

REPUBLIC OF KENYA



REPORT

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THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF TRANS NZOIA

FOR THE YEAR ENDED

30 JUNE, 2025

PAPERS LAID	
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COUNTY ASSEMBLY OF TRANS NZOIA

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

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

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1. Acronyms, Abbreviations and Definition of Key Terms

A. Acronyms and Abbreviations

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

B. Definition of Key Terms

Fiduciary Management-The key management personnel who had financial responsibility

2. Key County Assembly of Trans Nzoia Information and Management

a) Background information

The County Assembly is constituted as per article 177 of the Constitution of Kenya 2010. It is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 25 elected and 8 nominated Members of County Assembly (MCAs) elected/ nominated to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies, and playing the oversight role over the County Executive.

b) Key Management Team

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

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

c) Fiduciary Management

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

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

d) Fiduciary Oversight Arrangements

Audit committee activities

The first audit committee was constituted in October 2021 to advise the County Assembly on institutional risk management and compliance. The audit committee term of service came to an end in October 2024. The County Assembly Service Board advertised for the positions of Chairperson, and two audit committee members. The first advert was non-responsive leading to re-advertisement of the same positions. The County Assembly Service Board through its resolution dated 27th January 2025, extended the service contract of the audit committee for six months to give the Board sufficient time to carry out the recruitment of new audit committee. The Chairperson of the audit committee accepted the new offer for contract extension whereas the two audit committee members declined the offer due to other engagements.

Public Accounts/Investment Committee

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

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

Budget and Appropriations Committee

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

- (a) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the County Budget.
- (b) Discuss and review the estimates and make recommendations to the County Assembly
- (c) Examine the County Fiscal Strategy paper presented to the County Assembly
- (d) Examine Bills related to the national budget, including Appropriation Bills: and
- (e) Evaluate tax estimates, economics and Budgetary policies and programmes with direct budget outlays.

e) County Assembly Headquarters

P.O. Box 4221-30200
County Assembly Building
County Assembly Road
Kitale, Kenya

f) County Assembly Contacts

Telephone: (054)-31380/31617

E-mail: transzoiacountyassembly@gmail.com

Website: transzoiassembly.go.ke

g) County Assembly Bankers

1. Central Bank of Kenya

Haile Selassie Avenue
P.O. Box 60000
City Square 00200

Nairobi, Kenya

a) County Assembly Recurrent

Account No. 1000240695

Nairobi, Kenya

b) County Assembly Development

Account No. 1000297255

Nairobi, Kenya

c) County Assembly Deposit

Account No. 1000402458

Nairobi, Kenya

2. Other Commercial Banks

a) Family Bank-Imprest Account

Account No. 093000034860

Kitale-Kenya

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h) Independent Auditor

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

i) Principal Legal Adviser

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

j) County Assembly Legal Advisor.

Directorate of Legal services
P.O. Box 4221-30200
Kitale

3. Governance Statement

a. Background and roles

The County Assembly is constituted by the MCAs of Trans Nzoia County Government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the County Assembly Service Board while the County Assembly Clerk is the secretary. Section 10 (4) of the County Governments 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



Hon. Andrew Mukhisa Wanyonyi

Speaker, Trans Nzoia County Assembly

Hon. Andrew Mukhisa Wanyonyi is the current Speaker County Assembly of Trans Nzoia, elected in September 2022. The Speaker presides over the Sittings and debates of the County Assembly. He maintains the County Assembly attendance register. He enforces the observance of the Constitution, the Standing Orders, relevant statute and Assembly traditions, procedures and practices. He disciplines errand Members of County Assembly for misconduct in the county Assembly. He issues orders and making rules for the

**County Assembly of Trans Nzoia
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	<p>regulation of visitors to the County Assembly precincts. He administers the oath or affirmation or allegiance to Members. He issues writs to vacant County Assembly seats. He organizes the business of the House as the Chairperson of the House Business Committee. As spokesperson of the County Assembly, he ensures that the dignity and authority of the County Assembly is upheld and its rights and privileges are not abused. The speaker is the Chairperson of County Assembly Service Board (CASB)</p>
 <p><i>Hon. Edwin Kosgei Koech</i></p>	<p>Majority Leader – Trans Nzoia County Assembly Hon. Edwin Kosgei Koech represents Cherangany / Suwerwa Ward under the United Democratic Alliance (UDA-Kenya Kwanza Coalition). He serves as the Majority Leader, coordinating the Affairs of the Majority Party/Coalition, including motions, bills, and committee activities aligned with the Majority party’s legislative agenda. He articulates opposition positions, champions democratic oversight, and promotes inclusive debate within the Assembly. As the principal voice of the opposition caucus, he ensures that alternative views and critical perspectives are represented in policy and fiscal governance decisions</p>
 <p><i>Hon. Bonface Wanyonyi Cheloti</i></p>	<p>Minority Leader–Trans Nzoia County Assembly Hon. Bonface Cheloti, elected MCA for Saboti Ward under the Democratic Action Party of Kenya (DAP-K-Azimio Coalition). As Minority Leader he coordinates County government sponsored business, including motions, bills, and committee activities aligned with the governing Party/coalition.</p>



CS. Moses Wanjala Lupao

Clerk of the County Assembly of Trans Nzoia

He is currently employed by the County Assembly Service Board as the Clerk to County Assembly with over 25 years' experience in public service. He is a Certified Public Accountant. He is also a holder of Certified Public Secretaries of Kenya and Holds Master Degree in Public Policy and Management (Strathmore University). He is charged with the responsibility of overall management of the County Assembly. The Clerk is the accounting officer and Secretary to the County Assembly Service Board (CASB). He provides expert guidance on parliamentary procedures to the Speaker, presiding officers, and MCAs. He oversees the legislative calendar and manages committee services and documentation. His role is vital for ensuring the institutional integrity, professionalism, and smooth functioning of the Assembly.

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
- v. Implementation Committee

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d. Select Committees

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

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 3 meetings in the year 2024/2025. The committee members during FY 2024-2025 were:

Name Member	Designation	Ward
Hon. Andrew Mukhisa Wanyonyi	Chairperson	Speaker
Hon. Obed Mahanga Mwale	Vice Chairperson	Matisi
Hon. Margaret Sabina Wanjala	Member	Nominated
Hon. Daniel Mosbei	Member	Kaplamai
Hon. Simon Murei	Member	Sitatunga
Hon. Geofrey Kisiang'ani	Member	Machewa
Hon. Kefa Were Caroli	Member	Kapomboi
Hon. John Makhanu Chingi	Member	Sinyereri
Hon. Martin Simiyu	Member	Nabiswa
Hon. Barbra Nabalayo Kisuya	Member	Nominated

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ii. Public Accounts/Investment Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held no extra sittings to deal with arising matters. The members who served in the committee during the year were:

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

iii. Budget and Appropriations Committee

The budget and appropriations committee provide 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
Hon. Martin Simiyu	Chairperson	Nabiswa
Hon. Lydia Mecha	Vice Chair	Nominated
Hon. Lusweti Furaha	Member	Waitaluk
Hon. Obed Mwale Mahanga	Member	Matisi
Hon. Edwin Koech	Member	Suwerwa
Hon. Daniel Mosbei	Member	Kaplamai
Hon. Andrew Sichangi Kutitila	Member	Sikhendu
Hon. Sarah Lubano Simiyu	Member	Kwanza
Hon. Francis Obingo Were	Member	Tuwan

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Hon. Alfred Wafula Weswa	Member	Sirende
Hon. John Chingi Makhanu	Member	Sinyerere
Hon. Margaret Sabina Wanjala	Member	Nominated
Hon. Barbra Nabalayo Kisuya	Member	Nominated

iv. Implementation Committee

The Implementation committee provides guidance on the resolutions of the County Assembly (Including adopted committee reports), petitions and the undertakings given by the County Executive Committee. The Committee may propose to the County Assembly, sanctions against any member of the County Executive Committee who fails to report to the relevant select Committee on implementation status without justifiable reasons.

