

REPUBLIC OF KENYA



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REPORT

OF

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THE AUDITOR-GENERAL

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COUNTY ASSEMBLY OF NYERI

FOR THE YEAR ENDED 30 JUNE, 2025



180

Issued on 30th June 2025



COUNTY ASSEMBLY OF NYERI

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

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1. Acronyms, Abbreviations and Definition of Key Terms

A. Acronyms and Abbreviations

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

B. Definition of Key Terms

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

(This list is an indication of acronyms, abbreviations, and key terms; the County County Assembly of Nyeri should include all from the annual report and financial statements prepared)

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


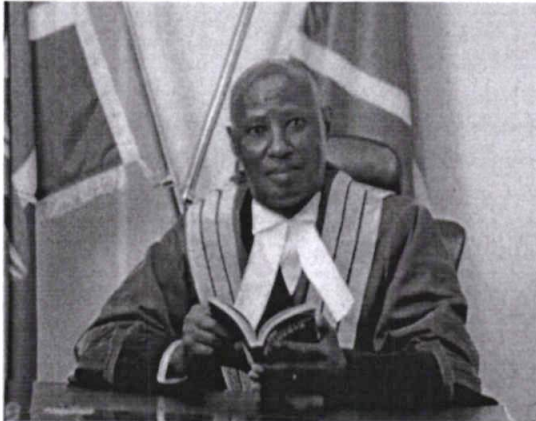
2. Key County Assembly of Nyeri Information and Management

(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 30 Members of County Assembly (MCAs) elected and 12 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 Nyeri's* day-to-day management is under the following key organs:



	Name	Details of qualifications and experience
1.	 <p>Hon. James Gichuhi Mwangi</p>	<p>Speaker of the County Assembly Academic Qualifications: Degree in Bachelors of Law Work experience: Speaker of the County Assembly from 2022 to date.</p>
2.	 <p>Jernard Mwiggeh</p>	<p>Clerk of the County Assembly Academic Qualifications: Degree in Bachelors of Arts Master's degree in Bachelors of Arts. Work experience: Clerk of the County Assembly from 2013 to date.</p>

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	Name	Details of qualifications and experience
Head of Departments		
1.	 <p>Dr. Francis Kabui Kariuki</p>	<p>Deputy Clerk-Administration</p> <p>Academic Qualifications: Bachelors of Business Administration; Masters of Business Administration in Strategic Management; PHD in Business Management.</p> <p>Work experience: Deputy Clerk of the County Assembly from 2013 to date.</p>
2.	 <p>Scolastica Wambui Ngunjiri</p>	<p>Deputy Clerk-Legislative and Procedural Services</p> <p>Academic qualification – Degree in Bachelors of Law</p> <p>Work experience – Head of legal services from 2014 to date</p>
3.	 <p>Josiah Mathenge Wahinya</p>	<p>Director- Human Resource and Administration</p> <p>Academic qualifications: Master’s Degree in Business Administration, Bachelor’s Degree in Business Administration (Human Resource Management option) and Diploma in Business Administration.</p> <p>Professional qualifications: Certified Human Resource Professional CHRP (K).</p> <p>Work experience – Director –Human Resource and Administration from 2014 to date</p>

County Assembly of Nyeri

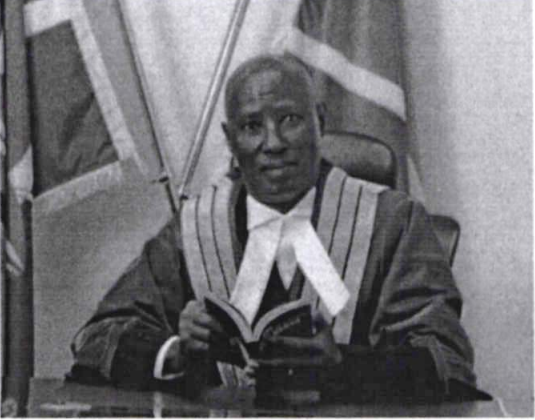


Annual Report and Financial Statements for the year ended 30th June, 2025.

4.	 Lucy Bitutu Ogot	<p>Director- Information Services</p> <p>Academic Qualifications: Masters of Science in Mass Communication; Bachelor's Degree of Arts; Diploma in Public Relations Management</p> <p>Work experience – Director- Information Services from 2013 to Date.</p>
5.	 CPA Joseph Kimiti Muya	<p>Director- Finance and Accounts</p> <p>Academic Qualifications: Bachelor's Degree in Business Management(Accounting); Diploma in Business Administration</p> <p>Professional Qualifications: Certified Public Accountant (CPA-K)</p> <p>Work experience – Director- Finance and Accounts from 2020 to date.</p>

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


(c) Fiduciary Management

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

	Name	Details of qualifications and experience
1.	 <p>Jernard Mwiggeh</p>	<p>Clerk of the County Assembly Academic Qualifications: Degree in Bachelors of Arts. Master's degree in Bachelors of Arts. Work experience: Clerk of the County Assembly from 2013 to date.</p>
2.	 <p>CPA Joseph Kimiti Muya</p>	<p>Director- Finance and Accounts Academic Qualifications: Bachelor's Degree in Business Management(Accounting); Diploma in Business Administration Professional Qualifications: Certified Public Accountant (CPA-K) Work experience – Director- Finance and Accounts from 2020 to date.</p>
3.	 <p>CPA Eustace M. King'ori</p>	<p>Assistant Director-Finance and Accounting Services Academic qualifications: Bachelor of Business Management (Accounting Option) Professional qualifications: Certified Public Accountant (CPA-K) Assistant Director Finance and Accounting Services of the County Assembly from 2020 to date.</p>

County Assembly of Nyeri

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4.	 <p>OPPC A9 2020</p> <p>Brenda Wanjiru Wanjugu</p>	<p>Principal Supply Chain Management Officer- Head of Procurement</p> <p>Academic qualifications: Masters of Science in Supply Chain Management; Bachelor of Business Administration (Purchasing and Supplies Management)</p> <p>Professional qualifications: Certified Procurement and Supplies Professional (CPSP Part II)</p> <p>Principal Supply Chain Management Officer of the County Assembly from 2020 to date.</p>
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County Assembly of Nyeri
Annual Report and Financial Statements for the year ended 30th June, 2025.

a) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- *Audit and finance committee activities*
- *Parliamentary committee activities*
- *County Assembly*
- *Development partner oversight activities*

(Provide a brief explanation on fiduciary activities undertaken during the financial year)

b) County Assembly Headquarters

P.O. Box 162 Nyeri
Off Nyeri-Karatina –Nairobi Highway
Ruring'u

c) County Executive/Assembly Contacts

Telephone: +061 2037100E-
E-mail: nyeriassembly@gmail.com & info@nyeriassembly.go.ke
Website: www.nyeriassembly.go.ke

d) County Assembly Bankers

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

2. Other Commercial Banks
Family Bank Ltd

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e) Independent Auditor

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

f) Principal Legal Adviser

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

g) County Assembly Legal Advisor.

Deputy Clerk, Procedural & Legislative Services

County Assembly Headquarters

Ruringu

Nyeri Kenya

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

3. Governance Statement

a. Background and roles


The County Assembly is constituted by the MCAs of Nyeri County Government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the county assembly service board while the county assembly clerk is the secretary. Section 10 (4) of the County Governments Act 2012 provides that a county assembly shall observe the following order of precedence.

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

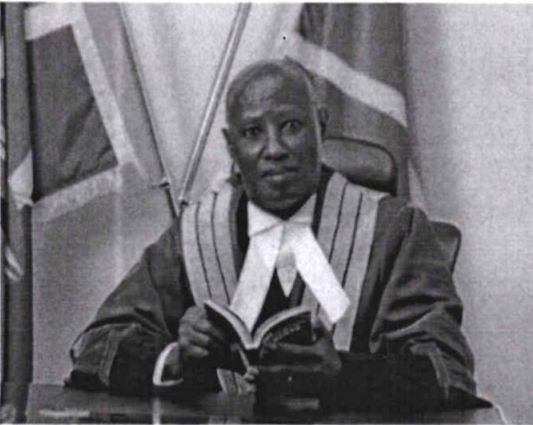

The Roles of the county assembly are outlined in Section 8 of the County Governments Act 2012, and they include:

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

b. Profiles

	Name	Details of qualifications and experience
1.	 <p data-bbox="268 1877 603 1906">Hon. James Gichuhi Mwangi</p>	<p data-bbox="842 1370 1200 1400">Speaker of the County Assembly</p> <p data-bbox="842 1413 1375 1469">Academic Qualifications: Degree in Bachelors of Law</p> <p data-bbox="842 1482 1008 1512">Diploma in law</p> <p data-bbox="842 1525 1398 1581">Work experience: Speaker of the County Assembly from 2017 to date.</p>

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2.	 <p>Jernard Mwiggeh</p>	<p>Clerk of the County Assembly Academic Qualifications: Degree in Bachelors of Arts Master Degree in Bachelors of Arts Work experience: Clerk of the County Assembly from 2013 to date.</p>
3.	 <p>Hon. James Kanyugo Mwangi</p>	<p>The Majority Leader of the County Assembly Academic Qualifications: Degree in Bachelors of Education (Childhood and Primary Education); Holds a Diploma in Education Management Work experience: MCA Mahiga Ward from 2017 to date.</p>

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:

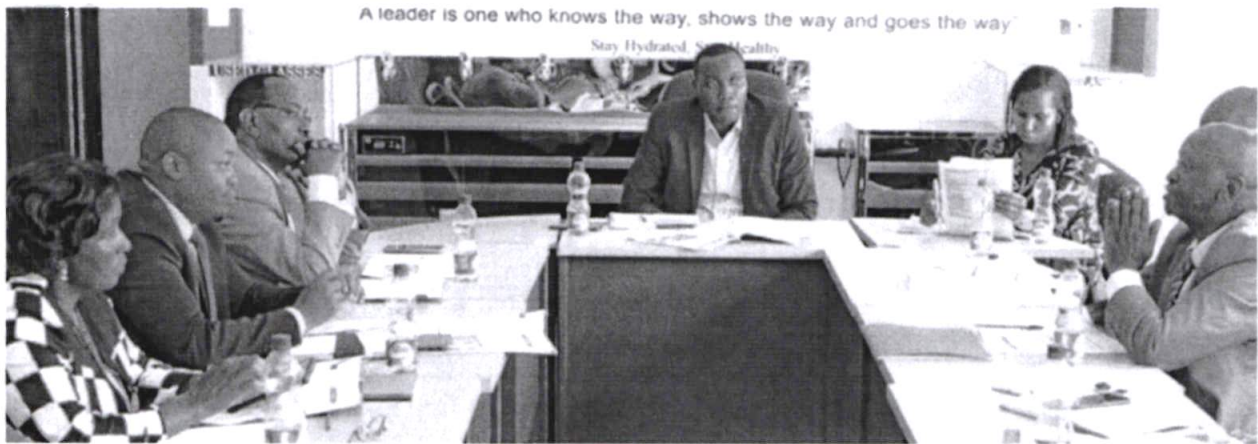
- i. Committee of Powers and Privileges
- ii. Public Accounts Committee
- iii. Public Investments Committee
- iv. Budget and Appropriations Committee
- v. Water and Sanitation Services
- vi. Environment and Natural Resources Committee
- vii. Legal Affairs, County Public Service & Administration Committee
- viii. Gender, Social Services and Special Programmes Committee
- ix. Agriculture, Livestock & Fisheries Committee
- x. Finance & Economic Planning Committee
- xi. Health Services Committee
- xii. Education, Science & Technology Committee
- xiii. Transport, Public Works & Infrastructure Committee
- xiv. Physical Planning, Housing & Urbanization Committee
- xv. Trade, Tourism & Co-Operatives Development Committee

