete. In the circumstances, the continued delay in the project completion indicated that value for money of the accumulated payments of Kshs. 252,828,672 has not been realized and the project objective of offering modern office accommodation has not been met.</p>	<p>2025.</p>	<p>The tentative completion date of the office block is 9<sup>th</sup> February 2026.</p>	
<p>6.</p>	<p>As previously reported the Management had not constituted the audit committee. Further although the internal Audit Department was in place, Evidence of its plan execution and management responses to internal audit reports were not provided for audit. In the circumstances, the governance structure of the Assembly was not properly constituted and therefore the effectiveness of</p>	<p>This was resolved as supported by the appointment letters of the successful applicants. Also attached are some minutes of the committee sitting deliberating on issues.</p>		

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)
	internal controls and oversight systems during the year under review could not be confirmed.			
7.	<p>➤ <b>Lack of approved staff establishment</b></p> <p>As previously reported, record provided revealed that the county assembly did not have in place an approved staff establishment to indicate the authorized staffing levels in position for each category of employee and or any variance thereof. Further, no evidence was provided to indicated that the County Assembly had carried out job evaluation to determine the staff requirements for each category contrary to section B. 5(2) of the county Public Service Human Resource Manual which states that all vacancies shall be declared in a prescribed format which shall include number of vacancies, date of vacancy occurrence and whether it's within</p>	Attached herein, are the relevant circulars for your reference and necessary action. However the Director Human resource is working on the staff establishment.	The management had initiated the matter now the draft is now in place. The CASB is a waiting to sit and deliberate for approval. Beyond doubt the staff establishment will be in place on or before 30 <sup>th</sup> March 2026.	

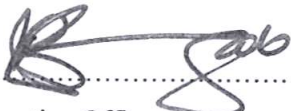
(County Assembly of Kilifi)

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the authorized staff establishment and other relevant details. In circumstances management may not be able to evaluate whether the current staff levels in each job group are optimal.			

**Guidance Notes:**

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

  
 .....  
 Accounting Officer  
 Date 30/9/2025

*(County Assembly of Kilifi)*

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

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(County Assembly of Kilifi)

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

**Appendix II: Fixed Asset Register**

	Cost	Accumulated Depreciation	NBV
	KES	KES	KES
Land	50,000,000	-	50,000,000
Buildings-WIP	1,017,993,109	-	1,017,993,109
Infrastructure	2,800,000	-	2,800,000
Motor Vehicles, Including Motorcycles	35,625,000	-	35,625,000
Computers And Related Equipment	122,983,334	-	122,983,334
Office Equipment, Furniture, And Fittings	45,622,806	-	45,622,806
<b>Total</b>	<b>1,275,024,249</b>	<b>-</b>	<b>1,275,024,249</b>

(County Assembly of Kilifi)

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

Appendix III: Refundable Deposits Movement Schedule

Deposit Account For County Assembly of Kilifi FY 2024-2025

	Date	Description	Payee	Amount	Date	Payee	Ifmis No.	Amount
	Jul-24	Opening		15,093,252				
10/28/2024		RETENTION	Piersi Investment Limited	468,234	10/11/2024	GRENSTONE INTERNATIONAL KENYA LIMIT	140000024	351,690
10/28/2024		RETENTION	ZEINA VENTURES	493,754	10/31/2024	ECOGIINCHA ENTERPRISES	140000032	275,172
10/28/2024		RETENTION	OLE NOOR	598,264	10/31/2024	CREMMS KENYA ENTERPRISES	140000026	311,454
10/28/2024		RETENTION	SHAMIM INVESTMENT	1,409,725				
10/28/2024		RETENTION	SHAMIM INVESTMENT	4,544,020		Balancec/d		21,668,933
				<b>22,607,249</b>				<b>22,607,249</b>
Opening	Dec-24			21,668,933	12/23/2024	MWABAFU GENERAL SUPPLIES	140000024	329,718
					12/23/2024	JONSTAC SUPPLIES ENTERPRISES	140000032	333,891
						Balance c/d		21,005,324
				<b>21,668,933</b>				<b>21,668,933</b>
Opening	Jan-25			21,005,324	1/9/2025	KENYCONS SUPPLIES AND CONSTRUCTION	140000035	462,122
1/16/2025		RETENTION	MRAMINA LIMITED	279,500	1/15/2025	DILYWALAH ORIENT LIMITED	140000030	425,106
1/16/2025		RETENTION	ZEIKA HOLDINGS LIMITED	446,500				
1/16/2025		RETENTION	SILEX SOLUTIONS LIMITED	449,529				
1/16/2025		RETENTION	BOYETTA LIMITED	470,861				
1/16/2025		RETENTION	ROSHARI INVESTMENT			Balancec/d		22,239,141