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

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 various sub counties where the different stakeholders were invited for information sharing. This communication is

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important in ensuring that stakeholder expectations are aligned to the County's service delivery charter. The County Assembly also subjected three bills and Five Policies through public participation as shown below; -

Item	Bill/Policy	Date
1.	County Budget Estimates Financial Year 2025/2026.	27.06.2025
2.	Trans Nzoia County Appropriation Act 2025	07.08.2025
3.	Trans Nzoia County Finance Act 2025	26.03.2025
4.	County Budget Review Outlook Paper (CBROP) 2025	March 2025
5.	Annual Development Plan (ADP) FY 2024/2025)	March 2025
6.	County Supplementary Budget Estimates Financial Year 2024/2025.	12.03.2025
7.	Trans Nzoia County Supplementary Appropriation Act 2025	12.03.2025

***f.* Risk management**

There are arrangements for risk management and internal control process, but due to the absence of the audit committee to approve the annual work plan and other approvals make the process difficult to continue. Once the audit committee is in place, all processes will run smoothly as planned.

The first audit committee was constituted in October 2021 to advise the County Assembly on institutional risk management and compliance. The audit committee term of service came to an end in October 2024. The County Assembly Service Board advertised for the positions of Chairperson, and two audit committee members. The first advert was non-responsive leading to re-advertisement of the same positions. The County Assembly Service Board through its resolution dated 27th January 2025, extended the service contract of the audit committee members for six months to give the Board sufficient time to carry out the recruitment of new audit committee.

The Chairperson of the audit committee accepted the new offer for contract extension whereas the two audit committee members declined the offer due to other engagement.

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

g. Compliance

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

The County Assembly has complied with its reporting obligations,

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

4. Foreword by Clerk of the County Assembly

(i) Budget performance

The County Assembly of Trans Nzoia had a total budget allocation of Kshs. 834,803,000 for the financial year 2024/2025, consisting of recurrent budget of Kshs. 660,512,273 and development budget of Ksh.174,290,727. Total Exchequer releases for the year under audit review is Kshs.807,594,004 constituting 97% of the total approved budget.

(ii) Operational Performance

a) Laws and Policies

Since the inception of devolution in 2013 and in line with the County Assembly's legislative mandate as contemplated under the Fourth Schedule of the Constitution, the County Assembly of Trans Nzoia has enacted into law over 60 Bills into Acts of the County Assembly. This is in addition to the numerous Motions and Public Petitions out of which the County Assembly has pronounced hundreds of Resolutions in its representation, legislative and oversight mandates. The County Assembly has also engaged, through Questions tabled before the house, with the County Executive in seeking answers to matters of good governance, transparency and accountability in order to fascinate timely, effective and efficient service delivery to the people.

Item	Law/Policy	Date	Expectation
1.	County Budget Estimates Financial Year 2025/2026.	27.06.2025	Provided Policy framework for County Revenue sources and allocation. To secure service delivery, promote transparency and accountability. This is expected to enhance the County Assembly's roles of legislation, representation and oversight.
2.	Trans Nzoia County Appropriation Act 2024	18.07.2024	Oversight of County Government spending.
3.	Trans Nzoia County Finance Act 2025	26.03.2025	Provides a framework for County Government Revenue raising measures.

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4.	County Budget Review Outlook Paper (CBROP) 2025	March 2025	Oversight and compliance.
5.	Annual Development Plan (ADP) FY 2024/2025)	March 2025	Oversight and Compliance.
6.	County Fiscal Strategy Paper (CFSP) 2025	March 2025	Oversight and Compliance.
7.	County Supplementary Budget Estimates for Financial Year 2024/2025.	12.03.2025	Provided Policy framework for County Revenue sources and allocation. To secure service delivery, promote transparency and accountability. This is expected to enhance the County Assembly's roles of legislation, representation and oversight.
8.	Trans Nzoia County Supplementary Appropriation Act 2025	12.03.2025	Oversight of County Government spending.

b) Approval of County Budget Estimates

The County Assembly approved the original budget estimates for the County Executive and County Assembly on 27th June, 2024. We had one Supplementary budget during the year under review that was approved on 12th March 2025.

c) County Assembly committees, their mandates and successes over the period.

Item	Committee	Mandate	Highlights
1.	County Assembly Business Committee	Preparation of the County Assembly Calendar and business, Monitoring and overseeing the implementation thereof,	1. County Assembly Calendar 2. Routine House Business
2.	Committee on selection	Nomination of Members to the Committees of the Assembly save for House Business and Committee on Appoints.	1. Reassignment of Members to various Committees.
3.	Committee on Appointments	Vetting and approval by the County Assembly, appointments under Articles 179(2) of the Constitution	

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4.	County Public Investment Committee	Examination of reports and accounts and workings of the County public investments, auditor general and of the affairs and efficiency of County public investments.	
5.	County Public Accounts Committee	Examination of the accounts and appropriation sums voted by the house and of such other accounts laid before the County Assembly by County Government departments and Report of the Auditor General.	1. Examination of Auditor General Reports.
6.	County Budget and Appropriation Committee	investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the County budget, discuss and review the estimates and make recommendations to the County Assembly; examination of the County fiscal strategy paper; Bills related to the national budget, including Appropriations Bills; and evaluation of tax estimates, economic and budgetary policies and programmes with direct budget outlays	<ol style="list-style-type: none"> 1. County Budget Review Outlook Paper (CBROP) 2024 2. Annual Development Plan (ADP) FY 2025/2026) 3. Trans Nzoia County Supplementary Appropriation Bill 2025(2024/2025) 4. Trans Nzoia County Supplementary Budget (1) FY 2024/2025. 5. Trans Nzoia County Appropriation Bill 2024; 6. County Fiscal Strategy Paper (CFSP) 2025 7. Trans Nzoia County Budget Estimates FY 2025/2026
7.	County Assembly Procedure and Rules Committee	Consideration and reporting on all matters relating to these Standing Orders, including amendments thereto.	<ol style="list-style-type: none"> 1. Undertaking review of the Standing Orders. 2. Benchmarking with Kisumu County Assembly.
8.	Committee on Implementation	Investigation of implementation of County Assembly Resolutions by the County Executive departments.	<ol style="list-style-type: none"> 1. Report on the Status of the Motion on Introduction of Cow milk and Porridge Program for Pre-Primary Pupils. 2. Report On the Status of The Motion on Solid Waste Management Within the County.

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9.	Committee on Delegated County Legislation	Scrutinization of statutory instruments presented to the County Assembly for compliance with the Constitution and Statute.	
10.	Liaison Committee	Guidance and coordination of all other Committees.	
11.	County Public Participation Committee	Matters relating to public and Civic education activities and programmes.	
12.	House Welfare and Catering Committee	Welfare of the Members and staff, catering services, medical insurance, capacity building, members and staff benevolence, welfare of visiting dignitaries, guests and other visitors	
13.	Committee on Powers and Privileges	Matters relating to enforcement or breach of parliamentary privilege.	1. Sensitization of Members on Powers, Immunities and Privileges.
14.	Agriculture, fisheries and Livestock development.	Matters related to agriculture, crop and animal husbandry, livestock sale yards, abattoirs and slaughterhouses, plant and animal disease control, fisheries, agricultural, beef, dairy produce marketing and related matters.	1. Report on Response to Question 17/23 on Spray Services Provider. 2. Report on Response to Question 39/23 on Warehouse Receipt System. 3. Report on Response to Question 3/2024 on Foot and Mouth Disease. 4. Report on Response to Question on Standardized Weights And Measures.
15.	Water, Environment and Natural Resources.	Matters relating to climate change, environmental, management and conservation, forestry, water resource conservation and management, wildlife, mining and other natural resources, waste management, control of air pollution, noise pollution, other public nuisances and outdoor advertising.	1. Report on Question No. 5/2023 on tree planting. 2. Report on Question no. 5/2023 on separation of Nzowasco.
16.	Health Service	Matters relating to County health services, including, in	1. Report on Public Petition by Nurses through the

		particular County health facilities and pharmacies, ambulance services, promotion of primary health care, licensing, public health and control of undertakings that sell food to the public, veterinary services (excluding regulation of the profession), cemeteries, funeral parlours and crematoria.	Kenya National Union. of Nurses Trans Nzoia Branch. 2. Report on health services on the vetting of nominee for Board Members of the KWTR Hospital.
17.	Gender, Culture and Tourism and Sports.	All matters relating to cultural activities, public entertainment and public amenities, including betting, casinos and other forms of gambling, racing, liquor licensing, cinemas, video shows and hiring, libraries, museums, sports, cultural activities and facilities, County parks, beaches and recreational facilities; firefighting services, control of drugs and pornography, animal control and welfare, including licensing of dogs and facilities for the accommodation, care and burial of animals.	1. Report on Trans Nzoia County Gender Policy.
18.	Children and Community Services.	Matters related to child welfare, including licensing of children homes and rescue centres, matters relating to community services, ensuring and coordinating the participation of communities in governance at the local level and assisting communities to develop the administrative capacity for the effective exercise of their functions, rights and powers in their participation in governance.	
19.	Lands, Housing, Physical Planning and Urban Development.	Matters related to lands and settlement, County survey, planning, including spatial planning, municipalities, town and urban development and planning.	1. Report on Petition by Chepchoina Residence on Market Management Committee 2. Report on Local Physical and Land Use Development Plan for Khalabana (2024-2034)

