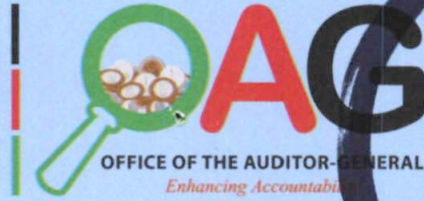


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REPORT

OF

THE AUDITOR-GENERAL

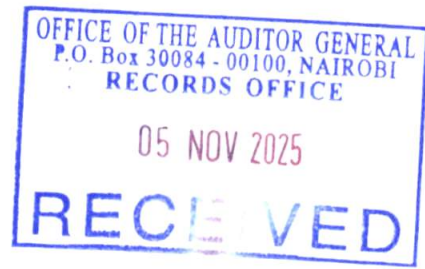
ON

COUNTY ASSEMBLY OF
THARAKA-NITHI

FOR THE YEAR ENDED
30 JUNE, 2025

PAPERS LAID	
DATE	19/2/26
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COUNTY ASSEMBLY OF THARAKA NITHI

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

Transitional International Public Sector Accounting Standards Financial Statements

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1. Acronyms, Abbreviations and Definition of Key Terms

A. Acronyms and Abbreviations

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

B. Definition of Key Terms

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

2. Key Entity 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 23 Members of County Assembly (MCAs) elected/ nominated to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies, and playing the oversight role over the County Executive.

(b) Key Management Team

The *entity's* day-to-day management is under the following key organs:

No.	Designation	Name
1.	Speaker of the County Assembly	Hon John Mbabu
2.	Clerk of the County Assembly	Paul Thirika
3.	Deputy Clerk of the County Assembly	Eric Nthumbi
4.	HOD Finance & Accounting Services	Polly Kagendo Mbae
5.	HOD Procurement	Festus Kinoti Kubai
6.	HOD Budget & Fiscal Planning	Pius Nyaga Micheni
7.	HOD Human Resource Management	Catherine Njeri Kathuni
8.	HOD Audit Department	Davidson Kiriuro Murungi
9.	HOD Hansard & ICT	Dennis Kimathi Ndiga
10.	HOD Serjeant At Arms	Kenneth Nyaga Cheri
11.	HOD Project Planning	Purity Kawira Njeru
12.	HOD Administration	Peter Mburu Muniu
13.	HOD Legal Services	Murithi Kanampiu

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer- Clerk of the County Assembly	Paul Thirika
2.	Director Finance and Accounting Services	Polly Kagendo Mbae

a) Fiduciary Oversight Arrangements

The County Assembly of Tharaka-Nithi remains committed to promoting transparent, accountable, and prudent use of public funds. In the financial year 2024/25, we implemented a robust framework of fiduciary oversight arrangements to ensure sound financial governance, both within the Assembly and across other county government entities.

Internal Audit Committee

In line with Section 155 of the Public Finance Management (PFM) Act, 2012, and Regulation 168 of the PFM Regulations, 2015, the County Assembly operates an Internal Audit Department that reports directly to the Clerk, the Accounting Officer. Although an Internal Audit Committee as per Section 155(5) is not yet in place, the Department has played a key role in reinforcing internal controls and financial accountability.

Throughout the year, the Department supported the Clerk by assessing financial and operational risks, reviewing controls, and conducting regular audits. It maintained full independence, authority, and unrestricted access to all records and properties of the Assembly, as required by law. It ensured that confidential information was handled appropriately and followed up on both internal and external audit recommendations. This helped address financial weaknesses promptly and strengthened the Assembly's internal control framework.

Senate Public Accounts Committee (CPAC)

The Senate Public Accounts Committee (CPAC) plays a national oversight role on county finances, anchored in Article 96(3) of the Constitution and supported by Articles 228(6) and 229(7 & 8). CPAC reviews the Auditor-General's reports on how counties, including Tharaka-Nithi, use their share of national revenue.