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- xvi. Youth and Sports Committee
- xvii. Audit Committee
- xviii. Delegated County Legislation Committee
- xix. Committee on Implementation
- xx. County Ward Development Oversight Committee
- xxi. County Assembly Procedure and Rules Committee
- xxii. Committee on Appointments
- xxiii. Assembly Business Committee
- xxiv. Committee on Selection
- xxv. Liaison Committee

d. Select Committees

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



Hon. Member chairing the Consultative Committee sitting

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

Member	Designation	Ward
Hon. James Gichuhi Mwangi	Chairperson	N/A
Hon. David Mwangi Muthiri Kabatha	Member	Iriaini - Mathira
Hon. Samuel Kariuki Gichuki	Member	Ruring'u
Hon. Sabastian Mugo Theuri	Member	Wamagana
Hon. Margaret Muthoni Kuruga	Member	Kiganjo Mathari
Hon. James Kanyugo Mwangi	Member	Mahiga
Hon. Atanasio Gichohi Kabaire	Member	Mukurwe – ini West
Hon. Ziporah Wangechi Njithi	Member	Gatitu Muruguru
Hon. Lucy Mugure Wanyitu	Member	Gender Representative
Hon. Johnstone Kamau Mwangi	Member	Mugunda

ii. Public Accounts Committee

The committee is responsible for the examination of the accounts of the County Government. The committee held eighteen (18) meetings during the year. The members who served in the committee during the year were:

Member	Designation	Ward
Hon. Margaret Muthoni Kuruga	Chairperson	Kiganjo Mathari
Hon. Patrick Wachira Kanyi	Vice Chairperson	Thegu River
Hon. Agnes Wanjiku Wachira	Member	Gender Representative
Hon. Jackson Kabingu Gichuhi	Member	Magutu
Hon. Fidelis Wangui Nderitu	Member	Gender Representative
Hon. Janet Muthoni Kamiru	Member	Gender Representative
Hon. Jonah Kamau Taiti	Member	Kamakwa Mukaro

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Hon. Watson Mburungo Weru	Member	Karatina Town
Hon. Patrick Karanja Maina	Member	Ethnic Minority

iii. Public Investment Committee

The committee is responsible for the examination of the working of the Public Investments. The committee held thirty four (34) meetings during the year. The members who served in the committee during the year were:

Member	Designation	Ward
Hon. Stanley Ngaru Wakibia	Chairperson	Aguthi Gaaki
Hon. Priscilla Thanji Mwangi	Vice Chairperson	Gender Representative
Hon. Agnes Wanjiru Macharia	Member	Gender Representative
Hon. Patrick Wachira Kanyi	Member	Thegu River
Hon. Njuguna Kawanjiku	Member	Mweiga
Hon. Wilfred Wambari Nyaga	Member	Iriaini Othaya
Hon. Julius Kamiri Ndaini	Member	Konyu
Hon. Cyrus Ndiritu Kibiru	Member	Mukurweini Central
Hon. Pauline Nyokabi Gichuki	Member	PWD Representative

iv. Budget and Appropriations Committee

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

Member	Designation	Ward
Hon. Stanley Ngaru Wakibia	Chairperson	Aguthi Gaaki
Hon. Priscilla Thanji Mwangi	Vice Chairperson	Gender Representative
Hon. Agnes Wanjiru Macharia	Member	Gender Representative
Hon. Patrick Wachira Kanyi	Member	Thegu River
Hon. Njuguna Kawanjiku	Member	Mweiga
Hon. Wilfred Wambari Nyaga	Member	Iriaini Othaya
Hon. Julius Kamiri Ndaini	Member	Konyu

County Assembly of Nyeri

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Hon. Cyrus Ndiritu Kibiru	Member	Mukurweini Central
Hon. Pauline Nyokabi Gichuki	Member	PWD Representative

v. Sectoral Committees

The Sectoral committees oversight the corresponding Departments of the County Executive and perform the following functions;

- i. Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments;
- ii. Study the programme and policy objectives of departments and the effectiveness of the implementation;
- iii. Study and review all county legislation referred to it;
- iv. Study, assess and analyze the relative success of the departments as measured by the results obtained as compared with their stated objectives;
- v. Investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the assembly;
- vi. To vet and report on all appointments where the constitution or any law requires the assembly to approve, except those understanding order 183 (*committee on appointments*); and
- vii. Make reports and recommendations to the Assembly as often as possible, including recommendation of proposed legislation.

1) Water and Sanitation Services Committee

Member	Designation	Ward
Hon. Stephen Kigotho Gathagu	Chairperson	Gikondi
Hon. Johnstone Kamau Mwangi	Vice Chairperson	Mugunda
Hon. Antony M.M Ndagita	Member	Kirimukuyu
Hon. Charity Wangui Wachira	Member	Gakawa
Hon. Margaret Muthoni Kuruga	Member	Kiganjo Mathari
Hon. Julius Kamiri Ndaini	Member	Konyu
Hon. Stanley Ngaru Wakibia	Member	Aguthi gaaki
Hon. Simon Mbogo Kiragu	Member	Rware
Hon. Wilfred Wambari Nyaga	Member	Iriaini Othaya

2) Environment and Natural Resources Committee

Member	Designation	Ward
Hon. Jackson Kabingu Gichuhi	Chairperson	Magutu

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Hon. Fidelis Wangui Nderitu	Vice Chairperson	Gender Representative
Hon. Johnstone Kamau Mwangi	Member	Mugunda
Hon. Patrick Wachira Kanyi	Member	Thegu River
Hon. Jonah Kamau Taiti	Member	Kamakwa/Mukaro
Hon. Emma Wangui Nyawira	Member	Gender Representative
Hon. Agnes Wanjiru Macharia	Member	Ethnicity Representative
Hon. Watson Mburungo Weru	Member	Karatina Town
Hon. Wilfred Wambari Nyaga	Member	Iria-ini-Othaya

3) Legal Affairs, County Public Service & Administration Committee

Member	Designation	Ward
Hon. Clement Warutere Ndegwa	Chairperson	Gatarakwa
Hon. Julius Kamiri Ndaini	Vice Chairperson	Konyu
Hon. Cyrus Ndiritu Kibiru	Member	Mukurwe-ini Central
Hon. Gibson Kuria Wahinya	Member	Dedan Kimathi
Hon. Agnes Wanjiku Wachira	Member	Gender Representative
Hon. Kelvin Kariithi Wambui	Member	Youth Representative
Hon. Jonah Kamau Taiti	Member	Kamakwa/Mukaro
Hon. Agnes Wanjiru Macharia	Member	Ethnicity Representative
Hon. Ann Muthoni Thumbi	Member	Gender Representative

4) Gender, Social Services and Special Programmes Committee

Member	Designation	Ward
Hon. Ziporah Wangechi Njithi	Chairperson	Gatitu/Muruguru
Hon. Jane Wandia Mwangi	Vice Chairperson	Gender Representative
Hon. Meshack Kiruga Thuku	Member	Chinga
Hon. Clement Warutere Ndegwa	Member	Gatarakwa
Hon. Gibson Wahinya Kuria	Member	Dedan Kimathi

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Hon. Agnes Wanjiku Wachira	Member	Gender Representative
Hon. Antony Muriithi Maina Ndagita	Member	Kirimukuyu
Hon. Kelvin Kariithi Wambui	Member	Youth Representative
Hon. Lucy M. Wanyitu	Member	Gender Representative

5) Agriculture, Livestock & Fisheries Committee

Member	Designation	Ward
Hon. Antony Muriithi Maina Ndagita	Chairperson	Kirimukuyu
Hon. Eunice Wagaki Wanderi	Vice Chairperson	Karima
Hon. Njuguna Kawanjiku	Member	Mweiga
Hon. Patrick Wachira Kanyi	Member	Thegu River
Hon. Patrick Muriuki Wambui	Member	Kabaru
Hon. Margaret Muthoni Kuruga	Member	Kiganjo/Mathari
Hon. Christopher Wambugu Mbichi	Member	Mwiyogo/Edarasha
Hon. Gibson Wahinya Kuria	Member	Dedan Kimathi
Hon. Samuel Kariuki Gichuki	Member	Ruring'u

6) Finance & Economic Planning Committee

Member	Designation	Ward
Hon. Atanasio Gichohi Kabaire	Chairperson	Mukurwe-ini West
Hon. Jonah Kamau Taiti	Vice Chairperson	Kamakwa / Mukaro
Hon. Wilfred Wambari Nyaga	Member	Iria-ini-Othaya
Hon. Jackson Kabingu Gichuhi	Member	Magutu
Hon. Meshack Kiruga Thuku	Member	Chinga
Hon. Clement Warutere Ndegwa	Member	Gatarakwa
Hon. Eunice Wagaki Wanderi	Member	Karima
Hon. Ziporah Wangechi Njithi	Member	Gatitu/Mururguru
Hon. Watson Mburungo Weru	Member	Karatina Town

7) Health Services Committee

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Member	Designation	Ward
Hon. Njuguna Wanjiku Kawanjiku	Chairperson	Mweiga
Hon. Ann Muthoni Thumbi	Vice Chairperson	Gender Representative
Hon. Emma Wangui Nyawira	Member	Gender Representative
Hon. Julius Kamiri Ndaini	Member	Konyu
Hon. Gibson Wahinya Kuria	Member	Dedan Kimathi
Hon. Janet Muthoni Kamiru	Member	Gender Representative
Hon. Samuel Kariuki Gichuki	Member	Ruring'u
Hon. Meshack Kiruga Thuku	Member	Chinga
Hon. Atony Muriithi Ndagita	Member	Kirimukuyu

8) Education, Science & Technology Committee

Member	Designation	Ward
Hon. Gibson Wahinya Kuria	Chairperson	Dedan Kimathi
Hon. Janet Muthoni Kamiru	Vice Chairperson	Gender Representative
Hon. Patrick Karanja Maina	Member	Ethnicity Representative
Hon. James Kanyugo Mwangi	Member	Mahiga
Hon. Simon Mbogo Kiragu	Member	Rware
Hon. Stanley Ngaru Wakibia	Member	Aguthi-Gaaki
Hon. Pauline Nyokabi Gichuki	Member	PWD Representative
Hon. Lucy M. Wanyitu	Member	Gender Representative
Hon. Martin Matu Kamau	Member	Naromoru

9) Transport, Public Works & Infrastructure Committee

Member	Designation	Ward
Hon. Martin Matu Kamau	Chairperson	Naromoru - Kiamathaga
Hon. Charity Wangui Wachira	Vice Chairperson	Gakawa

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Hon. Watson Mburungo Weru	Member	Karatina Town
Hon. Atanasio Gichohi Kabaire	Member	Mukurwe-ini Central
Hon. James Kanyugo Mwangi	Member	Mahiga
Hon. Sabastian Mugo Theuri	Member	Wamagana
Hon. Margaret Muthoni Kuruga	Member	Kiganjo/Mathari
Hon. David Mwangi Muthiri Kabatha	Member	Iria-ini Mathira
Hon. Eunice Wagaki Wanderi	Member	Karima

10) Physical Planning, Housing & Urbanization Committee

Member	Designation	Ward
Hon. Simon Mbogo Kiragu	Chairperson	Rware
Hon. Agnes Wanjiru Macharia	Vice Chairperson	Ethnicity Representative
Hon. Sabastian Mugo Theuri	Member	Wamagana
Hon. Jane Wandia Mwangi	Member	Gender Representative
Hon. Priscilla Thanji Mwangi	Member	Gender Representative
Hon. Samuel Kariuki Gichuki	Member	Ruring'u
Hon. Atanasio Gichohi Kabaire	Member	Mukurwe-ini West
Hon. David Mwangi Muthiri Kabatha	Member	Iria-ini Mathira
Hon. Meshack Kiruga Thuku	Member	Chinga

11) Trade, Tourism & Co-Operatives Development Committee

Member	Designation	Ward
Hon. David Mwangi Muthiri Kabatha	Chairperson	Iria-ini Mathira
Hon. Emma Wangui Nyawira	Vice Chairperson	Gender Representative
Hon. Atanasio Gichohi Kabaire	Member	Mukurwe-ini West
Hon. Erastus Karanja Muriuki	Member	Ruguru
Hon. Christopher Wambugu Mbichi	Member	Mwiyogo/Endarasha
Hon. Simon Mbogo Kiragu	Member	Rware

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Hon. Patrick Muriuki Wambui	Member	Kabaru
Hon. Priscilla Thanji Mwangi	Member	Gender Representative
Hon. Cyrus Ngure Kagwi	Member	Rugi

12) Youth and Sports Committee

Member	Designation	Ward
Hon. Wilfred Wambari Nyaga	Chairperson	Iria-ini Othaya
Hon. Kelvin Kariithi Wambui	Vice Chairperson	Youth Representative
Hon. Emma Wangui Nyawira	Member	Gender Representative
Hon. Patrick Karanja Maina	Member	Ethnicity Representative
Hon. Patrick Wachira Kanyi	Member	Thegu River
Hon. Christopher Wambugu Mbichi	Member	Mwiyogo/Endarasha
Hon. Jane Wandia Mwangi	Member	Gender Representative
Hon. Antony Muriithi Maina Ndagita	Member	Kirimukuyu
Hon. Agnes Wanjiru Macharia	Member	Ethnicity Representative

In addition to the above committees of the County Assembly, the County Assembly has an independent Audit Committee which was constituted in 2017 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

13) Audit Committee

The audit committee was constituted in the month of May 2023. Its mandate is to advise the County Government on institutional risk management and compliance. The committee held 4 quarterly meetings in FY 2024/2025. The committee members during FY 2024/2025 were:

Member	Designation
1. Stephen Mwangi Kioni	Chairperson
2. Scolastica Wambui Ngunjiri	Vice Chairperson
3. Eunice Wambui Mwangi	Member
4. Geoffrey Thiga	Member
5. Zackary Munyi	Member

e. Communication with all Stakeholders

County Assembly of Nyeri

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

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 holds an Annual consultative meeting in where the different stakeholders are invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

The County Assembly also subjected Six (6) bills through public participation.