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			<ol style="list-style-type: none"> 3. Report on Local Physical and Land Use Development Plan for Maridadi (2024-2025) 4. Report on Consideration of Approval of Kitale Municipality Integrated Development Plan (2024-2028) 5. Report On the Approval of a Member of The Kitale Municipality Board 6. Report on Approval of Kiminini Town Committee
20.	Security and Disaster Management.	Matters relating to County security, County policing, management of natural disasters, disaster preparedness and emergency response.	1. Report on Response to Question 11/25 on Preparedness of the County Fire Station.
21.	Intergovernmental Relations	Matters relating to intergovernmental relations; between the County government and the national government, the County government and other County governments, including national and inter County cohesion and regional integration.	
22.	Transport and Public Works	Matters related to County transport, including County roads, street lighting, traffic and parking, County public road transport, County public works and services; including storm water management systems in built-up areas and water and sanitation services.	1. Report on Response to Question 10/2024 on road maintenance within County Wards.
23.	Trade, Commerce, Industry and Cooperatives.	Trade development and regulation, consumer protection, pricing policies, commerce, industrialization, including special economic zones and enterprise promotion, public markets, trade licences (excluding regulation of professions), fair trading practices, local tourism and	1. Report on Trans Nzoia County Nawiri Fund

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		cooperative societies.	
24.	Early Childhood Education, Vocational Training and Information Communication Technology (ICT)	Matters related to pre-primary education, village polytechnics, home craft centres, childcare facilities and matters related to Information Communications Technology (ICT).	<ol style="list-style-type: none"> 1. Report on School Feeding Program 2. Report on Completion of ECDE Projects 3. Report on Machines in Vocational Training Centres

(iii) Performance of key development projects

During the year under review, the County Assembly of Trans Nzoia continued with the implementation of its key development projects, with their overall status summarized in the table below:

S/N	Project Name	Contract Sum (Ksh)	Amount Paid (Ksh)	Balance (Ksh)	Overall Status
1	Construction of Administration Building and Assembly Chambers.	464,359,150.00	416,811,109.00	47,548,041.00	89% Complete
2	Completion of Wellness and Committee Services Centre.	19,686,010.00	4,816,991.00	14,869,019.00	70% Complete
3	Construction of Official Speakers Residence.	34,966,871.80	23,992,720.22	10,974,151.00	75% Complete
4	Construction of Five (5No.) Ward Offices	29,740,475.00	29,740,475.00	0.00	Complete
5	Construction of an Outdoor Conference Facility.	3,616,880.00	3,616,880.00	0.00	Complete

These development projects are multi-year in nature and were therefore funded across several financial years. During the reporting period, the County Assembly successfully completed two projects: The Outdoor Conference Facility at the County Assembly Centre and five Ward Offices located in Matisi, Cherangany/Suwerwa, Kwanza, Waitaluk, and Matumbei Wards.

(iv) Comment on value-for-money achievements

The completion of these facilities is expected to significantly enhance service delivery. The new conference facility, which has a capacity of over 120 people, provides a practical venue for hosting committee sittings. Likewise, the ward offices will bring services closer to the citizens, enabling Members of the County Assembly to better serve their constituents.

The implementation of these projects has been community-driven. Public participation forums were held in all wards to gather input from residents on the most suitable locations for the ward offices to ensure effective service delivery. Moreover, the County Assembly fulfilled all contractual obligations with the contractors engaged in these projects. By 30th June ,2025, all Interim Payment Certificates had been honoured, and no contractor had logged demand for payment of interests and penalties attributed to delayed payments.

(v) Challenges and recommended way forward

Delays in disbursement of funds by the national treasury have negatively impacted the timely implementation of projects and delivery of services.

Disputes over land ownership have significantly delayed the development of ward offices in Bidii and Hospital Wards. Projects failed to take off in these wards on time. As a remedy the County Assembly redirected the projects to Kwanza and Waitaluk Wards where land was available.



.....
Name: CS. Lupao Moses Wanjala

Clerk of the County Assembly



5. Statement of Performance against Predetermined Objectives

The County Assembly of Trans Nzoia enacted and passed the following legislations and policy documents in line with the Constitution, the public Finance Management Act, the County Governments Act and other laws; -

- (i) The County Budget Estimates Financial Year 2025/2026.
- (ii) The Trans Nzoia County Appropriation Act 2025
- (iii) The Trans Nzoia County Finance Act 2025
- (iv) The County Budget Review Outlook Paper (CBROP) 2024
- (v) The Annual Development Plan (ADP) FY 2025/2026
- (vi) The County Fiscal Strategy Paper (CFSP) 2025
- (vii) The County Supplementary Budget Estimates Financial Year 2024/2025.
- (viii) The Trans Nzoia County Supplementary Appropriation Act 2025.

Strategic development objectives

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

Program 1	Objective	Outcome	Indicator	Performance	Remarks
Legislation, oversight and representation	Bills passed into Acts of the County Assembly	Improved service delivery to citizens	Three bills passed in the County Assembly	In FY 2024/2025 Three bills were passed by the County Assembly.	The County Assembly has since enacted most of the requisite legislations required to give effect to the devolved functions under the 4 th Schedule to the Constitution.

County Assembly of Trans Nzoia

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	Enhanced professional development of MCAs – Review standing orders	Review standing orders	% Increase in efficient Assembly operation	Review of the Standing Orders is in progress.	The relevant Committee is undertaking a comprehensive comparison of the Standing Orders of most of the other Counties before coming up with the final amendments in order to achieve the best practice and standards.
	-Improved employee welfare -Infrastructure development	-enhanced safety, improved skills, and career progression. -Renovation and Repairs of Assembly premises -Construction of administration block	-Promotions on merit and career progression -Good health -Conducive work environment	-Continuous employee training -Employee safety through provision of medical insurance scheme	
	Provision of security	Enhanced security	-Administration police officers, sergeant- at-Arms	Enhanced security	- Administration police officers are well and timely facilitated in terms of their allowances

6. Environmental and Sustainability Reporting

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

The Trans Nzoia County Environmental Health and Sanitation Act passed in 2022 is an Act of the County Assembly that gives effect to the right to a clean and healthy environment. It seeks to enforce the right to reasonable standards of sanitation and the right to clean and safe water.

Below is a brief highlight of our achievements in each pillar

a) Sustainability strategy and profile

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

The top management especially the accounting officer should refer to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

b) Environmental performance

The Trans Nzoia County Environmental Health and Sanitation Act passed in 2022 is an Act of the County Assembly that gives effect to the right to a clean and healthy environment. It seeks to enforce the right to reasonable standards of sanitation and the right to clean and safe water.