During 2024/25, CPAC conducted hearings to examine the Auditor-General's reports for FY 2023/24. In response, the County Assembly Management provided detailed answers to audit queries. Although CPAC's direct mandate does not include real-time oversight of the Assembly's current finances, its findings lead to systemic improvements that affect all county entities. CPAC's

summons of accounting officers ensures accountability in how national allocations are used across counties, reinforcing responsible spending.

County Assembly

Under Article 185(3) of the Constitution of Kenya 2010, the County Assembly holds legislative authority and a broad fiduciary oversight mandate over all county government entities, including its own administration. This oversight is not limited to internal finances but extends to ensuring county-wide fiscal discipline.

In 2024/25, the Assembly debated, amended, and approved the annual and supplementary budgets, ensuring they aligned with the County Integrated Development Plan (CIDP), County Annual Development Plan and County Fiscal Strategy Paper. Sectoral committees held public hearings and scrutinized departmental budgets to reflect residents' needs. The Public Accounts Committee (PAC) examined the Auditor-General's findings on the county's financial statements, summoned accounting officers, and followed up on audit recommendations.

Importantly, as required by Section 166 of the PFM Act, 2012, the Clerk submitted quarterly financial reports to the County Assembly, facilitating continuous internal oversight and monitoring.

Controller of Budget (CoB)

The Controller of Budget (CoB) provides independent oversight over budget implementation across national and county governments, as mandated by Article 228(6) of the Constitution. The CoB authorizes all withdrawals from the County Revenue Fund (CRF), including those for the County Assembly, ensuring they are in line with approved budgets.

During 2024/25, the CoB monitored Tharaka-Nithi County's expenditures, reviewed quarterly and annual reports, and submitted implementation reports to Parliament. These reports offered transparent evaluations of budget use, flagged any variances, and ensured fiscal discipline by tracking pending bills and promoting sustainable spending.

County Assembly of Tharaka Nithi
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In compliance with Section 166 of the PFM Act, the Clerk submitted quarterly reports to the CoB, ensuring external oversight of the Assembly's financial activities and adherence to budgetary provisions.

b) County Assembly Headquarters

P.O. Box 60400-694

CHUKA

c) County Assembly Contacts

Telephone: (254) 710272056

E-mail: clerk@tharakanithiassembly.go.ke/ tharakanithicountyassembly@gmail.com

Website: <https://tharakanithiassembly.go.ke/>

d) County Assembly Bankers

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

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.

P.O Box 694-60400,

Chuka

3. Governance Statement

a. Background and roles



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


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

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

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

b. Profiles

Name	Details of qualifications and experience
<p>1. Hon. John. Mbabu</p> 	<p>He is the Speaker of the County Assembly of Tharaka Nithi and the Chairperson to the County Assembly Service Board.</p> <p>He holds a Bachelor's Degree in Business Administration with a working experience of over 20 years and a continuous student of Master's Degree</p> <p>He served in the first Assembly as the Speaker of County Assembly of Tharaka Nithi</p>
<p>2. Hon. Marengo Luke Nyagah Njeru</p> 	<p>He is a Member of the County Assembly of Tharaka Nithi and the Leader of the Majority Party.</p> <p>He holds a Diploma in Community Development and Social work. With a working experience of over 15 years.</p>

<p>3. Mr. Paul Thirika</p> 	<p>He is the Clerk of the County Assembly of Tharaka Nithi and the Secretary to the County Assembly Service Board. He holds Master's degree in Business Administration with a working experience of more than fifteen years and a continuing student of PHD</p> <p>He has done management course both SMC and SIDP and he has previous served as Deputy Clerk.</p>
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C. Select 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 committees:

- i. Committee of Powers and Privileges
- ii. Public Accounts/Investment Committee
- iii. Budget and Appropriations Committee
- iv. Assembly Business Committee
- v. Liaison committee
- vi. County Delegated Legislation Committee
- vii. Committee on Appointments
- viii. Committee on Selection
- ix. Committee on Implementation
- x. Assembly Rules and Procedures Committee

d. Sectoral Committees

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

- i. Committee on Trade Tourism and Cooperatives
- ii. Public Service and Administration Committee
- iii. Committee on Education Science and Technology
- iv. Committee on Health Services