Attendees of the Public Participation



f. Risk management

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

Effective Arrangements for Risk Management and Internal Control

The County Assembly of Nyeri has put in place structured arrangements to ensure effective risk management and internal controls. These arrangements are embedded in the governance framework and are overseen by the Audit and Risk Management Committee, which functions under the Assembly's Board. Internal controls are continuously monitored through internal audits and performance reviews, ensuring compliance with relevant legislation, including the Public Finance Management Act, 2012.

Formal Processes to Identify and Assess Risks

There are formalized mechanisms for identifying and assessing risks within the County Assembly's operational and strategic areas. These processes are incorporated into departmental planning and budgeting frameworks, ensuring that emerging risks are identified at both programmatic and organizational levels.

Formal Processes to Analyse Risks as a Basis for Management

The County Assembly of Nyeri utilizes a risk matrix to categorize and prioritize identified risks based on likelihood and impact. This analysis informs the development of mitigation strategies and contingency planning. Risk owners are assigned within departments to ensure accountability in managing specific risk areas.

Formal Processes to Assess Environmental Changes (Internal and External)

The Assembly conducts periodic environmental scanning to detect and respond to changes in the internal and external operating environments. These include changes in political priorities, legislative amendments, public expectations, and economic conditions. This assessment is crucial in adapting the Assembly's risk profile and response mechanisms.

Risks Identified and Managed During the Period

During the reporting period, key risks identified included:

- **Budget absorption challenges** due to delays in exchequer releases, which were managed through re-prioritization of activities and enhanced cash flow planning.
- **Compliance risks** associated with procurement and financial reporting, managed through continuous staff training and compliance checks by the internal audit unit.
- **Operational disruptions** due to the dynamic political environment, managed through proactive stakeholder engagement and adherence to standing orders and legislative frameworks.

g. Compliance

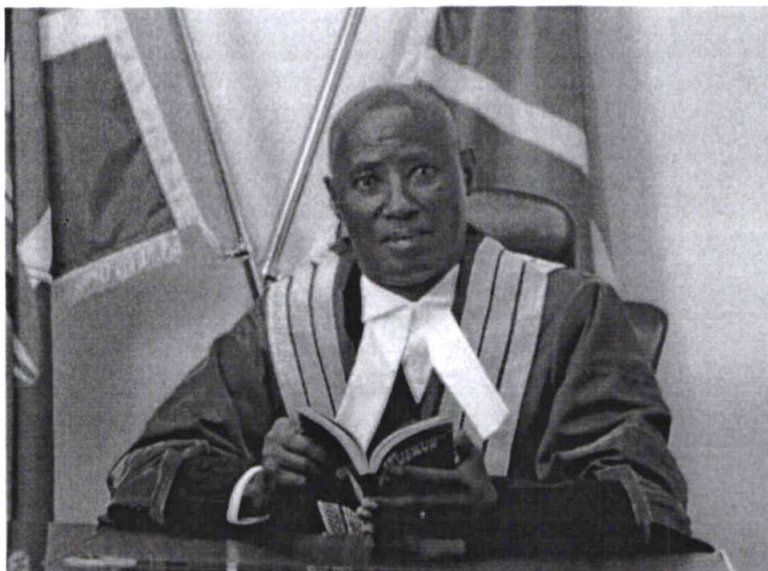
To promote a coherent approach to discharging these duties and to assist public sector entities to understand the requirements for managing risk, the National Treasury is releasing this Risk Management Guideline as an element of the Public Management Reform Agenda (PMRA). One of the guiding principles of the PMRA is that 'engaging with risk is a necessary first step in improving performance', and one of the lasting benefits that the reforms are seeking to deliver is 'a more mature approach to risk across the public sector. The effective management of risks assists public sector entities to:

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

- (i.) Set and achieve strategic objectives;
- (ii.) Proactively anticipate and manage risks;
- (iii.) Comply with legal and policy obligations;
- (iv.) Improve decision making; and
- (v.) Allocate and utilise resources effectively.

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

4. Foreword by Clerk of the County Assembly



This financial statement is prepared in accordance with Section 163, 164, and 165 of the Public Finance Management Act, 2012. The sections of the PFM listed above require all County Governments through their respective county treasuries to prepare financial statements at the end of every quarter and end of each financial year.

Preparation of these statements must be in accordance with the guidelines, standard, and format prescribed by the Public Sector Accounting Standard Board. The financial

statements provide a true and fair view of the financial position of the County Assembly as at 30th June, 2025.

(i) Budget performance

The preparation of the Financial Statements is as per the statutory requirements. In regards to budget performance against the actual, the Assembly performed its core mandates to satisfactory level, with an absorption level of 91% and 96% for recurrent and 33% development expenditure respectively.

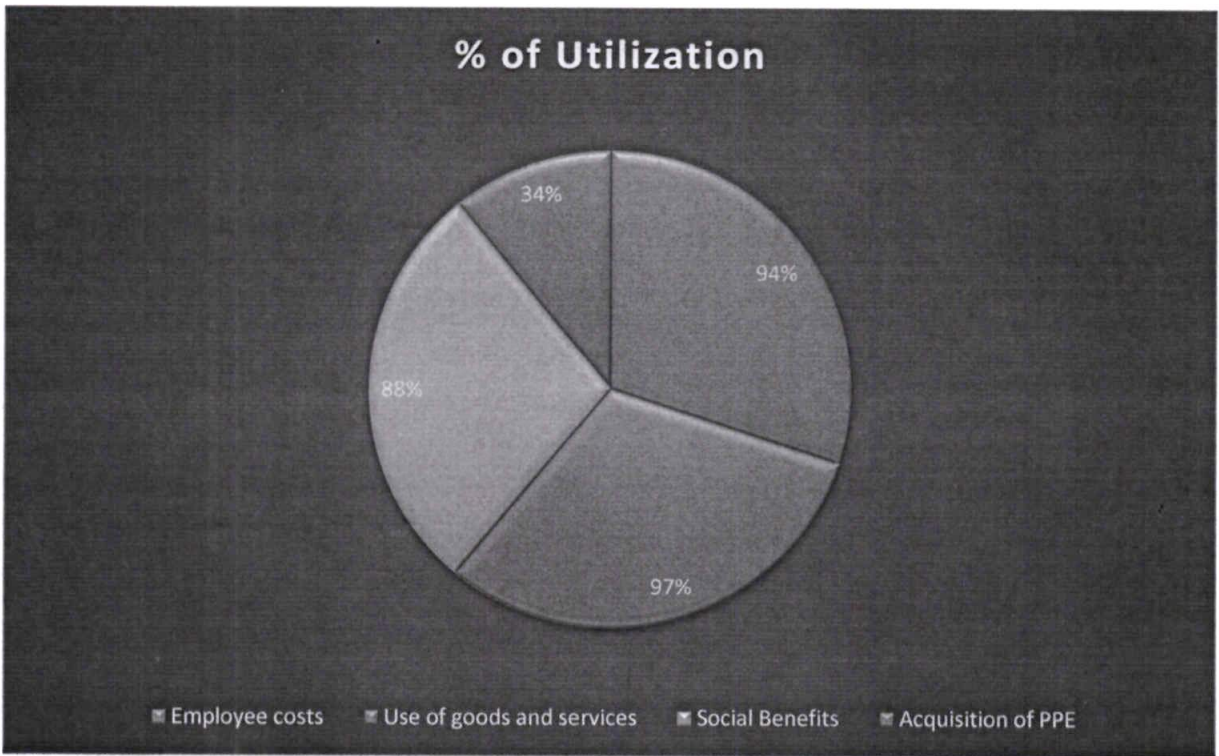
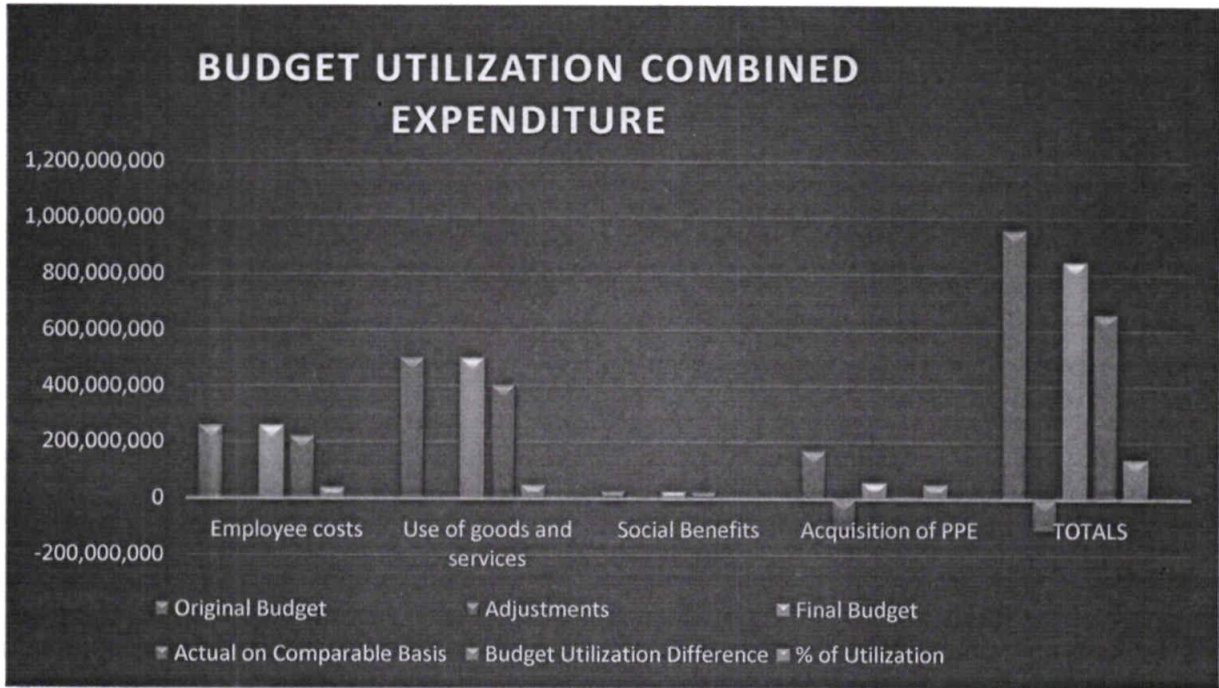
Budget performance

The County Assembly of Nyeri had a total budget of Ksh. 955,763,061 where the recurrent budget amounted to Ksh. 785,563,061 and development was Ksh. 170,200,000. After the passage of Supplementary Budget, the recurrent budget was reduced from Ksh. 785,563,061 to Kshs.741, 925,715 while development budget was reduced from Ksh. 170,200,000 to Kshs.54, 700,000. The final overall total budget amounted Ksh. 796,625,715. Overall budget performance for the F/Y was 83% where recurrent was at 96% and the development was at 34% respectively.