The Objects of the Act are; -

- i. provide an institutional framework for the promotion of environmental health and provision of sanitation services by the County Government and other authorized service providers;
- ii. provide an institutional framework for the licensing of sanitation service providers and the regulation of sanitation services;

- iii. provide an enabling environment for the realization of the right to reasonable standards of sanitation and to clean and healthy environment;
- iv. provide for the preparation and adoption of environmental health and sanitation services integrated development and investment plans;
- v. provide a framework for resource mobilization, financing and performance management for environmental health and sanitation;
- vi. establish a county environmental health and sanitation information management systems;
- vii. provide fiscal and other non-financial incentives to promote compliance and reward exemplary services, performance and innovation in environmental health and sanitation promotion;
- viii. provide for disincentives or fees to induce proper sanitation management or prevent poor environmental sanitation practices;
- ix. transpose national standards and norms in respect of environmental health and sanitation within the county; and
- x. any other functions as may be determined from time to time by Executive Member for Health.

c) Employee welfare

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

d) Marketplace practices-

a) Responsible Supply chain and supplier relations-

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

b) Responsible ethical practices-

Every public petition to the Assembly is treated with fair administrative justice. In conducting its oversight role every person summoned to appear before the Assembly's oversight committee is treated with utmost respect and accorded fair hearing.

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

c) Stewardship of goods and services

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

e) Community Engagements

Members of the County Assembly have annually participated in the national beyond zero campaigns marathon, aimed at eliminating child mortality and the annual County Assemblies Sports Association aimed at promoting national cohesion, and cultural diversity. In its legislative role, the County Assembly has enacted the Elimu bursary regulations that has facilitated award of bursaries to needy students from across the County.

In terms of Environmental conservation programs, the County Assembly actively engaged on activities such as tree planting which took place on 21st April 2025, clean-up drives which took place on 25th April 2025, and solid waste management awareness within Kitale Municipality.

During the Agricultural Society of Kenya show in the month of October 2024, the County Assembly involved itself by setting up booths to showcase Bills related to agriculture, land,

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environment, Development agendas and Budget priorities for farming or cooperative. This promotes transparency, civil education and feedback on legislation.

During the year under review, County Assembly received a delegation of students from various schools for educational engagement on legislative processes. The following schools visited the county Assembly:

- The Michael Wamalwa Kijana Memorial on 17th July 2024
- Mumias Complex mixed Day and Boarding school on 19th July 2024
- Hilario Wekhonye Secondary school on 24th July 2024
- RCEA Wiyeta Girls Secondary School on 25 July 2024
- Butula Boys Junior school on 29th July 2024.
- St Ignatius Secondary School, Kapkarwa on 30th July 2024
- Muungano High School on 13th August 2024
- Anderson Primary school on 16th October 2024
- Eljas Taunet Elite school 20th February 2025
- Kapkorren junior school on 26th march 2025
- St Paul's Boys High School Sinoko on 4th June 2025
- The Michael Wamalwa Kijana Memorial on 4th June 2025
- Moses Mudavadi Primary school on 30th June 2025.

7. Management Discussion and Analysis

Over the past three financial years - 2022/2023, 2023/2024, and 2024/2025 - the County Assembly of Trans Nzoia has implemented several key development projects aimed at enhancing its capacity to effectively fulfil its constitutional mandate of legislation, oversight, and representation.

Notably, the Assembly successfully completed the following projects: construction of carports and Cabro paving at the Assembly Centre, establishment of an outdoor conference facility at the Assembly Centre and construction of five ward offices in Matisi, Waitaluk, Kwanza, Matumbei, and Cherangany/Suwerwa Wards. Additionally, two other major projects - the completion of the Wellness and Committee Services Centre and the construction of the Speaker's residence - are in advanced stages and nearing completion.

The Assembly's flagship projects, the construction of a new Administration Building and Assembly Chambers, is 89% complete. Once finalized, this modern facility will house state-of-the-art debating chambers, offices for Members of County Assembly (MCAs), executive administrative spaces, and boardrooms.

Looking ahead, the Assembly plans to construct eight additional ward offices and to rehabilitate the official residence of the Speaker.

Throughout this period, the Assembly has demonstrated strong financial discipline, particularly in budget absorption. Major projects have been implemented across multiple financial years through phased funding and execution. The status of all major projects, including the flagship building, is regularly tracked to ensure timely and cost-effective delivery.

This strategic development agenda reflects the Assembly's commitment to institutional growth, improved service delivery, and better representation for the people of Trans Nzoia County.

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Below is a summary of on-going and completed development projects undertaken by the County Assembly of Trans Nzoia.

S/N	PROJECT NAME	MAIN CONTRACTOR	PROJECT REFERENCE No.	CONTRACT SUM (KSH)	FINANCIAL YEAR	BUDGETARY ALLOCATION	INTERIM PAYMENT CERTIFICATE (IPC)	TOTAL AMOUNT PAID (KSH)	OUTSTANDING BALANCE	OVERALL STATUS	REMARKS
1	Proposed Construction of Administration Building and Assembly Chambers.	Double Portion Agencies Limited.	CATN/BCT/12-01/2022	464,359,150.00	2022/2023	109,000,000.00	IPC 01: 75,221,806.55	416,811,108.95	47,548,041.05	89% Complete	Multi-year project
					2023/2024	225,400,000.00	IPC 02: 56,511,303.50				
					2023/2024		IPC 03: 45,000,000.00				
					2023/2024		IPC 04: 44,564,992.00				
					2023/2024		IPC 05: 72,914,843.12				
					2024/2025	127,000,000.00	IPC 06: 36,298,163.15				
	2024/2025		IPC 07: 33,000,000.00								
	2024/2025		IPC 08: 53,300,000.00								
2	Proposed Completion of Wellness and Committee Services	Limucon Limited	CATN/WC/01/202	19,686,010.00	2024/2025	12,000,000.00	IPC 01: 4,816,991.00	4,816,991.00	14,869,019.00	73% Complete	Multi-year project
3	Proposed Construction of Speaker's Residence.	Wimex Commodities Limited.	CATN/SR/2-04/2023	34,966,871.80	2023/2024	30,000,000.00	IPC 01: 14,000,000.00	23,992,720.22	10,974,151.58	75% Complete	Multi-year project
					2023/2024		IPC 02: 3,859,228.78				
					2023/2024		IPC 03: 6,133,491.22				
					2024/2025	11,900,000.00					
4	Proposed Construction of 5 No. Ward Offices	Saharry Logistics Limited.	CATN/WO/1-02/2023.	29,740,475.00	2023/2024	30,000,000.00	IPC 01: 1,933,500.00	29,740,475.00	0.00	Project Complete	Multi-year project, Project complete and operational.
					2023/2024		IPC 02: 9,670,123.00				
					2023/2024		IPC 03: 9,459,520.00				
					2024/2025	9,750,000.00	IPC 04: 8,677,331.50				
5	Construction of an Outdoor Conference Facility at the Assembly	Rekito Investment Limited	CAT/CR/02-01/2024	3,616,880.00	2024/2025	3,620,000.00	IPC 01: 3,616,880.00	3,620,000.00	0.00	Project Complete	Project complete
6	Construction of Carports & Cabro paving at the Assembly Centre	Remy Supplies and Services Limited	CATN/PS/1-02/2023	5,791,996.00	2023/2024	6,000,000.00	IPC 01: 5,791,996.00	5,791,996.00	0.00	Project Complete	Project complete

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 County Assembly of Trans Nzoia 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 (iv) 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

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

Assembly funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

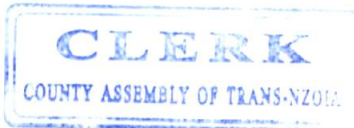
Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Assembly financial statements were approved and signed by the Clerk for finance on 4th November, 2025.



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



REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying transitional IPSAS financial statements of County Assembly of Trans Nzoia set out on pages 1 to 45, which comprise of the statement of

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

In my opinion, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of County Assembly of Trans Nzoia 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 Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2025 reflects final budget of Kshs.834,803,000 against actual receipts of Kshs.833,568,895 resulting to under-funding of Kshs.1,234,105. Similarly, the Assembly's total actual receipts amounted to Kshs.833,568,895 against actual expenditure of Kshs.807,706,427 resulting to underutilization of Kshs.25,862,468 or 3% of the budget.