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				474,655				
				<b>23,126,369</b>				<b>23,126,369</b>
opening	Feb-25			22,239,141				
2/5/2025		RETENTION	FIRMARCH	476,934				
2/5/2025		RETENTION	NZONI ENTERPRISE	484,000				
2/5/2025		RETENTION	AMIAN VENTURES	493,000				
2/5/2025		RETENTION	AISHNOOR INVESTMENT	1,589,139	Balance c/d			25,282,214
				<b>25,282,214</b>				<b>25,282,214</b>
opening	Mar-25			<b>25,282,214</b>	Balance c/d			<b>25,282,214</b>
opening	Apr-25			25,282,214	4/11/2025	FIRMARCH ENTERPRISES	140000043	354,836
					4/11/2025	FARA CIVIL WORKS COMPANY LIMITED	140000048	362,404
					4/11/2025	FIRMARCH ENTERPRISES	140000047	478,489
					4/16/2025	FIRMARCH ENTERPRISES	140000044	478,489
					4/25/2025	SIR ALI ENGINEERING LIMITED	140000040	250,914
					4/25/2025	DOBLEJOS INVESTMENT	140000049	433,309
					Balance c/d			22,923,773
				<b>25,282,214</b>				<b>25,282,214</b>
opening	May-25				5/5/2025	Withholding Tax	140000039	4,402



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

				34,271,653			
opening	Jun-25			32,257,018	17-Jun-25	Mramina Limited	274,681
27-Jun-25		RETENTION	Famifred	249,900	17-Jun-25	Zeika Holdings Ltd	438,802
27-Jun-25		RETENTION	Tia Recycling ltd	406,640	17-Jun-25	AMIAN VENTURES	484,500
27-Jun-25	FT25178WJ6D8	RETENTION	Tekasi works limited	458,194	19-Jun-25	Nzoni Enterprises Limited	475,655
						Balance c/d	31,698,114
				33,371,752			33,371,752

Appendix IV: Trade and Other Payables Movement Schedule

Trade Payables

NO.	SUPPLIER NAME	OPENING BALANCE	ADDITIONS	PAYMENT	CLOSING BALANCE
1	KENYA POWER	242,130.00	2,012,275.00	2,254,405.00	-
2	MALINDI TOTAL	-	10,913,793.00	10,913,793.00	-
3	PRIDE INN	336,200.00	-	-	336,200.00
4	JACARANDA	5,734,126.90	6,180,182.75	5,235,079.65	6,679,230.00
5	BAHARI AGENCIES	10,520,781.00	26,555,860.00	15,485,852.00	21,590,789.00
6	ADISMO	1,721,440.00	161,829.00	712,936.00	1,170,333.00
7	MIDVIEW	1,008,500.00	-	107,000.00	901,500.00
8	SAIROCK	2,174,400.00	-	1,477,000.00	697,400.00
9	OASI	1,115,975.00	1,488,594.80	1,742,569.80	862,000.00
10	GEOTREX	3,811,730.00	-	1,722,280.00	2,089,450.00
11	REEF	1,331,550.00	-	-	1,331,550.00
12	NYALI	150,300.00	-	-	150,300.00

(County Assembly of Kilifi)

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13	STANDARD MEDIA	3,832,373.00	1,291,051.00	771,400.00	4,352,024.00
14	SUNRISE	5,043,220.00	4,393,643.00	4,735,863.00	4,701,000.00
15	KENYA POSTAL SERVICES	29,710	64,050.00	56,350.00	37,410.00
16	ONESSY	2,114,500.00	1,635,000.00	1,769,000.00	1,980,500.00
17	NIM FACILITATORS	528,000.00	-	-	528,000.00
18	GREY IMPALA	7,002,048.00	1,484,540.00	3,191,375.00	5,295,213.00
19	KUSAM	750,000.00	578,648.30	1,328,648.30	-
20	NATION MEDIA	2,643,780.00	999,718.00	715,906.00	2,927,592.00
21	LIQUID INTELLIGENT	917,013.00	-	-	917,013.00
22	ROSHARI	-	4,716,546.00	-	4,716,546.00
23	RENTOKIL	62,133.86	133,150.93	194,072.75	1,212.04
24	KAPENDEZO ENTERPRISES	-	647,932.75	647,932.75	-
25	KSG	1,816,686.00	-	-	1,816,686.00
26	PAGE	2,480,000.00	-	2,480,000.00	-
27	NZONI ENTERPRISES	-	5,754,850.00	914,850.00	4,840,000.00
28	ZOWERANI VENTURES	-	729,800.00	-	729,800.00