The County Assembly has performed in terms of its budget against actual amounts for year based on programmes as in the table and graphs below.

Budget utilization on recurrent and development combined expenditures

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
Employee costs	259,167,090		259,167,090	221,173,376	37,993,714	85%
Use of goods and services	501,074,296	-46,887,346	454,186,950	406,092,682	48,094,268	89%
Social Benefits	25,321,675		25,321,675	22,382,377	2,939,298	88%
Acquisition of PPE	170,200,000	-112,250,000	57,950,000	7,580,379.0	50,369,621	13%
TOTALS	955,763,061	-159,137,346	796,625,715	657,228,814	139,396,902	83%



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(ii) Operational Performance

The County Assembly passed six (6) Bills as listed below;

The Nyeri County Finance Bill, 2025;

The Nyeri County Supplementary Appropriation Bill, 2025;

The Nyeri County Appropriation Bill, 2025;

The Nyeri County Early Childhood Development and Pre-primary Education Bill, 2025

The Nyeri County Maternal and Child Health Bill, 2025

The Nyeri County Access to Information Bill, 2025

Benefits to the Community on enactment of the policies and laws

The Nyeri County Early Childhood Development and Pre-primary Education Bill, this will help in promoting holistic child development, it supports programs that care for the physical, emotional, and social well-being of children and improved access to education.

The Finance Bill benefits the Community by reviewing taxes, fees and charges to levels that the community is comfortable with.

The Nyeri County Maternal and Child Health Bill 2025 is aimed at improving health services for mothers and children, reducing preventable deaths, and promoting well-being.

The Nyeri County Access to Information Bill 2025, this bill ensures that citizens have the right to access public information held by the county government through Public Participation it allows people to give their input in projects, policies, and services that affect them.

Budget Estimates for the FY 2024/25 – Approved on Wednesday 12th June, 2024

First Supplementary Budget Estimates FY 2024/25 - Approved on Wednesday 9th April, 2025.



His Excellence the Governor Nyeri County Signing the Nyeri Finance Bill 2025

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Assembly Committees

The County Assembly has the following Select and Sectoral committees:

Committee of Powers and Privileges

Public Accounts Committee

Public Investments Committee

Budget and Appropriations Committee

Water and Sanitation Services

Environment and Natural Resources Committee

Legal Affairs, County Public Service & Administration Committee

Gender, Social Services and Special Programmes Committee

Agriculture, Livestock & Fisheries Committee

Finance & Economic Planning Committee

Health Services Committee

Education, Science & Technology Committee

Transport, Public Works & Infrastructure Committee

Physical Planning, Housing & Urbanization Committee

Trade, Tourism & Co-Operatives Development Committee

Youth and Sports Committee

County Budget and Appropriations Committee

Delegated County Legislation Committee

Committee on Implementation

County Ward Development Oversight Committee

County Assembly Procedure and Rules Committee

Committee on Appointments

Assembly Business Committee

Committee on Selection

Liaison Committee

During the financial year in question, the County Assembly performed its oversight role through;

- Engaging in consultative meetings with the County Departments;
- Undertaking field visits in various areas and projects within the County;
- Review and scrutiny of the Budget Implementation Reports, Auditor General reports, Receiver of Revenue Reports, Annual Reports by the County Public Service Board, Waiver Reports among others.

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

(iii) Performance of key development projects

General administration and policy Development and implementation

Outputs	Outcome	Impact
Hon. Speakers Official residence	Official residence constructed	-To enhance security and conducive living environment for the Hon Speaker
Office & Chamber refurbishment	No. of Offices refurbished	-To enhance Legislative and oversight roles
Car Loans and Mortgages	Loans approved and disbursed	-To enhance mobility and improved leaving environment for Hon Members and staff
Parking canopies	Parking Canopies erected	- To enhance safety for motor vehicles with assembly
Perimeter walls	No. of Perimeter walls constructed	-To enhance security
Bills, Motions, polices and regulations	No. of Bills, Motions, polices and regulations enacted	-To enhance Legislative and oversight roles

Construction of Hon. Speaker's official Residence



Proposed construction of official residence of Hon. Speaker of the County Assembly



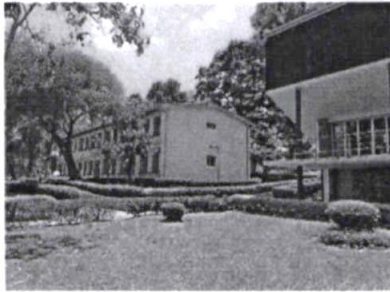
Completed construction of the official resident House for Hon. Speaker to the County Assembly



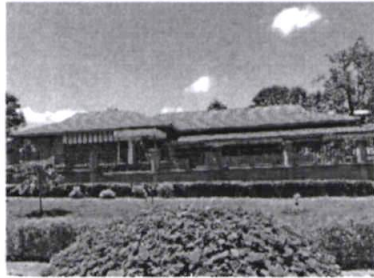
The Interior of the house, Living room.



Installation of CCTV Cameras



Refurbishment of buildings



Refurbishment and operationalization of a staff's canteen



Construction of a perimeter wall

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



Parking canopies

(iv) Comment on value-for-money achievements

As a key performance measure, Value for Money (VfM) has enabled the County Assembly to strike a strategic balance between expenditures and achieved results. The concept of "value" encompasses both quantitative and qualitative aspects and can relate to inputs, outputs, outcomes, or impacts—including economic, social, environmental, and cultural considerations.

The County Assembly of Nyeri has demonstrated a commitment to efficient resource utilization. This has been achieved through strict adherence to procurement regulations, ensuring that tenders are awarded to the most cost-effective bidders without compromising quality. The principle of competitive bidding has been upheld, allowing the Assembly to procure goods and services at reasonable prices.

Moreover, the Assembly has consistently honoured its financial obligations by making timely payments to suppliers. This fosters trust and accountability while encouraging fair market participation. All procurement activities have been conducted transparently and in line with the provisions of the Public Procurement and Asset Disposal Act, 2015. These practices have collectively contributed to achieving optimal value for public funds.

(v) Challenges and recommended way forward

Challenges

Inadequate funds due budget cuts

Delays in exchequer releases

Way forward

Review of expenditure ceilings issued upward to cater for objectives outlined.

1 Inadequate funds. Due the Assembly budget being restricted to the ceilings issued by the CRA, some activities could not be implemented i.e Speakers House Completion, Procurement of items i.e. ICT related like laptops.


2 The National Treasury should ensure that funds are released to the counties on time to avoid delays in implementation of projects and payment to suppliers.

County Assembly of Nyeri

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

Strategic Focus Areas	Strategic Objectives
Legislative and Committee Services	To strengthen the capacity of the Members of the County Assembly
Staff management and development	To develop staff capacity to support Assembly in its role
Physical Infrastructure development	To improve physical infrastructure to provide a conducive work environment
Research and ICT in service delivery	To strengthen research and information services for the Assembly
Financial resources management	To enhance and sustain financial resources mobilization and management.
Public education and outreach activities	To develop consultative public education and outreach activities
Good governance and accountability by the Assembly leadership	To develop of an ethical working environment that enhances good governance

As outlined in the strategic plan summarized above, the Assembly focus areas and the expected objectives, indicates that the Assembly outlook will be an enterprising one.


.....
Name: *Jenard N. Mung'ech*
Clerk of the County Assembly

County Assembly of Nyeri

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

5. Statement of Performance against Predetermined Objectives

The key mandate of the County Assembly of Nyeri 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	Program 1
Program 1 Legislation, oversight and representation	Objective	Outcome	Indicator	Performance	Program 1
					Legislation, oversight and representation
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in making legislation.	No of bills and/or legislative business passed in the County Assembly	In FY 24/25 six (6) Bills were passed by the Assembly namely:	Legislation, oversight and representation

6. Environmental and Sustainability Reporting

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

a) Sustainability strategy and profile -

The County Assembly of Nyeri has established a research section mandated in identification and determination of distinct aspects concerning economic, ecological and social dimensions of sustainability, on the other hand the County Assembly has embraced scientific efforts regarding the establishment of specific sustainability strategies. These are strategies that focus on internal /external orientation of sustainability commitments.

The County Assembly of Nyeri has a profile that clearly outlines its strategic plan that has set priorities, focus on energy and resources that are set to strengthen operations and give a way forward on the direction the institution wants to take. The plan will run from 2024-2029

b) Environmental performance

The organization does not have an environmental policy to guide the organization. This is informed by the mandate of the organization which is to provide efficient and effective legislative, oversight and representative services for the welfare of the people of Nyeri County. However, The County Assembly of Nyeri is guided by the Kenya National Environment Policy 2013; the policy provides a framework for an integrated approach to sustainable environment management and natural resources.

The Assembly has outsourced the function of cleaning and managing the Assembly grounds to a registered Company with clear instructions on the waste management which is, also significantly very little going by the nature and mandate of the Assembly.

Further, to ensure there is organized waste management approach, the Assembly has placed waste containers in all strategic places in the Assembly and they are promptly emptied for safe disposal.

c) Employee welfare

The County Assembly of Nyeri is guided by the constitution of Kenya chapter 226 in matters concerning employment. There is a clear training program that identifies the needs of training on members and staff to improve on skills. We have established a clear policy that guides on managing careers, appraisal and reward systems.

In accordance with the occupational safety and health act 2007, it is responsibility of an employer to provide institution with training and supervision as is necessary to ensure healthy and safety at work and of workers, The County Assembly of Nyeri has conducted trainings on safety and first aid to all employees and has a budgetary allocation on insurance of WIBA and a medical cover to members and all staffs.

d) Market place practices-

a) Generally, the Assembly operates in a highly political environment on a day-to-day basis. However, despite the influence this can have in operations, the institution sees to it that procedures are followed and this ensures that there are no issues with bodies like the EACC. The Assembly competes fairly on all aspects as situations may demand. Responsible competition practice.

County Assembly of Nyeri

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

b) The County Assembly of Nyeri maintains an updated list of pre-qualified Suppliers. The list is developed competitively by placing an advert in the dailies and having all interested bidders submit their tender. This then goes through an evaluation process which ensures the qualified suppliers are shortlisted for the stated period. The list is further developed on a continuous basis as provided for the in PPAD 2015 Act. The Assembly ensures that payments to suppliers are done in good time; on a first come, first served basis

c) Whenever the Assembly requires running an advertisement, it does so either on the dailies with a wide circulation in the Country or via its website. This ensures that the advertisement reaches a wide population as it should without any agenda to withhold information from reaching any particular group.

d) The Assembly is among other duties, charged with the responsibility of serving the electorate. Thus, it ensures that whatever engagements it is involved in on a day-to-day basis, the interests of the electorate come first. Product stewardship- outline efforts to safeguard consumer rights and interests

e) Community Engagements-

The County Assembly has not budgeted for corporate social responsibly; this was informed by the Office of the Controller of Budget that county assemblies should not be involved in the CSR activities because there is a very likelihood that may easily conflict with assembly oversight role. While on the other hand the Office of the Controller of Budget also felt that CSR activates could also be used to gain political mileage to the detriment of the Assembly's mandate of representation.

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

7. Management Discussion and Analysis

i) County Assembly of Nyeri's Key Programs, Projects, and Investment Decisions

During the period under review, the County Assembly of Nyeri undertook several key projects aligned with its mandate and strategic priorities. These included the construction of the Hon. Speaker's official residence, Installation of CCTV Cameras and continued implementation of the Car Loans and Mortgages Scheme for Members and staff. These investments were aimed at creating a conducive working environment, enhancing security, and facilitating improved service delivery.