The under-funding and under-utilization of funds affected the implementation of the Assembly's planned programmes and may have negatively impacted service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

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

	Financial Year	Audit Issue
1	2023/2024	Non-Compliance with Affirmative Action on Gender Balance, Ethnic and Regional Distribution
2	2023/2024	Unsupported Payment of Legal Fees
3	2023/2024	Irregular Imprest on Printing, Advertising, Information Supplies and Services
4	2023/2024	Delayed Completion in Construction of the Administration Building and Assembly Chambers
5	2023/2024	Lack of Effective Internal Audit Function
6	2023/2024	Non-Implementation of Audit Recommendations
7	2023/2024	Lack of Monitoring and Evaluation Team

Other Information

The Management is responsible for the Other Information set out on page iii to xxxii which comprise of key entity information and management, governance statement, forward from the Clerk, statement of performance against predetermined objectives, environmental and sustainability reporting, management discussion and analysis, and statement of management responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delay in Completion of Administration Building and Assembly Chambers

The tender to complete the administration building and Assembly chambers was awarded to a construction company at a contract sum of Kshs.464,359,150. The contract period was thirty-seven (37) weeks from 28 February, 2023 to 4 December, 2023. Examination of the project file revealed that the contractor requested for contract extension through a letter Ref DP/2024/0005 dated 25 March, 2024 for a period of thirty (30) weeks which was granted through a letter Ref:CATN/DP/2023/Vol.I/53 dated 2 May, 2024. The new completion date was 1 July, 2024. The contract further requested for a second contract extension through a letter ref: DP/2024/0005 dated 16 December, 2024 for 20 weeks, which was granted through a letter ref: CATN/DP/2023/VOL.I/55 which categorically stated that it was the final contract extension. The final completion date was to be on 18 November, 2024. However, the contractor continued with the works without contract extension and the building was not complete as at the time of audit in October, 2025.

Further, the performance bond submitted by the company was issued on 1 March, 2023 and was valid until 1 March, 2024. However, there was no evidence that the contractor renewed the performance bond.

In addition, Clause 19.7.1 of the contract agreement states that if the contractor fails to complete the works within the agreed time, the contractor shall pay delay damages to the employer for this default. The delay damages shall be the sum of Kshs.100,000 per week which shall be deducted from any sums due or payable to the contractor or sub-contractor. As at 30 June, 2025 the project was 89% complete and it had delayed by thirty (30) weeks. There is no evidence that the Management has been tabulating the damages due to delay in completion of the project.

In the circumstances, the County Assembly may not get value for money spent on the project.

2. Non-Remittance of Public Procurement Capacity Building Levy

During the financial year 2024/2025, the Assembly issued LPOs/LSOs and contracts totalling Kshs.266,053,988. However, the Management did not deduct and remit the public procurement capacity building levy. This was contrary to Paragraph 3(1) of Legal Notice 206 of the Levy Order 2023 which states that there shall be paid a Levy by a

supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

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

3. Failure to Publish and Publicize Budget Documents

Review of the County Assembly of Trans Nzoia's budget process revealed that the Management did not publish and publicize the budget documents on its official website as required by Regulation 129(4) of the Public Finance Management (County Governments) Regulation, 2015, which states that the County Executive Committee Member responsible for planning shall consolidate all the reports received under paragraph (2) of this Regulation, and submit a report to the County Executive Committee Member for the County Treasury and publish and publicize it within seven (7) days after submitting it to the County Executive Committee Member.

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

4. Non-Compliance with the One-Third Basic Salary Rule

Review of the payroll data extracted from the Integrated Payroll and Personnel Database for July 2024, August 2024, September 2024, October 2024, and November 2024 established that several employees of the County Assembly were receiving net salary that was less than a third of their respective basic salary, and some employees were earning nil net salaries. This was contrary to Section 19(3) of the Employment Act, 2007 that requires that all deductions which under the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages. Management has not provided satisfactory reason or justification for paying net salary that is less than one-third of their respective basic salaries.

In the circumstances, the employees may face challenges in meeting their daily obligations and may not attain optimal levels of productivity.

5. Non-Preparation of Quarterly Reports

During the year under review, the county assembly's internal audit function did not conduct quarterly audits as guided by regulation 166(1) and (2) of the Public Finance Management (County Governments) Regulations, 2015. In addition, the Management did not prepare and submit quarterly reports to the Cabinet Secretary, with copies to the Auditor-General, Controller of Budget and the National Treasury detailing information on the financial and non-financial performance of the entity. This was contrary to Section 83(3) of the Public Finance Management Act, 2012 which states that not later than fifteen (15) days after the end of each quarter, the accounting officer shall submit the quarterly report to the Cabinet Secretary responsible for the entity and the National Treasury.

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

6. Failure to Absorb 5% of Employees from People Living with Disabilities

Analysis of employee bio data revealed that during the year under review, the County Assembly had ninety (90) staff members out of which only two (2) members were with special needs, representing 2% of the total staff. This was contrary to Section 21(2) of the Persons with Disability Act, 2025 that provide that at least 5% of employment opportunities in the public sector should be reserved for people with disabilities.

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

7. Non- Compliance with Law on Fiscal Responsibility - Wage Bill

During the year under review, the County Assembly's approved revenue budget amounted to Kshs.834,803,000. However, expenditure on personnel emoluments and other employment benefits amounted to Kshs.330,867,902, representing 40% of the total revenue. This exceeded the statutory threshold of 35% contrary to the fiscal responsibility principle set in Regulation 25(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires that the County Executive Committee Member, with the approval of the County Assembly, set a limit on the county government's wage bill not exceeding thirty-five percent (35%) of the county government's total revenue.

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

8. Reallocation of Funds Between Sub-votes

Review of the 2024/2025 approved budget and supplementary estimates revealed that the County Assembly was allocated Kshs.660,512,273 for recurrent expenditure and Kshs.174,290,727 for development spending. However, funds were reallocated between several sub-votes in excess of the 10% limit prescribed under Section 154(2)(c) of the Public Finance Management Act, 2012 which states that the total of all reallocations made to or from a program or sub-vote does not exceed ten percent (10%) of the total expenditure approved for that program or sub-vote for that year.

In the circumstances, the implementation of planned programmes may have been affected and the Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for

Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Ineffectiveness of the Internal Audit Function

Review of the Internal Audit function of the County Assembly revealed that the Internal Audit Committee did not meet during the year under review and no internal audits had been conducted. This was contrary to Regulation 172(1) of the Public Finance Management (County Government) Regulations, 2015 that requires the Internal Audit Committee to meet at least once in every three months. In addition, the County Assembly's internal audit function did not conduct quarterly audits and submit reports as guided by Regulation 166(1) and (2) of the Public Finance Management (County Governments) Regulations, 2015. Further, the internal audit function did not prepare an approved annual work plan as required by Regulation 163(1), (2) (a) and (b) of the Public Finance Management (County Government) Regulations, 2015. The regulations states that the internal audit plan shall be approved by the Accounting Officer and the Audit Committee, and consist of a work schedule as well as budget and resource requirements for the next fiscal year.

In the circumstances, the internal audit function might not be allocated enough resources to optimally perform its functions.

2. Climate Change and Financing for the Year 2024/2025

Review of documents and programmes provided revealed that the County Assembly did not allocate any budgetary resources for climate change initiatives. Further, evidence of public awareness activities, development of a climate change action plan, and public consultation initiatives on climate change were not provided for audit review.

In the circumstances, the Management was not in compliance with environmental laws, including the Climate Change Act, 2016 and Kenya's National Adaptation Plan 2015-2030, which advocates for attaining Vision 2030 and beyond in enhancing climate resilience.