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- v. Committee on Agriculture, Livestock and Fisheries
- vi. Committee on Youth, Sports and Social Services
- vii. Committee on Transport Public works and infrastructure
- viii. Committee on Lands Housing and Physical Planning
- ix. Committee on Water, Environment and Natural Resources

i. Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held no meetings in the FY 2024/2025 as there were no cases of breach of privileges during the period under review. The committee members during FY 2024/2025 were:

Name	Designation	Ward
Hon. John Mbabu	Speaker of the County Assembly	
Hon. Gitonga Leonard J. Kithuka	Deputy Speaker	Nkondi
Hon. Marengo Luke Nyaga	Leader of Majority Party	Mukothima
Hon. Mbae Lysbeth Gatiria		Ganga
Hon. Kiriko Jacob Murimi Ndeke		Mugwe
Hon. Njagi Joseph Kinyua		Chiakariga
Hon. Gitonga Morris Mangu		Muthambi

ii. Public Accounts/Investment Committee

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

Name	Designation	Ward
Hon. Mwaura Joel Mwangi	Chairperson	Nominated
Hon. Mbae Lysbeth Gatiria	Vice-Chairperson	Ganga
Hon. Mbae Anita Karimi	Member	Mariani
Hon. Kamunyu Kennedy	Member	Marimanti
Hon. Purity Wanja M'Rithaa	Member	Nominated

iii. Budget and Appropriations Committee

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

Name	Designation	Ward
Hon. Muchiri Godfrey Murithi	Chairperson	Karingani
Hon. Riungu Nancy Muthoni	Vice-Chairperson	Nominated
Hon. Kabii Jones Kinegeni	Member	Mwimbi
Hon. S. Nderi Justin Kithinji	Member	Magumoni
Hon. Marengo Luke Nyagah Njeru	Member	Mukothima

iv. Assembly Business Committee

The Committee on Assembly Business Committee is established to prepare and, if necessary, from time to time adjust the Assembly Calendar with the approval of the Assembly; monitor and oversee the implementation of the Assembly Business and programmes; implement the Standing Orders respecting the scheduling or programming of the business of the Assembly and the functioning of the Committees of the Assembly; determine the order in which the reports of Committees shall be debated in the Assembly; and may take decisions and issue directives and guidelines to prioritize or postpone any business of the Assembly acting with the concurrence of the Leader of the Majority Party or the Leader of the Minority Party, as the case may be.

The members who served in the committee during the period were:

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

Hon. John Mbabu	Speaker of the County Assembly	
Hon. Gitonga Leonard J. Kithuka	Deputy Speaker	Nkondi
Hon. Marengo Luke Nyaga	Leader of Majority Party	Mukothima
Hon. Kabii Jones Kinegeni	Majority party whip	Mwimbi
Hon. Njagi Joseph Kinyua	Deputy Leader of Majority Party	Chiakariga
Hon. Karuku Wanja	Deputy Majority Party Whip	Nominated
Hon. Ndiga Lucy Muthoni		Nominated
Hon. Nyaga Frankline Mawira		Chogoria
Hon. Muchiri Godfrey Murithi		Karingani

v. Liaison committee

The Liaison committee is established to guide and co-ordinate the operations, policies and mandates of all Committees. The members who served in the committee during the period were:

Name	Designation	Ward
Hon. Gitonga Leonard J. Kithuka	Chairperson	Nkondi
Hon. John Joseph Njeru	Vice-Chairperson	Igambang'ombe
Hon. S. Nderi Justin Kithinji	Member	Magumoni
Hon. Riungu Nancy Muthoni	Member	Nominated
Hon. Gitonga Morris Mangu	Member	Muthambi
Hon. Mugao Salvestas Kanyaru	Member	Gatunga
Hon. Mwaura Joel Mwangi	Member	Nominated
Hon. Nevert Ntwiga	Member	Mitheru
Hon. Muchiri Godfrey Murithi	Member	Karingani
Hon. Purity Wanja M'Rithaa	Member	Nominated
Hon. Mbae Anita Karimi	Member	Mariani
Hon. Zacharia Mwaniki	Member	Nominated
Hon. Nyaga Frankline Mawira	Member	Chogoria
Hon. Marengo Luke Nyagah Njeru	Member	Mukothima
Hon. Kamunyu Kennedy	Member	Marimanti
Hon. Kiriko Jacob Murimi Ndeke	Member	Mugwe

vi. County Delegated Legislation Committee

The committee is established to consider statutory instruments. The members who served in the committee during the period were:

Name	Designation	Ward
Hon. Nevert Ntwiga	Chairperson	Mitheru
Hon. Njagi Joseph Kinyua	Vice Chairperson	Chiakariga
Hon. Frankline Mawira	Member	Chogoria
Hon. Mbae Anita Karimi	Member	Mariani
Hon. Jones Kinigeni	Member	Mwimbi

vii. Committee on Appointments

The Committee on Appointments is established to consider, for approval by the Assembly, appointments under Articles 179(2) of the Constitution (Members of County Executive Committees). The members who served in the committee during the period were:

Name	Designation	Ward
Hon. Mbabu John -Speaker of the County Assembly	Chairperson	
Hon. Marengo Luke Nyaga	Member	Mukothima
Hon. John Joseph Njeru	Member	Igambang'ombe
Hon. Kamunyu Kennedy	Member	Marimanti
Hon. Nyaga Frankline Mawira	Member	Chogoria
Hon. Kiriko Jacob Murimi Ndeke	Member	Mugwe

viii. Committee on Selection

The Committee on Selection is established to nominate Members to serve in Committees, save for the membership of the Assembly Business Committee, Committee on Appointments. The members who served in the committee during the period were:

Name	Designation	Ward
Hon. Marengo Luke Nyagah Njeru	Chairperson	Mukothima
Hon. Kabii Jones Kinigeni	Member	Mwimbi
Hon. Nevert Ntwiga	Member	Mitheru

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Hon. Muchiri Godfrey Murithi	Member	Karingani
Hon. Njagi Joseph Kinyua	Member	Chiakariga
Hon. Karuku Wanja	Member	Nominated

ix. Committee on Implementation

The Committee is mandated to scrutinize the resolutions of the County Assembly (including adopted committee reports), petitions and the undertakings given by the County Executive Committee and examine – whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented; and whether such implementation has taken place within the minimum time necessary; and whether or not legislation passed by the County Assembly has been operationalized and where operationalized, the extent to which such operationalization has taken place within the minimum time necessary. The members who served in the committee during the period were:

Name	Designation	Ward
Hon. S. Nderi Justin Kithinji	Chairperson	Magumoni
Hon. Kabii Jones Kinegeni	Vice-Chairperson	Mwimbi
Hon. Muchiri Godfrey Murithi	Member	Karingani
Hon. Riungu Nancy Muthoni	Member	Nominated
Hon. Marengo Luke Nyagah Njeru	Member	Mukothima

x. Assembly Procedures and Rules Committee

The Assembly Procedure and Rules Committee is established to consider and report on all matters relating to the Standing Orders. The members who served in the committee during the period were:

Name	Designation	Ward
Hon. Mbabu John	Speaker of the County Assembly-Chairperson	
Hon. Gitonga Leonard J. Kithuka	Deputy Speaker -Vice- Chairperson	Nkondi
Hon. Purity Wanja M'Rithaa	Member	Nominated
Hon. Muchiri Godfrey Murithi	Member	Karingani
Hon. Mugao Salvestas Kanyaru	Member	Gatunga

xi. Committee on Trade Tourism and Cooperatives

The Committee provides guidance on all matters related to county trade development and regulation, including markets, trade licenses (excluding regulation of professions), fair trading practices, county investments, local tourism and cooperative societies. The members who served in the committee during the period were:

Name	Designation	Ward
Hon. Riungu Nancy Muthoni	Chairperson	Nominated
Hon. Marengo Luke Nyagah Njeru	Vice Chairperson	Mukothima
Hon. Muchiri Godfrey Murithi	Member	Karingani
Hon. Kabii Jones Kinegeni	Member	Mwimbi
Hon. S. Nderi Justin Kithinji	Member	Magumoni

xii. Public Service and Administration Committee

The committee provides guidance on all matters relating to justice and legal affairs; county public service including labor, manpower or human resource planning; delivery of county public services; decentralized units; civic education and citizen participation; and the county enforcement units. The members who served in the committee during the period were:

Name	Designation	Ward
Hon. Purity Wanja M'Rithaa	Chairperson	Nominated
Hon. Mwaura Joel Mwangi	Vice-Chairperson	Nominated
Hon. Kamunyu Kennedy	Member	Marimanti
Hon. Riungu Nancy Muthoni	Member	Nominated
Hon. Muchiri Godfrey Murithi	Member	Karingani

xiii. Committee on Education Science and Technology

The committee provides guidance on all matters related to pre-primary education, village polytechnics, home craft centers, childcare facilities, libraries and research. The members who served in the committee during the period were:

Name	Designation	Ward
Hon. Kamunyu Kennedy	Chairperson	Marimanti
Hon. Purity Wanja M'Rithaa	Vice-Chairperson	Nominated

Hon. Mwaura Joel Mwangi	Member	Nominated
Hon. Mbae Lysbeth Gatiria	Member	Ganga
Hon. Mbae Anita Karimi	Member	Mariani

xiv. Committee on Health Services

The Committee provides guidance on all matters related to county health services, including, in particular county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, cemeteries, funeral parlors and crematoria.

The members who served in the committee during the period were:

Name	Designation	Ward
Hon. Gitonga Morris Mangu	Chairperson	Muthambi
Hon. Karuku Wanja	Vice-Chairperson	Nominated
Hon. Nyaga Frankline Mawira	Member	Chogoria
Hon. Kathuni Risper Gakii	Member	Nominated
Hon. Kiriko Jacob Murimi Ndeke	Member	Mugwe
Hon. Gitonga Leonard	Member	Nkondi
Hon. John Joseph Njeru	Member	Igambang'ombe

xv. Committee on Agriculture, Livestock and Fisheries

The committee provides guidance on all matters related to agriculture, including irrigation, crop and animal husbandry, livestock sale yards, county abattoirs, plant and animal disease control and fisheries; veterinary services (excluding regulation of the profession), blue economy and animal control and welfare, including licensing of dogs and facilities for the accommodation, care and burial of animals. The members who served in the committee during the period were:

Name	Designation	Ward
Hon. Kiriko Jacob Murimi Ndeke	Chairperson	Mugwe
Hon. John Joseph Njeru	Vice-Chairperson	Igambang'ombe
Hon. Gitonga Morris Mangu	Member	Muthambi
Hon. Nyaga Frankline Mawira	Member	Chogoria
Hon. Kathuni Risper Gakii	Member	Nominated

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Hon. Gitonga Leonard	Member	Nkondi
Hon. Karuku Wanja	Member	Nominated

xvi. Committee on Youth, Sports and Social Services

The committee provides guidance on all matters relating to gender, youth and sports; cultural activities, public entertainment and public amenities, including betting, casinos and other forms of gambling, racing, liquor licensing, cinemas, video shows, museums, county parks, and other recreation facilities; firefighting services and disaster management, control of drugs and substance abuse and pornography; and matters related to preservation of county cultural heritage. The members who served in the committee during the period were:

Name	Designation	Ward
Hon. Nyaga Frankline Mawira	Chairperson	Chogoria
Hon. Kathuni Risper Gakii	Vice-Chairperson	Nominated
Hon. Kiriko Jacob Murimi Ndeke	Member	Mugwe
Hon. Gitonga Leonard	Member	Nkondi
Hon. Gitonga Morris Mangu	Member	Muthambi
Hon. Karuku Wanja	Member	Nominated
Hon. John Joseph Njeru	Member	Igambang'ombe

xvii. Committee on Transport Public works and infrastructure

The committee provides guidance on all matters related to county transport, including county roads, street lighting, traffic and parking, public road transport; county public works and services including storm water management systems in built-up areas; electricity and gas reticulation and energy regulation. The members who served in the committee during the period were:

Name	Designation	Ward
Hon. Mbae Anita Karimi	Chairperson	Mariani
Hon. Njagi Joseph Kinyua	Vice-Chairperson	Chiakariga
Hon. Murungi Rael Fatuma	Member	Nominated
Hon. Njagi Zacharia Mwaniki	Member	Nominated
Hon. Nevert Ntwiga	Member	Mitheru
Hon. Mugao Salvestas Kanyaru	Member	Gatunga

Hon. Lucy Muthoni Ndiga	Member	Nominated
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xviii. Committee on Lands Housing and Physical Planning

The committee provides guidance on all matters related to county planning and development including statistics, land survey and mapping, boundaries and fencing, housing; matters related to county land use including zoning, spatial plans, sectoral plans, cities and urban areas plans. The members who served in the committee during the period were:

Name	Designation	Ward
Hon. Mugao Salvestas Kanyaru	Chairperson	Gatunga
Hon. Murungi Rael Fatuma	Vice-Chairperson	Nominated
Hon. Njagi Zacharia Mwaniki	Member	Nominated
Hon. Njagi Joseph Kinyua	Member	Chiakariga
Hon. Nevert Ntwiga	Member	Mitheru
Hon. Lucy Muthoni Ndiga	Member	Nominated
Hon. S. Nderi Justin Kithinji	Member	Magumoni

xix. Committee on Water, Environment and Natural Resources

The committee provides guidance for all matters related to implementation of specific national government policies on natural resources and environmental conservation, including soil and water conservation and forestry and control of air pollution, sound pollution, other public nuisances and outdoor advertising and refuse removal, refuse dumps and solid waste disposal and water and sanitation services. The members who served in the committee during the period were:

Name	Designation	Ward
Hon. Njagi Zacharia Mwaniki	Chairperson	Nominated
Hon. Lucy Muthoni Ndiga	Vice-Chairperson	Nominated
Hon. Mugao Salvestas Kanyaru	Member	Gatunga
Hon. Njagi Joseph Kinyua	Member	Chiakariga
Hon. Murungi Rael Fatuma	Member	Nominated
Hon. Nevert Ntwiga	Member	Mitheru
Hon. Lysbeth Gatiiria Mbae	Member	Ganga

e. Communication with all Stakeholders

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

The County Assembly also subjected seven bills through public participation.

1. The Tharaka Nithi County Child Care and Protection Bill, 2024
2. The Tharaka Nithi County Trade and Markets Bill, 2024
3. The Tharaka Nithi County Sports and Cultural Activities Bill, 2024
4. The Tharaka Nithi County Tax Waivers Administration Bill, 2024
5. The Tharaka Nithi County Supplementary (I) Appropriation Bill, 2025
6. The Tharaka Nithi County Supplementary (II) Appropriation Bill, 2025
7. The Tharaka Nithi County Appropriation Bill, 2025

f. Risk management

The County Assembly of Tharaka-Nithi remains firmly committed to sound governance and responsible stewardship of public resources. In the Financial Year 2024/25, the Assembly continued to strengthen its risk management and internal control mechanisms, guided by the Public Financial Management (PFM) framework. Risk management principles are fully integrated into financial regulations and institutional policies, forming a cornerstone of operational integrity and compliance.

The Internal Audit Department, which reports independently to the Clerk, plays a pivotal role in this framework. It conducts regular reviews to evaluate internal controls, identify operational weaknesses, and monitor the implementation of audit recommendations. Its independence and unrestricted access enable objective and impartial oversight. Supporting daily operations, a Management Committee—chaired by the Clerk—contributes to decision-making and risk response strategies.

As Secretary to the County Assembly Service Board (CASB), the Clerk reports and advises the Board, which serves as the Assembly's Accounting Authority. The Board is instrumental in setting governance direction and ensuring fiduciary responsibility.

Structured processes are in place to identify and assess risks through budgeting cycles, audit reviews, and management meetings, including those convened by the Management Committee. Risk analysis considers both the likelihood and potential impact of identified risks, enabling the Assembly to develop and implement appropriate mitigation strategies. Ongoing assessments of internal and external changes—such as new legislation, economic shifts, and evolving social conditions—are informed by Auditor General reports and proceedings of parliamentary oversight bodies.