Additionally, the Assembly made significant progress in its core legislative work, including the drafting, debate, and passage of bills, motions, policies, and regulations that support oversight and governance.

ii) Compliance with Statutory Requirements

The County Assembly of Nyeri maintained full compliance with statutory requirements throughout the reporting period. Financial statements were prepared and submitted in accordance with Sections 163, 164, 165, and 166 of the Public Finance Management Act, 2012. Procurement activities adhered to the provisions of the Public Procurement and Asset Disposal Act, 2015, and financial reporting was done in line with International Public Sector Accounting Standards (IPSAS) under the accrual basis of accounting. All suppliers were paid in a timely manner, contributing to credibility and continuity of service.

iii) Major Risks Facing the Organization

Despite notable progress, the Assembly faced several key risks:

- **Inadequate funding**, due to budget ceilings imposed by the Commission on Revenue Allocation (CRA), limited the implementation of some planned projects such as Procurement of ICT equipment.
- **Delays in exchequer releases** from the National Treasury negatively affected the timely execution of programs and payment obligations.
- **Inflation and economic uncertainty** at the national level also posed indirect risks by increasing the cost of goods and services.

Mitigation measures have included strict prioritization of expenditures, improved procurement planning, and engagement with relevant authorities for more timely disbursements.

iv) Future Developments

Looking ahead, the County Assembly of Nyeri plans to:

- Complete the construction of perimeter wall and landscaping at the Hon. Speaker's official residence.

County Assembly of Nyeri

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

- Enhance capacity building for Members and staff to strengthen legislative and oversight functions.
- Implement the strategic objectives outlined in its current Strategic Plan, including focus areas such as public education, ethical governance, staff development, and research and information systems.

These developments are expected to increase operational efficiency, improve service delivery, and reinforce the Assembly's role in governance and accountability.

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

8. Statement of Management Responsibilities

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

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

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the 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's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2025, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

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

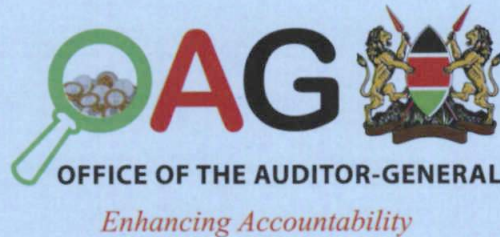
Approval of the financial statements

The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 27th June 2025.


.....
Clerk of County Assembly

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF NYERI 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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS Accrual financial statements of County Assembly of Nyeri set out on pages 1 to 52, which comprise of the statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS Accrual financial statements present fairly, in all material respects, the financial position of County Assembly of Nyeri 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 Public Finance Management Act, 2012, the County Governments Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.90,400,484 and Kshs.64,235,720 for the current year and previous year respectively as disclosed in Note 32 to the financial statements. According to the prior year audited financial statement the opening balance of payables was Kshs.67,585,241 out of which payables amounting to Kshs.64,058,478 were paid during the year under review leaving a balance of Kshs.3,526,763. Payables amount of Kshs.3,349,521 classified as ineligible liabilities was adjusted in the statement of net assets leaving an unexplained and unreconciled variance of Kshs.177,242. In addition, supporting documents for payables classified as ineligible were not provided for audit review. Further, supporting documents for the opening balance of Kshs.64,235,720 were not provided for audit review. In addition, as at the time of audit in the month of September, 2025 the closing balance of payable of Kshs.7,267,143 had not been paid.

In the circumstances, the accuracy and completeness of trade and other payables could not be confirmed.

2. Unsupported Disclosure of Contingent Liabilities

The financial statements reflects Kshs.17,500,000 in respect of contingent liabilities as disclosed in Note 44 to the financial statements. The balance includes Kshs.2,000,000 in respect of disputed water bill by the Assembly. However, the water bill statement provided for audit reflects Kshs.1,656,426 resulting to overstatement of Kshs.343,574. In addition, no documentary evidence was provided to confirm the existence of contingent liabilities relating to court cases against the County Assembly of Nyeri of Kshs.5,000,000, compensation to employees of Kshs.500,000 and KRA tax demand of Kshs.10,000,000.

In the circumstances, the validity, accuracy and completeness of contingent liabilities of Kshs.17,500,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Performance and Control

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amount of Kshs.796,625,715 and Kshs.657,341,136 respectively, resulting to budget underfunding of Kshs.139,284,579 or 17% of the approved budget.

The underfunding of the approved budget affects the planned activities and may have negatively impacted service delivery to the public and increased trade and other payables.

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. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

In the prior 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 County Assembly in 2024/2025 revealed that the following matters remained unresolved.

No.	Financial Year	Audit Issue
1	2023/2024	Mis-Classification of Salary Expenditure
2	2023/2024	Unsupported Payment of Arrears
3	2023/2024	Irregular Payments of Salaries Outside Integrated Personnel Payroll Data (IPPD)
4	2023/2024	Irregular Transfer of Tax Liability
5	2023/2024	Non-Compliance with Law on Staff Ethnic Diversity
6	2023/2024	Irregular Promotion of Staff
7	2023/2024	Non-Compliance to One Third of Basic Salary Rule
8	2023/2024	Subscription Fees Paid Without a Guiding Policy
9	2023/2024	Irregular Daily Subsistence Allowance

No.	Financial Year	Audit Issue
10	2023/2024	Direct Procurement of Air Ticket and Travel Services
11	2023/2024	Direct Procurement on Rent and Rates
12	2023/2024	Irregular Payment of House Allowance to Members of County Assembly
13	2023/2024	Non-Updated Fixed Assets Register
14	2023/2024	Lack of Business Continuity and Disaster Recovery Plans
15	2023/2024	Inadequate Internal Audit Function

Other Information

Conclusion

Management is responsible for the Other Information set out on page ii to xxxix which comprise of Key Entity Information and Management, Governance Statement, Foreword by the Clerk of the Assembly, Statement of Performance against Predetermined Objectives, Environmental and Sustainability Reporting, Management Discussion and Analysis Statement and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the 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. Compensation of Employees and Other Staff Matters

1.1 Payments of Salaries Outside Payroll System

The statements of receipts and payments and as disclosed under Note 9 to financial statements reflects compensation of employee amount of Kshs.244,657,117 which

include Kshs.29,623,460 paid outside the payroll system contrary to the National Treasury Circular No.13/2019 which requires the allocation of personnel emoluments be supported by Integrated Personnel Payroll Data (IPPD) systems.

In the circumstances, the legality of payments could not be confirmed.

1.2 Non-Compliance to the Law on Affirmative Action

Review of Human Resource records revealed that during the year under review, the County Assembly had sixty-five (65) members of staff out of whom, sixty one (61) or 94% were from the dominant ethnic community of the County contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

Further, the County Assembly did not allocate 5% of employment opportunities to Persons with Disability contrary to Section 21 of the Persons with Disability Act, 2025.

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

1.3 Non-Compliance to One Third of Basic Salary Rule

Review of the monthly payroll records revealed that twelve (12) employees' salary deductions fell below the one-third (1/3) of the basic salary contrary to Section 19(3) of the Employment Act, 2007 which requires that deductions made by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages. No explanation was provided by Management for enabling the employees earnings to go below the statutory minimum.

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

2. Direct Procurement of Rental Assets

Note 10 to the financial statement reflects expenditure of Kshs.396,379,859 for use of goods and services. The expenditure includes Kshs.5,643,000 in respect of rentals of produced assets for hire of Ward offices. However, no evidence was provided for audit by the County Assembly to ascertain that the Ward office rental expenses service was procured competitively. This was contrary to Section 103(2) Public Procurement and Asset Disposal Act, 2015, which provides guidelines on circumstances under which direct procurement can be used.

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

3. Non-Compliance with the Guidelines on Transition from Cash to Accrual Accounting

Review of the compliance status by the County Assembly of Nyeri in implementing the guidelines on transition from cash to accrual accounting prescribed by The National Treasury at the time of audit in the month of September, 2025 revealed that Management had not implemented the requirements in the guidelines. Management did not provide

any evidence of the formation of Project Management teams which include entity steering committee and project manager. Further, there was no evidence that the Assembly had developed a detailed road map outlining the key milestone achieved in implementing the guidelines on transition from cash to accrual accounting contrary to Paragraph 2.1 of The National Treasury circular No.03/2025 which provides the specific guidelines for transition.

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

4. Subscription Fees Paid in Absence of a Guiding Policy

The statement of financial performance and as disclosed under Note 10 to financial statements, reflects use of goods and services of Kshs.396,379,859 which includes other operating expenses of Kshs.52,079,388 which further includes Kshs.750,000 paid to the Society of Clerks At The Table (SOCATT) without any enabling legislation supporting the contributions to the Society.

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

5. Non-Compliance to the Data Protection Law

The statement of financial performance reflects an expenditure of Kshs.22,382,377 as disclosed in Note 15 to the financial statement in respect to social benefits remitted to LAPTRUST Pension Fund. However, there was no evidence of a written contract between the Assembly (Data Controller) and Pension Fund (Data Processor) contrary to Section 42(2b) of the Data Protection Act, 2019, which provides that when using the services of a data processor, the data controller and the data processor shall enter into a written contract which shall provide that the data processor shall act only on instructions received from the data controller.

In the circumstances, Management was in breach of law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Optimal Staffing Levels

The approved staff establishment of the County Assembly of Nyeri reflects optimal staffing levels of one hundred (100) staff. However, the staff in post were sixty-six (66) leading to a staff shortage of thirty-four (34). Further, the understaffing was in critical positions which includes; Director Legal, Deputy Director Accounting, Senior Fiscal Analyst, Deputy Director Legal, Senior Legal Counsel, Deputy Director Internal Audit, Deputy Director Security, Deputy Director-Committee Services and Senior Clerk Assistant.

In the circumstances, the efficiency and effectiveness of critical service delivery could not be confirmed.

2. Failure to Prepare Annual Work Plan

Review of records maintained by the County Assembly of Nyeri revealed that during the year under review the Assembly did not have an Operational Annual Work Plan. Without a work plan it may not be possible to determine the objectives to be achieved in the year and the performance indicators to measure.

In the circumstances, the progress of performance against predetermined objectives could not be confirmed.

3. Lack of Business Continuity and Disaster Recovery Plans

During the period under review, Management had not established business continuity and disaster recovery plans to ensure smooth running of the County Assembly's operations in the event of a disaster or unforeseen occurrence.

In the absence of the above plans, the County Assembly's operations could be disrupted in the event of occurrence of unexpected events that may have negative impact on its operations.

4. Inadequate Internal Audit Function

Review of the operations of the Internal Audit functions revealed that the County Assembly had an Internal Audit Unit in place. However, the internal audit section had only one (1) staff member who was not able to carry out all the required internal audit functions effectively. This was contrary to Regulation 155(2) of the Public Finance Management (County Government) Regulation, 2015 which provides that an Accounting Officer should ensure that the organizational structure of internal audit unit is sufficient.

In addition, the internal audit documents and policies which includes; Audit Committee Service Charter, Audit Committee Work Plan, Internal Audit Work Plan for the year under review, Internal Audit Service Charter and Risk Management Policy presented for audit were not signed or approved.

In absence of adequate and effective internal audit function, the assurance of the operational internal controls could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the 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

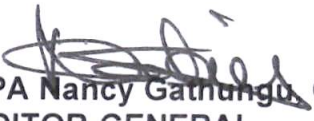
My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable 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 Gatirungu, CBS
AUDITOR-GENERAL

Nairobi

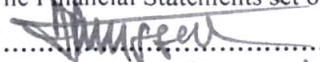
14 November, 2025

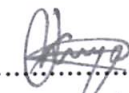
County Assembly of Nyeri
Annual Report and Financial Statements for the year ended June 30, 2025.