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Accrual Basis including the transitional provisions permitted under IPSAS 33 and for maintaining

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

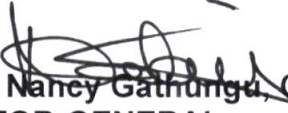
My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 December, 2025

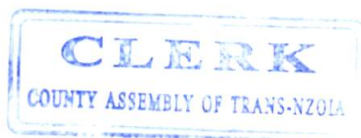
10. Statement of Financial Performance for the year ended 30 June 2025

	Notes	FY 2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	660,512,273
Total revenue		660,512,273
Expenses		
Employee costs	7	330,867,902
Use of goods and services	8	301,357,295
Transfers to other Government Entities	9	10,000,000
Depreciation and amortization expense	10	634,170
Total expenses		642,859,367
Surplus/Deficit for the year		17,652,906

The Financial Statements set out on page 1 were signed by:

.....
Name: Lupao Moses Wanjala
Clerk of The County Assembly
ICPAK M/No. 8315

.....
Name: Hezron Kiplagat Kemboi
Chief Finance Officer



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

11. Statement of Financial Position as at 30 June 2025

	Notes	FY2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	11	25,861,125	25,974,891
Receivables from Exchange Transactions	12	-	20,998
Receivables from Non-Exchange Transactions	13	12,097,194	-
Prepayments	16	14,342,888	
Total Current Assets		52,301,207	25,995,889
Non-Current Assets			
Property, Plant and Equipment	14	150,504,172	-
Total Non- Current Assets		150,504,172	-
Total Assets (A)		202,805,379	25,995,889
Liabilities			
Current Liabilities			
Trade and Other Payables	15b	13,270,490	1,194,294
Refundable Deposits	15a	37,616,156	37,616,156
Total Current Liabilities		50,886,646	38,810,450
Total Liabilities (B)		50,886,646	38,810,450
Net Assets(A-B)		151,918,733	(12,814,561)
Represented By:			
Accumulated Surplus		151,918,733	(12,814,561)
Net Assets		151,918,733	(12,814,561)

The financial statements set out on page 2 were signed by:

.....
Name: Lupao Moses Wanjala
Clerk of The County Assembly
ICPAK M/No. 8315



.....
Name: Hezron Kiplagat Kemboi
Chief Finance Officer



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

	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30 th June 2024 (cash basis)	(11,620,267)			(11,620,267)
Adjustments:				-
Recognition of assets	-			-
Recognition of liabilities	(1,194,294)			(1,194,294)
As at July 1, 2025	(12,814,561)			(12,814,561)
Return to CRF	(1,343)			(1,343)
Surplus/ deficit for the year	17,652,906			17,652,906
Transfers from CRF-Development	147,081,731			147,081,731
As at June 30, 2025	151,918,733	-	-	151,918,733

.....
Name: Lupao Moses Wanjala
Clerk of The County Assembly
ICPAK M/No. 8315



.....
Name: Hezron Kiplagat Kemboi
Chief Finance Officer

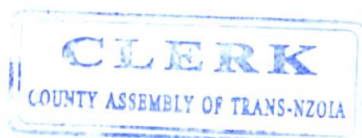


County Assembly of Trans Nzoia
Annual Report and Financial Statements for the year ended June 30, 2025.

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

		FY 2024-2025
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF	6	660,512,273
Total receipts		660,512,273
Payments		
Employee costs	7	330,867,902
Use of goods and services	8	315,700,183
Transfers to other Government Entities	9	10,000,000
Total payments		656,568,085
Net cash flows from/ (used in) operating activities		3,944,188
Cash flows from investing activities		
Purchase of PPE	14	(151,138,342)
Net cash flows from/ (used in) investing activities		(151,138,342)
Cash flows from financing activities		
Returns to CRF		(1,343)
Transfer from CRF	6	147,081,731
Net cash flows from financing Activities		147,080,388
Net increase/(decrease) in cash & Cash equivalents		(113,766)
Cash and cash equivalents at start of period- 1 st July, 2024	11	25,974,891
Cash and cash equivalents at end of period-30th June,2025	11	25,861,125

.....
Name: Lupao Moses Wanjala
Clerk of The County Assembly
ICPAK M/No. 8315



.....
Name: Hezron Kiplagat Kemboi
Chief Finance Officer



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

Recurrent and Development Budgets Combined

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carry overs (Special Purpose A/c)		-	-	25,974,891	(25,974,891)	
Receipts						
Transfers from the CRF	834,803,000	-	834,803,000	807,594,004	27,208,996	97
Total Receipts	834,803,000	-	834,803,000	833,568,895	1,234,105	100
Payments						
Compensation of employees	349,574,274	(18,706,372)	330,867,902	330,867,902	-	100
Use of goods and services	350,820,468	(31,176,097)	319,644,371	315,700,183	3,944,188	99
Transfers to other government units	23,758,258	(13,758,258)	10,000,000	10,000,000	-	100
Acquisition of assets	110,650,000	63,640,727	174,290,727	151,138,342	23,152,385	87
Total	834,803,000	-	834,803,000	807,706,427	27,096,573	97
Surplus	-	-	-	25,862,468		

Reconciliation table

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	25,862,468
1	Return to CRF	(1,343)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	25,861,125

15. Notes to the Financial Statements

1. General Information

County Assembly of Trans Nzoia is established by and derives its authority and accountability from The Constitution of Kenya 2010. The County Assembly of Trans Nzoia is domiciled in Kenya and its principal activities are Legislation, Oversight and Representation.

2. Statement of Compliance and Basis of Preparation

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

The County Assembly of Trans Nzoia has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st year financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the County Assembly of Trans Nzoia has taken advantage of the transition provisions outlined in IPSAS 33;

1. Inventories

2. Non-Financial Assets i.e. PPE acquired from previous years and intangible assets.

Pursuant to the County Assembly of Trans Nzoia's Road Map to Accrual Accounting, as adopted by the Accrual Steering Committee, the following transitional measures will be implemented:

- 1. The 2nd year Transitional Financial Statements will incorporate accounting of inventories.**
- 2. The 3rd year Transitional Financial Statements will introduce the accounting for Property, Plant, and Equipment (PPE) and intangible assets from prior years.**

The completion of third year of transition will signify the County Assembly's full compliance with the International Public Sector Accounting Standards (IPSAS) accrual basis, culminating in the presentation of a fully compliant IPSAS accrual-based Financial Statements.

These financial statements were authorised for issue by the accounting officer on 25th August 2025.

Basis of Preparation

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

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

Notes to the financial statements

Assembly. The accounting policies adopted have been consistently applied to all the years presented.

Reporting period

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

Critical accounting judgements

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

Recognition of revenue

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

Recognition of non-exchange expenses and liabilities

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

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

Notes to the financial statements

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.

Notes to the Financial Statements (Continued)

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 MtCO₂ 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 County Assembly of Trans Nzoia as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an County Assembly of Trans Nzoia. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the County Assembly of Trans Nzoia if relevant</i></p>

**County Assembly of Trans Nzoia
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Standard	Effective date and impact:
	<p>i. 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> <p><i>State the expected impact of the standard to the County Assembly of Trans Nzoia if relevant</i></p>

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

Standard	Effective date and impact:
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an County Assembly of Trans Nzoia shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the County Assembly of Trans Nzoia if relevant</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50:	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the</p>

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

Standard	Effective date and impact:
Exploration For & Evaluation of Mineral Resources	<p>exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the County Assembly of Trans Nzoia’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 Trans Nzoia did not early – adopt any new or amended standards in the financial year or *the County Assembly of Trans Nzoia adopted the following standards early (state the standards, reason for early adoption and impact on County Assembly of Trans Nzoia’s financial statements.)*

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 County Assembly of Trans Nzoia and can be measured reliably. Recurrent grants are recognized in the statement of financial performance. Development/Capital grants are recognized in the statement of financial performance after meeting revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

ii) Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that

Notes to the Financial Statements (Continued)

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 County Assembly of Trans Nzoia'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 27th 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 County Assembly of Trans Nzoia upon receiving the respective approvals in order to conclude the final budget. Accordingly, the County Assembly recorded additional appropriations of 2025 on the 2024/25 budget following the governing body's approval. The County Assembly of Trans Nzoia 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/page 7 of these financial statements.

c) Investment property

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

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at

Notes to the Financial Statements (Continued)

intervals, the County Assembly of Trans Nzoia 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

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 County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia; the County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia 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. A County Assembly of Trans Nzoia 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.

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

Notes to the Financial Statements (Continued)

Historical cost model is applied after initial recognition less any depreciation and impairment losses.

Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the County Assembly of Trans Nzoia. 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 County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia 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.