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2025

29	COLLETES INVESTMENT	-	7,538,691.75	7,538,691.75	-
30	SYNKRONE	130,000.00	-	-	130,000.00
31	SILEX SOLUTIONS	-	4,495,290.00	-	4,495,290.00
32	MRAMINA	-	4,290,000.00	1,495,000.00	2,795,000.00
33	SEAVIEW	1,608,291.00	-	587,379.30	1,020,911.70
34	FRENCHPARKS	750,000.00	-	750,000.00	-
35	ILA VENTURES	-	3,999,990.00	3,999,990.00	-
36	FIRMACH	847,944.80	7,958,432	7,958,432.20	847,944.80
37	SOFA BUSINESS	-	525,000.00	525,000.00	-
38	BIANVA INVESTMENT	663,362.05	-	-	663,362.05
39	MUNYAO	2,200,000.00	-	-	2,200,000.00
40	THE STAR	2,951,346.00	2,253,293.00	677,440.00	4,527,199.00
41	SHAMARLINE	2,180,000.00	-	800,000.00	1,380,000.00
42	ISMAX	1,606,760.00	14,766,860.70	6,545,620.70	9,828,000.00
43	MUGUMO VENTURES	-	533,146.55	533,146.55	-
44	GRENSTONE INTERNATIONAL	357,860.00	-	-	357,860.00

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

45	LYNTAR	2,002,500.00		748,000.00	1,254,500.00
46	JONSTAC SUPPLIES	357,960.00	-	-	357,960.00
47	FLOMARD LIMITED	300,000.00	-	-	300,000.00
48	SAFARICOM	150,892.00	2,375,472.15	150,892.00	2,375,472.15
49	ZAITUNI ENTERPRISES	-	5,315,948.30	5,315,948.30	-
50	SEA BREEZE	300,000.00	-	-	300,000.00
51	IMPREXIC	615,000.00	1,621,350.00	2,236,350.00	-
52	LEADS LIMITED	1,074,000.00	-	-	1,074,000.00
53	CHABERRY KENYA LTD	2,805,000.00	878,500.00	2,145,000.00	1,538,500.00
54	SIPE MANAGEMENT LTD	-	8,075,000.00	1,500,000.00	6,575,000.00
55	WARIDI AGRI TECH LTD	747,000.00	-	747,000.00	-
56	ELICHI SOLUTIONS	938,534.50	-	938,534.50	-
57	SPABEN COMPANY	-	273,000.00	273,000.00	-
58	FAMIBRED ENTERPRISES	2,499,000.00			2,499,000.00
59	JACKMASH AUTO LTD	-	1,650,000.00	1,650,000.00	-
60	KAYA INTERNATIONAL	1,231,328.00	300,556.00	1,531,884.00	-

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61	CREMMS FUMIGATION	316,917.80	-	-	316,917.80
62	SCILLA	-	1,540,887.95	490,887.95	1,050,000.00
63	KENYCONS	495,436.80	-	-	495,436.80
64	SCHORL LIMITED	600,000.00	-	600,000.00	-
65	IABARR LIGHT SOLUTION	-	900,317.25	900,317.25	-
66	ROFARO INVESTMENTS	-	491,379.30	491,379.30	-
67	STANMAX LIMITED	3,930,985.35			3,930,985.35
68	ARMALINE INVESTMENTS	-	5,180,000.00	-	5,180,000.00
69	GA INSURANCE	-	435,803.00	435,803.00	-
70	DOUBLEJOS INVESTMENT	641,963.00	-	-	641,963.00
71	FARA CIVIL WORKS	368,761.70	-	-	368,761.70
72	APOLO MUINDE	-	2,500,000.00	-	2,500,000.00
73	SHAMIM INVESTMENT	5,839,081.04	62,652,858.86	59,537,447.00	8,954,492.90
74	CULIPS VENTURES	4,025,110.00	-	1,878,800.00	1,878,339.51
75	AMACO ASSURANCE	-	440,159.00	-	440,159.00
76	BAJOHNE INVESTMENTS	498,650.00	-	498,650.00	-