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

Description	Notes	Period ended June 2025 Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	726,204,377
Miscellaneous Revenue	7	
Revenue from exchange transactions		
Other income	8	
Total revenue		726,204,377
Expenses		
Employee costs	9	244,657,117
Use of goods and services	10	396,379,859
Transfers to other Government Entities	11	
Depreciation and amortization expense	12	
Other Grants and Subsidies	13	
Finance costs	14	
Social Benefits	15	22,382,377
Total expenses		663,419,353
Gain/(loss) on sale of assets	16	5,000
Gain/Loss on Foreign Exchange	17	
Gain/Loss on fair value of investments	18	
Impairment loss	19	
Surplus/Deficit for the year		62,790,024
Taxation	20	
Net Surplus/Deficit		62,790,024

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


 Name **Bernard W. Mwiggen**
 Clerk of The County Assembly


 Name **JOSEPH KIMITI**
 Director Accounting Services
 ICPAK M/No.....**8458**

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

11. Statement of Financial Position as at 30 June 2025

Description	Notes	Period ended June	Opening Statement
		2025	1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	21	2,770,321	2,072,202
Receivables from Exchange Transactions	22		
Receivables from Non-Exchange Transactions	23	68,863,241	
Inventories	24		
Current portion of investments	25		
Total Current Assets		71,633,562	2,072,202
Non-Current Assets			
Receivables from Exchange Transactions	22(b)		
Non- Current portion of investments	25		
Property, Plant and Equipment	26	19,974,223	
Right of Use Assets	27		
Intangible Assets and Goodwill	28		
Investment Property	29		
Biological Assets	30		
Tangible Natural Resources	31		
Total Non- Current Assets		19,974,223	
Total Assets (A)		91,607,785	2,072,202
Liabilities			
Current Liabilities			
Trade and Other Payables	32	90,400,484	64,235,720
Refundable deposits and prepayments	33	2,652,998	1,894,960
Current Provision	34		
Lease Liabilities	35		
Deferred Income	36		
Employee Benefit Obligation	37		
Current Portion of Borrowings	38		
Total Current Liabilities		93,053,482	66,130,680
Non-Current Liabilities			
Non-Current Provisions	34		
Lease Liabilities	35		
Deferred Income	36		


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

Non-Current Employee Benefit Obligation	37		
Borrowings – Non-Current Portion	38		
Service Concession Liability	39		
Total Non- Current Liabilities			
Total Liabilities (B)		93,053,482	66,130,680
Net Assets (A-B)		(1,445,697)	(64,058,478)
Represented by:			
Reserves			
Accumulated Surplus		(1,445,696)	(64,058,478)
Capital Fund			
Net Assets		(1,445,696)	(64,058,478)

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

.....

 Name **Jenaw N. Mwiggeh**
 Clerk of The County Assembly

.....

 Name **JOSEPH K. MUTITU**
 Director Accounting Services
 ICPAK M/No.....**8458**

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

Description	Accumulated Surplus	Reserves	Capital Fund	Total
As at I July 2024	177,242			177,242
Adjustments: (Ineligible liabilities)	3,349,521			3,349,521
Adjustments: (to recognize liabilities)	(67,585,241)			(67,585,241)
As at I July 2024	(64,058,478)			(64,058,478)
Surplus/ deficit for the period	62,790,024			62,790,024
Returns to CRF	(177,242)			(177,242)
As at 30th June 2025	(1,445,696)			(1,445,696)

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

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

Description	Notes	Period ended June 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		657,341,136
Miscellaneous Revenue		
Other income		
Total receipts		657,341,136
Payments		
Employee costs		221,173,376
Use of goods and services		406,092,682
Transfers to other Government Entities		
Other Grants and Subsidies		
Finance costs		
Social Benefits		22,382,377.
Total payments		649,648,434
Net cash flows from/(used in) operating activities	40	7,692,702
Cash flows from investing activities		
Purchase of PPE		(6,822,341)
Purchase Intangible assets		
Proceeds from sale of PPE		5,000
Proceeds from sale of Biological Assets		
Purchase of investments		
Sale of investments		
Net cash flows from/(used in) investing activities		(6,817,341)
Cash flows from financing activities		
Returns to CRF		(177,242)
Proceeds from borrowings		
Repayment of borrowings		
Net cash flows from financing Activities		(177,242)
Net increase/(decrease) in cash &		698,118
Cash equivalents		
Cash and cash equivalents as at Period Start	21	2,072,202
Cash and cash equivalents as at Period End	21	2,770,321

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

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

Recurrent and Development Budgets Combined

Revenue/expense item	Original budget	Adjustments	Final budget	Actual on comparable basis	Budget utilization difference	% of utilization
	A	B	C=(a+b)	D	E=(c-d)	F=d/c *100
Revenues						
Opening balance (Non-refundable special purpose accounts)						
Transfers from CRF	955,763,061	(159,137,346)	796,625,715	657,341,136	139,284,579	83%
Miscellaneous Revenue						
Other income						
Total revenues	955,763,061	(159,137,346)	796,625,715	657,341,136	139,284,579	83%
Expenses						
Employee costs	259,167,090		259,167,090	221,173,376	37,993,714	85%
Use of goods and services	501,074,296	(46,887,346)	454,186,950	406,092,682	48,094,268	89%
Transfers to other Government Entities						
Other Grants and Subsidies						
Finance costs						
Social Benefits	25,321,675		25,321,675	22,382,377	2,939,298	88%
Total	785,563,061	(46,887,346)	738,675,715	649,648,434	89,027,281	88%
Capital items						
Acquisition of PPE	170,200,000	(112,250,000)	57,950,000	7,580,379	50,369,621	13%
Acquisition of Intangible assets						
Purchase of investments						
Repayment of borrowings						

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

Total expenses Development	170,200,000	(112,250,000)	57,950,000	7,580,379	50,369,621	13%
Total Expenses	955,763,061	(159,137,346)	796,625,715	657,228,813	139,396,902	83%
Surplus/ deficit				112,323		

The low absorption of the budget was due to late disbursements of exchequers

Reconciliation table

	Operating	Financing	Investing	Total
Actual amounts on comparable basis presented in the budget and actual comparative statement	738,675,715		57,950,000	796,625,715
Basis difference				
Timing differences				
County Assembly of Nyeri differences (Retention amount for the year)			758,038	758,038
Classification differences				
Actual in the statement of cash flows	649,648,434		6,822,341	656,470,775

15. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

Statement of compliance

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

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), the County Assembly of Nyeri has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the County Assembly of Nyeri has taken advantage of the transition provisions outlined in IPSAS 33. (County Assembly of Nyeri to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

These financial statements were authorised for issue by the accounting officer on 27th 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 Assembly of Nyeri. 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.

County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.

Notes to the financial statements

Critical accounting judgements

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

Recognition of revenue

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

Recognition of non-exchange expenses and liabilities

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

The *County Assembly of Nyeri* 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 *County Assembly of Nyeri* 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 Nyeri* policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the *County Assembly of Nyeri*'s future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

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

Climate change obligations

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

Physical assets

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

County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.

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 cash flows of County Assembly of Nyeri. 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>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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

**County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th 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 County Assembly of Nyeri shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 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>

iii) Early adoption of standards

The County Assembly of Nyeri did not early – adopt any new or amended standards in the financial year

County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the County Assembly of Nyeri's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 12th June 2025. 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 Nyeri upon receiving the respective approvals in order to conclude the final budget. The County Assembly of Nyeri's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

Budget information (continued)

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

c) Investment property

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

d) Property, plant and equipment

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

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Notes to the Financial Statements (Continued)

e) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the County Assembly of Nyeri 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 Nyeri 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 Nyeri 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 Nyeri; the County Assembly of Nyeri 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 Nyeri 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 Nyeri shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the County Assembly of Nyeri. 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 Nyeri 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 Nyeri will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes to the Financial Statements (Continued)

g) Intangible assets

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

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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 Nyeri expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the County Assembly of Nyeri can demonstrate:

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The County Assembly of Nyeri 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 Nyeri and a financial liability or equity instrument of another County Assembly of Nyeri. At initial recognition, the County Assembly of Nyeri 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 Nyeri 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 Nyeri's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless County Assembly of Nyeri 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 Nyeri classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the County Assembly of Nyeri 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 Nyeri 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 Nyeri recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note xx.

ii. Financial liabilities

Classification

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

County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.

Notes to the Financial Statements (Continued)

j) Inventories

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

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

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

k) Provisions

Provisions are recognized when the County Assembly of Nyeri 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 Nyeri 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 Nyeri 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.

County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.

Notes to the Financial Statements (Continued)

m) Contingent assets

The County Assembly of Nyeri 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 Nyeri 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 Nyeri creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

The County Assembly of Nyeri 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 Nyeri* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an County Assembly of Nyeri pays fixed contributions into a separate County Assembly of Nyeri (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. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

Notes to the Financial Statements (Continued)

r) Borrowing costs

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

s) Related parties

The *County Assembly of Nyeri* regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the *Entity*, or vice versa. Members of key

County Assembly of Nyeri
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management are regarded as related parties and comprise, *Speaker of the county assembly and, Clerk of the county Assembly, Directors and senior managers.*

t) Service concession arrangements.

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

u) Cash and cash equivalents

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

County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.

Notes to the Financial Statements (Continued)

v) Comparative figures

In preparing these financial statements the County Assembly of Nyeri has elected to apply paragraph 79 of IPSAS 33, which allows for the election by the Organization 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.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The County Assembly of Nyeri 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 Nyeri. 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 Nyeri.
- 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.

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.

Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Account Receivables.	Total transfers 2024-2025
		Kshs	Kshs
Recurrent	708,849,604	59,088,847	649,760,757
Development	17,354,773	9,774,394	7,580,379
Special purpose transfers			
Total	726,204,377	68,863,241	657,341,136

Account receivables are fund transferred to the County Government of Nyeri, but the Assembly did not receive this amount by the closure of the year, this will form part of our receipts during these current year as balance brought forward.

7. Miscellaneous Revenue

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

8. Other Incomes

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

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

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Notes to the Financial Statements (Continued)

9. Employee Costs

Description	Period ended
	June 2025
	Kshs
Basic salaries of permanent employees	115,445,740
Basic wages of temporary employees	29,623,460
Personal allowances – part of salary	83,205,047
Pension and other social security contributions	2,736,000
Employer contributions to compulsory national social security schemes	300,000
Employer contributions to compulsory national health insurance schemes	13,346,872
Other social benefit schemes	
Other personnel costs	
Employee costs	244,657,117

10. Use of Goods and Services

Description	Period ended
	June 2025
	Kshs
Utilities, supplies and services	2,635,214
Communication, supplies and services	4,727,816
Domestic travel and subsistence	168,925,206
Foreign travel and subsistence	41,163,417
Printing, advertising, and information supplies & services	3,530,025
Rentals of produced assets	5,643,000
Training expenses	13,380,783
Hospitality supplies and services	62,191,609
Insurance costs	28,151,973
Specialized materials and services	2,471,400
Other operating expenses <i>including bank Charges</i>	52,079,388
Office and general supplies and services	2,010,040
Fuel Oil and Lubricants	5,759,250
Routine maintenance – vehicles and other transport equipment	2,428,707
Routine maintenance – other assets	1,282,031
Others (specify)	
Total	396,379,859

County Assembly of Nyeri
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Notes to the Financial Statements (Continued)

11. Transfers to Other Government Entities

Description	2024-2025
	Kshs
Transfers to other County Government entities	
Transfers to self-reporting projects	
Transfers to car loan and mortgage schemes	
Others (specify)	
Total	

12. Depreciation and Amortization Expense

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

13. Other Grants and Subsidies

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

14. Finance Costs

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

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

County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.

Notes to the Financial Statements (Continued)

15. Social Benefits

Description	2024-2025
	Kshs
Transfers to the elderly	
Transfers to orphans	
Transfers to the physically challenged	
Gratuity to Members	22,382,377
Total social benefit expenses	22,382,377

16. Gain/Loss on Sale of Assets

Description	2024-2025
	Kshs
Property, plant and equipment	5000
Intangible assets	
Other assets not capitalised	
Total gain on sale of assets	5000

17. Gain/Loss on Foreign Exchange

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

18. Gain/Loss on Fair Value Investments

Description	2024-2025
	Kshs
Investments at Fair Value	
Total Gain	

19. Impairment Loss

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

County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.