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 County Assembly of Trans Nzoia expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the County Assembly of Trans Nzoia 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.

Notes to the Financial Statements (Continued)

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 County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia and a financial liability or equity instrument of another County Assembly of Trans Nzoia. At initial recognition, the County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia'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/

County Assembly of Trans Nzoia
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Notes to the Financial Statements (Continued)

equity unless a County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia 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.

Notes to the Financial Statements (Continued)

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 County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note -.

ii. Financial liabilities

Classification

The County Assembly of Trans Nzoia classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through surplus or deficit

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,

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Notes to the Financial Statements (Continued)

or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *County Assembly of Trans Nzoia*.

k) Provisions

Provisions are recognized when the County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia 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.

m) Contingent assets

The County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia creates and maintains reserves in terms of specific requirements. (*County Assembly of Trans Nzoia to state the reserves maintained and appropriate policies adopted*).

Notes to the Financial Statements (Continued)

o) Changes in accounting policies and estimates

The County Assembly of Trans Nzoia 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 *County Assembly of Trans Nzoia* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which a County Assembly of Trans Nzoia pays fixed contributions into a separate County Assembly of Trans Nzoia (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.

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

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Notes to the Financial Statements (Continued)

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 Trans Nzoia regards a related party as a person or a County Assembly of Trans Nzoia with the ability to exert control individually or jointly, or to exercise significant influence over the County Assembly of Trans Nzoia, or vice versa. Members of key management are regarded as related parties and comprise, Speaker of the County Assembly, Leader of Majority of county Assembly, Leader of Minority, External Members of County Assembly Service Board, Members of the Board, Clerk of the county Assembly, Deputy Clerk of County Assembly and Directors and Head of departments.

t) Service concession arrangements.

The *County Assembly of Trans Nzoia* 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 *County Assembly of Trans Nzoia* 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 *County Assembly of Trans Nzoia* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

Notes to the Financial Statements (Continued)

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the County Assembly 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 County Assembly of Trans Nzoia 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 County Assembly of Trans Nzoia. 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 County Assembly of Trans Nzoia.

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Notes to the Financial Statements (Continued)

- b. The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c. The nature of the processes in which the asset is deployed.
- d. Availability of funding to replace the asset.
- e. Changes in the market in relation to the asset

Provisions

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

Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers FY 2024-2025
	Kshs	Kshs	Kshs
Recurrent	660,512,273	-	660,512,273
Development	147,081,731	-	147,081,731
Total	807,594,004	-	807,594,004

7. Employee Costs

Description	FY 2024-2025
	Kshs
Basic salaries of permanent employees	107,176,126
Basic wages of temporary employees	27,185,407
Personal allowances – part of salary	137,964,884
Pension and other social security contributions	21,802,828
Employer contributions to compulsory national social security schemes	2,948,797
Employer contribution to compulsory housing scheme	4,005,996
Other social benefit schemes-Service gratuity	16,611,512
Other personnel costs	13,172,351
Total Employee costs	330,867,902

8. Use of Goods and Services

Description	FY 2024-2025
	Kshs
Utilities, supplies and services	1,114,448
Communication, supplies and services	1,262,293
Domestic travel and subsistence	161,206,550
Foreign travel and subsistence	21,300,925
Printing, advertising, and information supplies & services	2,039,367
Rentals of produced assets	6,249,000
Training expenses	12,794,146
Hospitality supplies and services	8,803,500
Insurance costs	11,866,364
Specialized materials and services	5,096,480
Other operating expenses <i>including bank Charges</i>	8,911,160

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Description	FY 2024-2025
	Kshs
Office and general supplies and services	49,006,491
Fuel Oil and Lubricants	2,080,000
Routine maintenance – vehicles and other transport equipment	2,175,096
Routine maintenance – other assets	7,451,475
Total	301,357,293

9. Transfers to Other Government Entities

Description	FY 2024-2025
	Kshs
Transfers to car loan and mortgage schemes	10,000,000
Total	10,000,000

10. Depreciation and Amortization Expense

Description	FY 2024-2025
	Kshs
Property, plant and equipment	634,170
Total	634,170

11. Cash and Cash Equivalents

Description	FY 2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Recurrent Account	11,994.35	1,343
Development Account	12,097.30	-
Deposits Account	25,837,033.20	25,973,548
Total	25,861,125	25,974,891

(a) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	FY 2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Recurrent Accounts			
Trans Nzoia County Assembly Recurrent Account	1000240695	11,994.35	1,343
Development Accounts			
Trans Nzoia County Assembly Development Account	1000297255	12,097.30	-
Deposits Accounts			

**County Assembly of Trans Nzoia
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		<i>FY 2024-2025</i>	<i>Opening Statement 1st July 2024</i>
Financial Institution	Account number	Kshs	Kshs
<i>Trans Nzoia County Assembly Deposit Account</i>	1000402458	25,837,033.20	25,973,548.00
Other operating commercial accounts			
County Assembly of Trans Nzoia Imprest Account	093000034860	-	-
Total		25,861,125	25,974,891

12. Receivables from Exchange Transactions

Description	<i>FY 2024-2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Total receivables		
Other exchange debtors (<i>Specify</i>)	-	-
Less: impairment allowance	-	-
Total receivables	-	-
a) Current receivables	-	20,998
b) Non-current receivables	-	-
Total Receivables (a+b)	-	20,998

i) Ageing analysis for Receivables

Description	<i>FY 2024-2025</i>		<i>Opening Statement 1st July 2024</i>	
	Kshs	%	Kshs	%
	<i>FY 2024/2025</i>	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	20,998	100%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	20,998	100%

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Notes to the Financial Statements (Continued)

ii. Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance	FY 2024-2025
	Kshs
At the beginning of the year	20,998
Additional allowance during the year	-
Recovered during the year	(20,998)
Written off during the year	-
At the end of the year	-

13. Receivables from Non-Exchange Transactions

Description	FY 2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Other debtors (non-exchange transactions)	12,097,194		-	
Other debtors (non-exchange transactions)				
Less: impairment allowance	-		-	
Total receivables from non- exchange transactions	12,097,194		-	
Ageing Analysis- Receivables from non-exchange transactions	FY2024-25	% of the total	Opening Balance	% of the total
Less than 1 year	12,097,194	100%	-	-
Between 1-2 years		-	-	-
Over 3 years	-	-	-	-
Total	12,097,194	100%	-	100%

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

Description	FY 2024-2025
	Kshs
At the beginning of the year	-
Additional provisions during the year	12,097,194
Recovered during the year	-
Written off during the year	-
At the end of the year	12,097,194

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Notes to the Financial Statements (Continued)

14. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrast structu re assets	Furniture and fittings	Compute rs & ICT Equipme nt	Heri tage asse ts	Work in progress	Servic e conce ssion assets	Total
Depreciation Rate		2-10%	10- 16.67%	2-20%	12.5%	33.3%	x%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Ksh s	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	5,073,360.40	-	-	146,064,981.20	-	151,138,342
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	5,073,360.40	-	-	146,064,981.20	-	151,138,342
Depreciation & Impairment										
Depreciation for the year	-	-	-	-	(634,170)	-	-	-	-	(634,170)
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-	-
As At 30th Jun 2025	-	-	-	-	(634,170)	-	-	-	-	(634,170)
Net Book Values	-	-	-	-	4,439,190	-	-	146,064,981.20	-	150,504,172
Opening Bal as at 1st July 2025	-	-	-	-	4,439,190	-	-	146,064,981	-	150,504,172

Work in progress expenditure relates to on-going construction of County Assembly Administration building and Chambers, County Assembly Committee Centre, Speaker's official residence, Ward offices and Canvas shade at Assembly Centre

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Notes to the Financial Statements (Continued)

15. a Refundable Deposits and Prepayments

Description	FY 2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Customer deposits	37,616,156		37,616,156	
Total deposits	37,616,156		37,616,156	
Ageing analysis: (Refundable deposits)	FY2024/2025	% of the Total	Opening Balance	% of the Total
Under one year	37,616,156		37,616,156	100%
1-2 years	37,616,156	100%	37,616,156	100%
Total	37,616,156	100%	37,616,156	100%