Quarterly budget performance reviews provide critical checkpoints for evaluating financial execution and allow for timely adjustments. These reviews are documented in reports submitted by the Clerk to the Assembly and the Controller of Budget.

To uphold financial integrity, the Assembly utilizes the Integrated Financial Management Information System (IFMIS) for all accounting functions, enhancing transparency and operational efficiency. All funds are securely managed through the Central Bank of Kenya (CBK), and staff payroll is processed via the Human Resource Information System (HRIS) to ensure accuracy and compliance.

The Assembly has also developed an Assets and Liabilities Management Policy in accordance with National Treasury guidelines, ensuring the proper safeguarding and accountability of public assets. Physical security at both Chuka and Kathwana premises is diligently maintained by the Serjeant-at-Arms.

During the reporting period, key risks were identified, including development budget underutilization, system downtimes, and security vulnerabilities posed by demonstrations. These risks were actively mitigated through a combination of strong financial controls, continuous monitoring, staff capacity building, and comprehensive physical security protocols.

g. Compliance

The County Assembly of Tharaka-Nithi operates within a comprehensive legal and regulatory framework that governs its establishment, mandate, and financial operations. This framework forms the foundation for the Assembly's commitment to good governance, accountability, and prudent financial management. All legislative, oversight, and representative functions of the Assembly are anchored in and guided by strict adherence to key laws and regulations.

Foremost among these is the Constitution of Kenya, 2010, which serves as the supreme law of the land. It provides the foundational principles for devolution, public finance, and the roles and responsibilities of County Assemblies. The Assembly's mandate is derived directly from the Constitution, which outlines its legislative, oversight, and representative duties. The County Governments Act, 2012 complements this by providing the legal structure for county governments, including detailed provisions on the functioning and organization of County Assemblies and their relationship with other organs of county government.

The Public Finance Management (PFM) Act, 2012 provides a comprehensive framework for the effective management of public finances at both national and county levels. It establishes principles for planning, budgeting, expenditure, accounting, and financial reporting. These are further supported by the PFM Regulations, 2015, which offer detailed procedures to ensure proper implementation of the Act, particularly regarding financial controls and reporting requirements. The Assembly diligently follows these provisions to maintain transparency and accountability in the use of public funds.

The County Assembly Services Act, 2017 outlines the establishment and functions of the County Assembly Service Board (CASB), which is responsible for human resource management and the provision of administrative and support services to the Assembly. The Assembly ensures full compliance with this Act, with the CASB serving as the Accounting Authority. Additionally, the Public Procurement and Asset Disposal Act, 2015 governs all procurement and asset management processes, ensuring fairness, competitiveness, and transparency in the acquisition and disposal of goods and services.

To ensure effective compliance, the County Assembly has developed a structured system of monitoring and reporting. The Internal Audit Department plays a critical role by conducting periodic assessments of adherence to financial regulations and procedures. Its findings are reported to the Clerk and discussed at the Management Committee level to inform operational improvements. Quarterly financial reports are prepared by the Clerk, in accordance with Section 166 of the PFM Act, and submitted to the County Treasury, County Assembly, Commission on Revenue Allocation and the Controller of Budget.

Annually, the Assembly prepares financial statements in line with public sector accounting standards. These are audited by the Office of the Auditor General, which provides an independent evaluation of the Assembly's financial management and compliance. The resulting audit reports are reviewed by the County Assembly's Public Accounts Committee (PAC) and the Senate Public Accounts Committee (CPAC). The Assembly Management actively responds to the audit issues raised, as evidenced by its submission of a formal response to the Auditor General's report for FY 2023/24.

Additionally, the Management Committee, which supports the Clerk in overseeing the Assembly's daily operations, regularly deliberates on compliance matters, audit recommendations, and regulatory updates. These discussions ensure that emerging issues are promptly addressed and that the Assembly remains aligned with its legal obligations.