Notes to the Financial Statements (Continued)

20. Taxation

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

21. Cash and Cash Equivalents

Description	2024-2025	Opening Statement
	Kshs	1 st July 2024 Kshs
Recurrent Account	117,323	177,242
Development Account	-	
Deposits Account	2,652,998	1,894,960
Special Purpose Accounts	-	
Other operating commercial accounts (<i>Specify</i>)	-	
Total	2,770,321	2,072,202

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

Financial Institution	Account number	2024-2025	Opening Statement
		Kshs	1 st July 2024 Kshs
Recurrent Accounts			
CBK00001	1000243805	117,323	177,242
Development Accounts			
CBK00002	1000282298		
Deposits Accounts		2,652,998	
CBK00003	10000282274		1,894,960
Total		2,770,321	2,072,202

County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.

Notes to the Financial Statements (Continued)

22. Receivables from Exchange Transactions

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

i) Ageing analysis for Receivables

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

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

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

**County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.**

Notes to the Financial Statements (Continued)

23. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Other debtors (non-received exchequers)	68,863,241		0	
Less: impairment allowance				
Total receivables from non- exchange transactions	68,863,241		0	

Ageing Analysis- Receivables from non-exchange transactions	2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	68,863,241	100%	0	100%
Over 3 years				
Total	68,863,241	100%	0	100%

Account receivables are fund transferred to the County Government of Nyeri, but the Assembly did not receive this amount by the closure of the year, this will form part of our receipts during these current year as balance brought forward

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

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

County Assembly of Nyeri
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Notes to the Financial Statements (Continued)

24. Inventories

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

25. Investments

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

d) Movement of Equity Investments

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

County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.

Notes to the Financial Statements (Continued)

e) Shareholding in other entities

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

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

County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.

Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
Depreciation Rate		2-10%	10-16.67%	2-20%	12.5%	33.3%	%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024										
Additions		14,357,797		2,996,976		2,619,450				19,974,223
Disposals										
Transfer/Adjustments										
As At Jun 2025		14,357,797	-	2,996,976		2,619,450				19,974,223
Depreciation And Impairment										
Depreciation for the year										
Disposals										
Impairment										
Transfer/Adjustment										
As At Jun 2025										
Net Book Values										
Opening Bal as at 1st July 2024										
As At June, 2025		14,357,797		2,996,976		2,619,450				19,974,223

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

Notes to the Financial Statements (Continued)

27. Intangible Assets

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

28. Investment Property

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

(This note applies to investment property held at cost. For investment property held at fair value, changes in fair value should go through the statement of financial performance).

County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.

Notes to the Financial Statements (Continued)

29. Right-of-use assets

	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Plant and equipment</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2024				
Additions				
As at 30 June 2025				
Accumulated Depreciation				
As at 1 July 2024				
Charge for the year				
As at 30 June 2025				
Carrying Amount				
As at 30 June 2025				

30. Biological Assets

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

31. Tangible Natural Resources

	<i>Sub- soil assets</i>	<i>Water</i>	<i>Wildlife</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2024				
Additions				
As at 30 June 2025				
Accumulated Depreciation				
As at 1 July 2024				
Charge for the year				
As at 30 June 2025				
Carrying Amount				
As at June 2025				

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Notes to the Financial Statements (Continued)

32. Trade and Other Payables

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables				
Payments received in advance				
Employee payables	49,296,288		44,483,232	
Third-party payments	41,104,196		23,102,009	
Other payables				
Total trade and other payables	90,400,484		67,585,241	

Ageing analysis: (Trade and other payables)	2024-2025	%	Opening balance	% of the Total
Under one year				
1-2 years	90,400,484	100%	67,585,241	
2-3 years				
Over 3 years				

33. Refundable Deposits and Prepayments

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Customer deposits	2,652,998		1,894,960	
Prepayments	-			
Other deposits	-			
Total deposits	2,652,998		1,894,960	

Ageing analysis: (Refundable deposits)	2024-2025	% of the Total	Opening Balance	% of the Total
Under one year	1,735,438	48%	1,894,960	100%
1-2 years	917,560	52 %		
2-3 years				
Over 3 years				
Total	2,652,998	100%	1,894,960	100%

County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.

Notes to the Financial Statements (Continued)

34. Provisions

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

35. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	
Non- Current	
Total	

County Assembly of Nyeri
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Notes to the Financial Statements (Continued)

36. Deferred Income

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

The deferred income movement is as follows:

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward				
Additions				
Transfers To Capital Fund				
Transfers To Income Statement				
Other Transfers				
Balance Carried Forward				

Analysed as:

Description	Amount
Current	
Non- Current	
Total	

**County Assembly of Nyeri
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Notes to the Financial Statements (Continued)

37. Employee Benefit Obligations

Description	Defined benefit plan Kshs	Post-employment medical benefits Kshs	Other Benefits Kshs	2024-2025 Kshs	Opening Statement 1 st July 2024 Kshs
Current Benefit Obligation					
Non-Current Benefit Obligation					
Total Employee Benefits Obligation					

Retirement benefit Asset/ Liability (Applicable to Pensions)

The County Assembly of Nyeri operates a defined benefit scheme for all full-time employees from July 1, 2024. The scheme is administered by while are the custodians of the scheme. The scheme is based on percentage of salary of an employee at the time of retirement.

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

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

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Notes to the Financial Statements (Continued)

Recognition of Retirement Benefit Asset/ Liability

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

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

b) Amounts recognized in the Statement of Financial Position

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

County Assembly of Nyeri also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The County Assembly of Nyeri's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs.1,116,720. Other than NSSF the County Assembly of Nyeri also has a defined contribution scheme operated by Local Authority Provident Fund and Local Authority Pension Trust Fund. Employees contribute 12% while employers contribute 15% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

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Notes to the Financial Statements (Continued)

38. Borrowings

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

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

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

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Notes to the Financial Statements (Continued)

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

(NB: the total of this statement should tie to note 41 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

39. Service Concession Arrangements Liability

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

40. Cash Generated from Operations

	2024-2025
	Kshs
Surplus for the year before tax	62,790,024
Adjusted for:	
Depreciation	
Non-cash grants received	
Contributed assets(Total assets kshs.19,974,223 less Actual in cashflow statement of kshs.6,822,341)	(13,151,882)
Impairment	
Gains and losses on disposal of assets	(5,000)
Contribution to provisions	
Contribution to impairment allowance	
Working capital adjustments	
Increase in inventory	
Increase in receivables	(68,863,241)
Increase in deferred income	-
Increase in payables	26,922,802
Increase in payments received in advance	

**County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.**

Net cash flow from operating activities	7,692,703
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Notes to the Financial Statements (Continued)

41. Financial Risk Management

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

i) Credit risk

The County Assembly of Nyeri 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 Nyeri'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 Nyeri's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Receivables from exchange transactions				
Receivables from non-exchange transactions	68,863,241	68,863,241	0	0
Bank balances	2,770,321	2,770,321	0	0
Total	71,633,562	71,633,562	0	0

County Assembly of Nyeri
Annual Reports and Financial Statements for the year ended 30th June, 2025.

Notes to the Financial Statements (Continued)

Financial Risk Management

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

ii) Liquidity risk management

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

The table below represents cash flows payable by the County Assembly of Nyeri 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 and 3 months	Over 3 months	5 Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total				

County Assembly of Nyeri
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Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The County Assembly of Nyeri'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 Nyeri's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

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

County Assembly of Nyeri
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Notes to the Financial Statements (Continued)

Financial Risk Management

The carrying amount of the County Assembly of Nyeri foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Current FY

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

Financial Risk Management

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

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2025			
Euro	10%		
USD	10%		
2025-1			
Euro	10%		
USD	10%		

County Assembly of Nyeri
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Notes to the Financial Statements (Continued)

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

The County Assembly of Nyeri analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs (2025: KShs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs (2025 – KShs)

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 Nyeri'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 Nyeri* considers relevant and observable market prices in its valuations where possible.

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

	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings	62,790,024	
Capital Reserve		
Total Funds	62,790,024	
Total Borrowings		
Less: Cash And Bank Balances		
Net Debt/(Excess Cash And Cash Equivalentents)		
Gearing	62,790,024	

County Assembly of Nyeri
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Notes to the Financial Statements (Continued)

42. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the County Assembly of Nyeri 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 Nyeri, holding 100% of the County Assembly of Nyeri's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the County Assembly of Nyeri, both domestic and external.

Other related parties include:

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

	2024-2025
	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	
Others (specify)	
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 xxx employees	
Payments for goods and services for xxx	
Total	
d) Key management compensation	
Compensation to key management	25,375,796
Total	25,375,796

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43. Segment Information

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

44. Contingent Assets and Contingent Liabilities

Contingent Assets

2024-2025

	Kshs
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

2024-2025

	Kshs
Contingent Liabilities	
Court Cases against the County Assembly of Nyeri	5,000,000
Bank Guarantees in Favour of Subsidiary	
Contingent Liabilities arising from Contracts Including PPPs	
Compensation to Employees	500,000
Water Bill	2,000,000
KRA Tax Demand	10,000,000
Total	17,500,000

Court Case is for various case that might occur

Compensation to Employees – the increment in salaries that was to be effected on July 2024 was not effected and might be effected within this 2025/2026 financial year.

Water bill stands for contested bill.

KRA Tax Demand stands for KRA Audit.

45. Capital Commitments

Capital Commitments

2024-2025

	Kshs
Authorised for	1,952,106
Authorised and contracted for	
Total	1,952,106

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

Sydma Agencies Limited was contracted to recarpet the Assembly entry road upto the garage section, drainage works along the Assembly perimeter wall and Emergency exit gate at a cost of Kshs. 1,952,106 as indicated in the table above.

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Notes to the Financial Statements (Continued)

46. Events after the Reporting Period

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

47. Ultimate And Holding County Assembly of Nyeri

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

48. Currency

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

County Assembly of Nyeri
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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)
Report of OAG for the year ended 30 th June 2024.	Non-compliance to One Third of basic salary rule	We wish to admit that it is true that some staff have breached the two thirds salary rule. This is due to the fact that before the introduction of the new deductions of the Affordable Housing Levy, Social Health Authority and NSSF, some staff had already committed their payslips to the applicable limit. When the deductions quoted above were introduced, they led to the breach of the two thirds rule	Not Resolved	
Report of OAG for the year ended 30 th June 2024.	Irregular promotion of staff	We would like to state that as per the Assembly's Scheme of Service, Common establishment refers to the first two grades at entry that guarantees automatic promotion upon completion of the minimum period save for any other declared requirement by the scheme. In this regard, the officers who held common establishment positions and had completed the minimum period of service (3 yrs) were considered for promotion by the Board.	Not Resolved	
Report of OAG for the year ended 30 th June 2023.	Subscription fee paid without a guiding policy	This bodies are registered with registrar of societies, in this regards the County Assemblies came up with an agreement to fund this bodies for they play a major role in growth and operations of all the Assemblies	Not Resolved	
Report of OAG for the year ended 30th June 2021, 22, 23.	Ward Administration Expenses	The issue was implemented as the CRA Circular Ref : CRA/CSO/CMG/9/VOL.V(43) dated 3rd August,2020	Resolved	
Report of OAG for the year ended 30th June 2021	Budgetary Control and Performance	The matter was due to delayed release of exchequers issues which was beyond the Assembly control	Resolved	
Report of OAG for the year ended 30th June 2021.	Meetings and retreats held outside the precincts of the County Assembly	The Budget for holding training and retreats are duly approved. The retreats and trainings are supported with approved invitations and request letters by the Speaker and the Clerk of County Assembly respectively.	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)
Report of OAG for the year ended 30th June 2021, 22, 23.	Non-Compliance with Ethnic Diversity	The County Assembly had put the advertisement for recruitment on the widely circulating newspaper as required by law; unfortunately the respondents who qualified were from the dominant ethnic community. However, the Assembly remains an all-inclusive institution.	Not Resolved	
Report of OAG for the year ended 30th June 2021	Non-Submission of the County Assembly Service Board Financial Statements	The County Assembly Service Board does not receive exchequers or any transfer from Assembly Recurrent or Development Account. The expenditure of the Board which is mainly comprised of sitting allowance is budgeted and executed under the County Assembly operations budget, as it happens to other committees of the house.	Resolved	
Report of OAG for the year ended 30th June 2021.	Payment for permanent Staff Outside IPPD Payroll	The Assembly would like to clarify that during the period under review, there were no permanent staff that were paid outside the IPPD System. These are police officers seconded from National Police Service to the Assembly to offer security services and therefore they are not paid salary by the Assembly rather, they are only paid top up allowance	Resolved	
Report of OAG for the year ended 30th June 2021	Assets not in Use	The Assembly wishes to clarify that, the lack of operationalization of the tagging machine and integrated reverse osmosis water dispenser was occasioned by delay in shipping of ribbons and lack of responsive bidder for the construction of water tower to ensure continuous flow of water respectively. The issue of	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)
		ribbons and adequate flow of water for reverse osmosis machine was sorted and the assets are now in use.		