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

77	KENTIMM INVESTMENTS	232,000.00	-	232,000.00	-
78	TEKASI WORKS	-	924,000.00	924,000.00	-
79	ECOGIINCHA ENTERPRISES	280,000.00	705,000.00	705,000.00	280,000.00
80	MWABAFU GEN SUPPLIES	335,502.20			335,502.20
81	ECAF COMET SOLUTIONS	800,550.00	753,740.00	800,550.00	753,740.00
82	DECKAZI LIMITED	549,630.00	-	-	549,630.00
83	NDOPE'S LIMITED	847,995.00	-	847,995.00	-
84	SIR ALI ENGINNERING LTD	255,316.00	-	-	255,316.00
85	PIERSI INVESTMENT LTD	468,234.00	-	-	468,234.00
86	ANJONNEL ENTERPRISES	956,000.00	-	956,000.00	-
87	RIDGE RANGE LIMITED	847,000.00	-	847,000.00	-
88	AVASTRO LTD	-	5,115,158.00	3,128,000.00	1,987,158.00
89	ENLITE CONSULTING	2,686,560.00	-	-	2,686,560.00
90	ZEINA VENTURES	-	4,937,540.00	4,443,786.00	493,754.00
91	OLE NOOR ENGINEERING	-	5,982,643.00	5,982,643	-
92	SHAMARINE ENTERPRISES	-	698,997.00	698,997.00	-

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93	TUMBLERMAN HOLDINGS	-	462,280.00	462,280.00	-
94	RESHMA MERCANTILE	-	699,920.00	699,920.00	-
95	DIMATAR LIMITED	-	820,800.00	820,800.00	-
96	AMIAN VENTURES	-	5,803,000.00	5,803,000.00	-
97	ERICSO DISTRIBUTORS	-	798,000.00	798,000.00	-
98	ZION GATE ENTERPRISES	-	1,164,000.00	1,164,000.00	-
99	NADIYA INVESTMENT LTD	-	836,000.00	836,000.00	-
100	BOYETTA LIMITED	-	6,059,907.10	6,059,907.10	-
101	JARMARLNK	-	456,000.00	456,000.00	-
102	STALLION INTERNATIONAL	-	1,395,100.00	1,395,100.00	-
103	LENIX GENERAL	-	585,000.00	585,000.00	-
104	AAR INSURANCE	-	38,357,728.00	38,357,728.00	-
105	VIDAN CONTRACTORS	-	716,431.05	716,431.05	-
106	CLESTATU ENTERPRISE	-	462,977.60	462,977.60	-
107	GLANEMO ENTERPRISES	-	294,631.05	294,631.05	-
108	MAYALINK ENTERPRISES	-	686,063.80	686,063.80	-

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109	FUMBINI GENERAL SUPPLIES	-	275,000.00	275,000.00	-
110	PARAPELA INVESTMENT LTD	-	6,509,763.80	6,509,764	-
111	TWIN CITY HOLDINGS LTD	-	766,551.70	766,551.70	-
112	ELLU SUPPLIERS	-	1,324,758.60	1,324,758.60	-
113	DIAMOND GATE ENTERPRISES	-	982,100.00	-	982,100.00
114	KIRIMBA INVESTMENTS LTD	-	1,425,000.00	1,425,000.00	-
115	BOFA HOLDINGS LTD	-	1,523,275.85	1,523,275.85	-
116	HARGALO CONTRACTORS	-	735,000.00	735,000.00	-
117	CELGA SOLUTIONS LTD	-	511,034.50	511,034.50	-
118	Amirash Supplies	0	1,500,000		1,500,000
119	Tella Enterprises	0	2,500,000		2,500,000
120	Jogang Perfect Engineering	0	2,600,000		2,600,000
121	Philip Adede and Company	0	2,610,000		2,610,000
122	Stanmax Limited	0	2,750,000		2,750,000
123	Joyscope Ventures	0	2,850,000		2,850,000
124	Philip Adede and Company	0	2,850,000		2,850,000

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125	Koja Logistics	0	2,900,000		2,900,000
126	Bevicon Investments	0	2,995,500		2,995,500
127	Dhosi Enterprises Limited	0	3,963,720		3,963,720
128	Grenstone International	0	4,293,067		4,293,067
129	Deep East Construction	0	4,293,067		4,293,067
130	Suvence Technologies	0	29,591,600	14,795,800	14,795,800
131	Shemuj Limited	0	2,985,800		2,985,800
132	GA Insurance	0	4,286,677		4,286,677
133	Zeina Ventures	0	1,300,000		1,300,000
		106,659,068			207,194,429.00