15. b Trade and Other Payables

Description	FY 2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade and Other payables	13,270,490		1,194,294	
Prior year adjustments	-			
Total	13,270,490		1,194,294	

16. Prepayments

Description	FY 2024-2025
	Kshs
Prepaid insurance expenses	14,342,888
Total	14,342,888

17. Cash Generated from Operations

	FY 2024-2025
	Kshs
Surplus for the year before tax	17,652,906
Adjusted for:	
Depreciation	634,170
Contribution to provisions	-

**County Assembly of Trans Nzoia
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	<i>FY 2024-2025</i>
	Kshs
Contribution to impairment allowance	-
Working capital adjustments	
Increase in inventory	-
Increase in deferred income	-
Increase in payables	-
Increase in payments received in advance	(14,342,888)
Net cash flow from operating activities	3,944,188

Notes to the Financial Statements (Continued)

18. Financial Risk Management

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

The County Assembly of Trans Nzoia's financial risk management objectives and policies are detailed below:

i) Credit risk

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

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

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	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	12,097,194	12,097,194	-	-
Bank balances	25,861,125	25,861,125	-	-
Total	37,958,319	37,958,319	-	-

Notes to the Financial Statements (Continued)

Financial Risk Management

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

ii) Liquidity risk management

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

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

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

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

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

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

a) Foreign currency risk

The *County Assembly of Trans Nzoia* has no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. We have no Invoices denominated in foreign currencies that are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *County Assembly of Trans Nzoia* does not manage foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Interest rate risk

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

Notes to the Financial Statements (Continued)

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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Notes to the Financial Statements (Continued)

Financial Risk Management

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

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

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

iv) Capital Risk Management

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

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

Notes to the Financial Statements (Continued)

19. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

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

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

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Notes to the Financial Statements (Continued)

20. Segment Information

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

21. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

Contingent Liabilities

	<i>FY 2024-2025</i>
	Kshs
Contingent Liabilities	-
Court Case against the County Assembly of Trans Nzoia	-
Bank Guarantees in Favour of Subsidiary	-
Contingent Liabilities arising from Contracts Including PPPs	-
Others (Specify)	-
Total	-

22. Capital Commitments

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

Notes to the Financial Statements (Continued)

23. Program for Results (PforR) Disclosure

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

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

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

24. Events after the Reporting Period

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

25. Ultimate And Holding County Assembly of Trans Nzoia

The County Assembly of Trans Nzoia ultimate parent is the Government of Kenya.

26. Currency

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

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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.Non- Compliance with affirmative action on Gender Balance, Ethnic and Regional Distribution	Analysis of the Integrated Personnel and Payroll Database (IPPD) and other human resource records provided for verification revealed that the County Assembly has employed 55.2% of the staff members from one dominant ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008.	As was observed by the auditor, indeed the dominant ethnic community makes up for 55.2% of the total workforce of the County Assembly. Suffice to add, a majority of the employees transitioned from the defunct local authorities and the Assembly has progressively kept the percentage of the dominant ethnic community fairly low in subsequent recruitments. However, the County Assembly has indeed complied with the provision of the County Government Act 2012, Sec. 65(1) (e) that requires for preservation of 30%	Not Resolved	To comply in subsequent recruitments

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>of entry level positions to the non-dominant communities in their counties. This is supported by the latest Ethnic and diversity of the County Public Service (2023) by National Cohesion and Integration Commission.</p> <p>Annexure 5: Invitation for the launch of ethnic and diversity audit report for counties and Ethnic and diversity audit of the County public service 2023.</p> <p>The County Assembly further commit to comply with affirmative action on gender balance</p>		
2. Lack of Monitoring and Evaluation Team	Review of the County Assembly of Trans-Nzoia Strategic Plan 2023-2027 revealed the County should have a monitoring and evaluation team which was to be responsible for measuring and reporting on performance as far as the implementation	The Strategic Plan for the period 2023-2027 of the County Assembly of Trans Nzoia provides for the establishment of a Monitoring and Evaluation team responsible for measuring and reporting the	Resolved. Monitoring and Evaluation team was constituted and currently in operation.	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>of the strategic plan is concerned. However, there was no evidence that the team is functional since no reports, operational plans, or minutes of their deliberations were provided for audit verification.</p> <p>In the circumstances, the County Assembly may not achieve the operational objectives as stipulated in the strategic plan</p>	<p>performance and implementation of the strategic plan.</p> <p>The Strategic Plan is slated for official launch on the 28th November 2024, there after the County Assembly Management shall appoint the Monitoring and Evaluation team.</p>		
3. Delayed Proposed Construction of the Administration Building and Assembly Chamber	<p>The Assembly Service Board contracted a firm for the Proposed Construction of the Administration Building and Assembly Chamber through Tender No. CATN/BCT/11-01/2020 at a contract price of Kshs.477,657,860. The contract was signed on 18 January, 2021 for a contract period of 18 weeks but subsequently terminated on July 2022 for non-performance after incurring costs amounting Kshs.39,231,347 or 8% of the</p>	<p>As at the end of the year under review i.e. 30th June 2024, The Proposed Construction of Administration Building Assembly Chambers has been undertaken under two different contracts and subsequently two contractors</p> <p>1.1. Project Performance.</p> <p>The project management team recommended contract termination</p>	<p>The project is on course for timely completion within the next two months. The implementation status stands at 92%.</p>	Two months

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>contract sum. The Assembly the contracted another firm through re-tender to implement the remainder of the works at a contract sum of Kshs.464,359,1 over a contract period of 37 weeks from 20 March, 2023. However at 30 June, 2024 the County Assembly had paid a total of Kshs.333,444,292 or 72% of the contract sum but still the project behind schedule. The County Assembly has not initiated the process of claiming liquidated damages as per Regulation 133 of the Public Procurement and Assets Disposal Regulations, 20 for delay to deliver the building. In the circumstances, value for money on the amount of Kshs.333,444,292 spent on the project could not be confirmed</p>	<p>with Mahathi Infra East Africa Limited due to contract non-performance. The Final Account exercise was subsequently conducted where all issues related to settlements were addressed including recovery of liquidated damages from the contractor due to delayed delivery of works.</p> <p>The project is now under the second contractor, Double Portion Agencies Limited, whose initial contract period of 52 weeks lapsed but was granted a contract extension of 30 weeks which is projected to conclude on 20th January 2025.</p> <p>The project is still within the contract period after the Project</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>Implementation Committee approved the extension of contract period to 20th January 2025. The main Contractor is within a clear path to conclude the remaining works within the remaining timeline.</p> <p>1.2. Challenges.</p> <p>The County Assembly of Trans Nzoia may not be able to honor all the payment certificates raised by the contractor by 20th January 2025 due to delays in disbursement of funds from the National Treasury.</p>		
4. Performance of Internal Audit Function	The County Assembly Management has internal audit function with the responsibilities of reviewing the governance mechanisms and operation efficiencies of the County Assembly for transparency and accountability with regard to the finances and assets of the	The audit function had a few challenges in terms of staffing and facilitation for the last financial year. However, the management is committed to resolving the challenges for future in terms of staffing and facilitation for efficient and effective discharge of services.	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>County Assembly of Trans Nzoia. However, there was no evidence in form of report or audit plans to show that the department reviewed and evaluated budgetary performance, financial management, transparency and accountability mechanisms and processes in the County Assembly.</p> <p>In the circumstance, the internal audit did not perform their functions in advising the Management on the operational efficiencies.</p>			

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Accounting Officer

Date: 4th November, 2025



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Appendix I: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land					
Buildings and structures					
Transport equipment	43,755,815				43,755,815
Office equipment, furniture and fittings	28,683,421	5,073,360.40			33,756,781
ICT Equipment	29,396,585				29,396,585
Machinery and Equipment					
Biological assets					
Infrastructure Assets- Roads, Rails					
Heritage and cultural assets					
Intangible assets	2,329,250				2,329,250
Work in Progress	574,045,686	146,064,981.20			720,110,667
Total	678,210,757	151,138,342			829,349,098