Guidance Notes:

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



Accounting Officer

Date 27/06/2025

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Appendix II: Projects implemented by (The County Assembly of Nyeri)

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

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
Construction of Speaker's Residence	32,307,415	32,307,415	100%	50,000,000	32,307,415	Exchequer
Installation of CCTV Cameras	2,619,450	2,619,450	100%	4,550,432	2,619,450	Exchequer
Construction of Gate	1,952,106	1,952,106	Ongoing	2,270,317	1,952,106	Exchequer

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Appendix IV: Transfers from Other Government Entities

Name of the County Assembly of Nyeri Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/Others	Total Amount - KES	Where Recorded/recognized				Total Transfers during the Period
				Statement of Financial Performance	Deferred Income	Receivables	Others - must be specific	
County Government of Nyeri	26TH AUGUST 2024	recurrent	1,417,813					1,417,813
County Government of Nyeri	26TH AUGUST 2024	recurrent	2,898,317					2,898,317
County Government of Nyeri	26TH AUGUST 2024	recurrent	19,941,085					19,941,085
County Government of Nyeri	28TH AUGUST 2024	recurrent	8,266,112					8,266,112
County Government of Nyeri	2ND SEPTEMBER 2024	recurrent	921,810					921,810
County Government of Nyeri	2ND SEPTEMBER 2024	recurrent	1,417,813					1,417,813
County Government of Nyeri	2ND SEPTEMBER 2024	recurrent	2,915,971					2,915,971
County Government of Nyeri	2ND SEPTEMBER 2024	recurrent	18,878,316					18,878,316
County Government of Nyeri	3RD SEPTEMBER 2024	recurrent	11,000					11,000
County Government of Nyeri	3RD SEPTEMBER 2024	recurrent	1,123,120					1,123,120
County Government of Nyeri	3RD SEPTEMBER 2024	recurrent	35,083,000					35,083,000
County Government of Nyeri	3RD OCTOBER 2024	recurrent	1,417,813					1,417,813
County Government of Nyeri	3RD OCTOBER 2024	recurrent	2,920,193					2,920,193
County Government of Nyeri	3RD OCTOBER 2024	recurrent	19,231,142					19,231,142
County Government of Nyeri	30TH OCTOBER 2024	recurrent	559,410					559,410

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County Government of Nyeri	30TH OCTOBER 2024	recurrent	19,469,310				19,469,310
County Government of Nyeri	30TH OCTOBER 2024	recurrent	20,130,882				20,130,882
County Government of Nyeri	7TH NOVEMBER	recurrent	277,000				277,000
County Government of Nyeri	7TH NOVEMBER	recurrent	1,417,813				1,417,813
County Government of Nyeri	7TH NOVEMBER	recurrent	2,927,881				2,927,881
County Government of Nyeri	7TH NOVEMBER	recurrent	18,950,343				18,950,343
County Government of Nyeri	7TH NOVEMBER	recurrent	35,187,200				35,187,200
County Government of Nyeri	5TH NOVEMBER	recurrent	2,287,793				2,287,793
County Government of Nyeri	6TH DECEMBER	recurrent	389,390				389,390
County Government of Nyeri	6TH DECEMBER	recurrent	14,263,700				14,263,700
County Government of Nyeri	9TH DECEMBER	recurrent	119,500				119,500
County Government of Nyeri	9TH DECEMBER	recurrent	316,513				316,513
County Government of Nyeri	9TH DECEMBER	recurrent	1,417,813				1,417,813
County Government of Nyeri	9TH DECEMBER	recurrent	2,914,489				2,914,489
County Government of Nyeri	9TH DECEMBER	recurrent	11,560,148				11,560,148
County Government of Nyeri	9TH DECEMBER	recurrent	18,717,590				18,717,590
County Government of Nyeri	30TH DECEMBER	recurrent	34,155				34,155
County Government of Nyeri	30TH DECEMBER	recurrent	59,900				59,900
County Government of Nyeri	30TH DECEMBER	recurrent	299,800				299,800
County Government of Nyeri	30TH DECEMBER	recurrent	1,417,813				1,417,813

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County Government of	30TH DECEMBER	recurrent	3,380,600					3,380,600
County Government of	30TH DECEMBER	recurrent	3,669,962					3,669,962
County Government of	2ND JANUARY 2025	recurrent	66,000					66,000
County Government of	10TH JANUARY 2025	recurrent	2,920,193					2,920,193
County Government of	13TH JANUARY 2025	recurrent	24,404,505					24,404,505
County Government of	13TH JANUARY 2025	recurrent	19,768,723					19,768,723
County Government of	28TH JANUARY 2025	recurrent	329,670					329,670
County Government of	28TH JANUARY 2025	recurrent	16,816,711					16,816,711
County Government of	28TH JANUARY 2025	recurrent	26,603,500					26,603,500
County Government of	5TH FEBRUARY	recurrent	372,400					372,400
County Government of	6TH FEBRUARY	recurrent	17,289,650					17,289,650
County Government of	10TH FEBRUARY	recurrent	1,417,813					1,417,813
County Government of	10TH FEBRUARY	recurrent	2,902,555					2,902,555
County Government of	10TH FEBRUARY	recurrent	18,309,663					18,309,663
County Government of	26TH FEBRUARY	recurrent	1,417,813					1,417,813
County Government of	26TH FEBRUARY	recurrent	2,900,017					2,900,017
County Government of	26TH FEBRUARY	recurrent	3,950,000					3,950,000
County Government of	26TH FEBRUARY	recurrent	17,129,707					17,129,707
County Government of	19 TH MARCH 2025	recurrent	3,665,000					3,665,000
County Government of	19TH MARCH 2025	recurrent	9,936,202					9,936,202

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County Government of 2025	20TH MARCH 2025	recurrent	358,230		358,230
County Government of 2025	21ST MARCH 2025	recurrent	1,417,813		1,417,813
County Government of 2025	21ST MARCH 2025	recurrent	2,900,017		2,900,017
County Government of 2025	21ST MARCH 2025	recurrent	18,749,682		18,749,682
County Government of 2025	21ST MARCH 2025	recurrent	19,824,501		19,824,501
County Government of 2025	21ST MARCH 2025	recurrent	29,803,220		29,803,220
County Government of 2025	14TH APRIL 2025	recurrent	77,945		77,945
County Government of 2025	14TH APRIL 2025	recurrent	420,574		420,574
County Government of 2025	14TH APRIL 2025	recurrent	7,697,142		7,697,142
County Government of 2025	14TH APRIL 2025	recurrent	9,931,000		9,931,000
County Government of 2025	17TH APRIL 2025	recurrent	5,463,260		5,463,260
County Government of 2025	13TH MAY 2025	recurrent	1,417,813		1,417,813
County Government of 2025	13TH MAY 2025	recurrent	2,922,417		2,922,417
County Government of 2025	13TH MAY 2025	recurrent	20,093,540		20,093,540
County Government of 2025	28TH MAY 2025	recurrent	228,459		228,459
County Government of 2025	28TH MAY 2025	recurrent	359,790		359,790
County Government of 2025	28TH MAY 2025	recurrent	1,417,813		1,417,813
County Government of 2025	28TH MAY 2025	recurrent	2,939,217		2,939,217
County Government of 2025	28TH MAY 2025	recurrent	19,674,694		19,674,694
County Government of 2025	3RD JUNE 2025	recurrent	15,768,942		15,768,942

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County Government of	3RD JUNE 2025	recurrent	23,526,700					23,526,700
County Government of	11TH JUNE 2025	recurrent	769,037					769,037
County Government of	16TH JUNE 2025	recurrent	5,290,919					5,290,919
County Government of	16TH JUNE 2025	recurrent	5,574,300					5,574,300
County Government of	16TH JUNE 2025	recurrent	6,721,100					6,721,100
County Government of	30TH JUNE 2025	recurrent	58,600					58,600
County Government of	30TH JUNE 2025	recurrent	96,255					96,255
County Government of	30TH JUNE 2025	recurrent	329,870					329,870
County Government of	30TH JUNE 2025	recurrent	1,417,813					1,417,813
County Government of	30TH JUNE 2025	recurrent	2,000,000					2,000,000
County Government of	30TH JUNE 2025	recurrent	2,930,817					2,930,817
County Government of	30 TH JUNE 2025	recurrent	9,798,100					9,798,100
County Government of	30 TH JUNE 2025	recurrent	11,819,120					11,819,120
County Government of	30 TH JUNE 2025	recurrent	19,136,555					19,136,555
County Government of	10 TH JULY 2025	recurrent	119,300					119,300
County Government of	10 TH JULY 2025	recurrent	180,780					180,780
County Government of	10 TH JULY 2025	recurrent	1,380,846					1,380,846
County Government of	10 TH JULY 2025	recurrent	3,277,108					3,277,108
County Government of	10 TH JULY 2025	recurrent	6,543,683			33,076,111		39,619,794
County Government of	7 TH NOVEMBER	development	3,381,574					3,381,574

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County Government of Nyeri	19 TH MARCH 2025	development	4,198,805					4,198,805
County Government of Nyeri	30 TH JUNE 2025	development	9,774,394			1,952,106		11,726,500
TOTAL			726,204,377			35,028,217		761,232,594

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Appendix VI: Statement of Financial Performance for Each Quarter

Description	Notes	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
		Kshs	Kshs	Kshs	Kshs	Kshs
Revenue from non-exchange transactions						
Transfers from CRF	5	92,874,357	186,719,727	247,452,390	130,294,662	657,341,136
Miscellaneous Revenue	6					
Revenue from exchange transactions						
Other income	7					
Total revenue		92,874,357	186,719,727	247,452,390	130,294,662	657,341,136
Expenses						
Employee costs	8	59,243,353	42,123,070	77,469,450	42,337,503	221,173,376
Use of goods and services	9	98,094,144	92,212,991	139,152,816	76,632,731	406,092,682
Transfers to other Government Entities	10					
Depreciation and amortization expense	11					
Other Grants and Subsidies	12					
Finance costs	13					
Social Benefits	14	5,594,109	5,603,365	5,592,452	5,592,452	22,382,378
Total expenses		162,931,606	139,939,426	222,214,718	124,562,686	649,648,436
Gain/(loss) on sale of assets	15	5,000				5,000
Gain/Loss on Foreign Exchange	16					
Gain/Loss on fair value of investments	17					
Impairment loss	18					

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Surplus/Deficit for the year		(70,052,249)	46,780,301	25,237,672	5,731,976	7,697,700
Taxation	19					
Net Surplus/Deficit		(70,052,249)	46,780,301	25,237,672	5,731,976	7,697,700

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Appendix VII: Disaster Expenditure Reporting Template

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

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Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land	Subject to valuation				Subject to valuation
Buildings and structures	Subject to valuation	17,354,773			Subject to valuation
Transport equipment	Subject to valuation				Subject to valuation
Office equipment, furniture and fittings	Subject to valuation				Subject to valuation
ICT Equipment	Subject to valuation	2,619,450	(5000)		Subject to valuation
Machinery and Equipment	Subject to valuation				Subject to valuation
Biological assets	Subject to valuation				Subject to valuation
Infrastructure Assets- Roads, Rails	Subject to valuation				Subject to valuation
Heritage and cultural assets	Subject to valuation				Subject to valuation
Intangible assets	Subject to valuation				Subject to valuation
Work in Progress	Subject to valuation				Subject to valuation
Total		19,974,223	(5000)		