4. Foreword by Clerk of the County Assembly

(i) Budget performance

The County Assembly's overall budget for FY 2024/25 was KSh. 539,067,456. As of the end of the financial year, the actual expenditure amounted to KSh. 523,352,348, representing a utilization rate of 97%.

Items	Budget	Actual Expenditure	Budget utilization difference	% of utilization
Recurrent	523,355,131	523,352,348	2,783	99.9%
Development	15,712,325	0	15,712,325	0%
Total	539,067,456	523,352,348	15,714,325	97%

(ii) Operational Performance

The County Assembly discharged its Legislative, Oversight, and Representative mandates during the Financial Year 2024/25. In pursuit of enhanced County Governance and service delivery, Members processed and passed seven Bills into law. These included the Child Care and Protection Bill, the Trade and Markets Bill, Tax Waivers Administration Bill, and the Sports and Cultural Activities Bill, aimed at promoting local talent and preserving cultural heritage further the Assembly passed three Appropriation Bills in FY 2024/25 which include two supplementary appropriation bills and County Appropriation Bill, 2025 providing the legal authority for County departments to execute development projects and deliver essential services.

In addition to the seven enacted laws, the Assembly navigated several other legislative pathways. Two Bills—the Finance Bill 2024 and the Agricultural Produce Cess Bill 2024 were read a first time but later withdrawn under Standing Order 165. Meanwhile, the Finance Bill 2025 and the Agroecology Development Bill 2025 are currently under committee consideration, with public participation processes underway.

Beyond Bills, the Assembly debated and resolved 31 motions, offering policy direction on diverse county concerns. Seventy-two Papers were laid on the Table, ensuring Members and, by extension, the public remained well informed. Six formal Statements were sought from county departments, and one Petition was presented.

Throughout the year, legislative activities were complemented by strict adherence to constitutional timelines for budget approval. The Budget for FY 2024/25 was enacted on 25th June 2024, providing the foundational resource allocation for the county's development agenda. Supplementary Budget I was passed on 11 March 2025, and Supplementary Budget II followed on 3 June 2025, enabling flexibility to address emerging needs and priorities.

Successes of the Committees over the said period

1. Committee on Agriculture, Livestock and Fisheries

The Committee is mandated to consider all matters related to agriculture, including irrigation, crop and animal husbandry, livestock sale yards, county abattoirs, plant and animal disease control and fisheries; veterinary services (excluding regulation of the profession), blue economy and animal control and welfare, including licensing of dogs and facilities for the accommodation, care and burial of animals.

During the period under review the Committee held a total of sixty-two oversight meetings in which they considered among others the respective departmental Annual Development plan for the FY 2025/2026, the respective departmental ceilings in the County Fiscal Strategy Paper for the financial year 2025/2026 and the annual budget estimates for the FY 2025/2026. The committee also attended a forum on prepublication consideration of the Tharaka Nithi County Agroecological Bill, 2025 which has consequently been published and read for a first time. The committee also followed up on the budget implementation of its respective departments for the financial year 2024/2025.

2. Committee on Public Service and Administration

The Committee is mandated to consider all matters relating to justice and legal affairs; county public service including labor, manpower or human resource planning; delivery of county public services; decentralized units; civic education and citizen participation; and the county enforcement units.

During the period under review the Committee held a total of Fifty-three oversight meetings in which they considered among others the annual Development plan FY 2025/2026, the respective departmental Ceilings in the County Fiscal Strategy Paper for the Financial year 2025/2026 and the annual Budget Estimates. Additionally, the committee conducted an oversight visit to review on the status of the ward offices in Tharaka and Chuka Igambang'ombe constituencies respectively. The committee also followed up on the measures being put in place by the department in management of wage bill to ensure that it meets the statutory requirements and the challenges being faced by the employees in execution of their duties.

3. Committee on Education, Science and Technology

The Committee is mandated to consider all matters related to pre-primary education, village polytechnics, home craft centers, childcare facilities, libraries and research.

During the period under review, there have been concerns affecting Village Polytechnics in the county ranging from poor infrastructure to poor staffing of these institutions and thus to be able to have first-hand information on how to alleviate these challenges, the committee undertook a site visit to village polytechnics in Tharaka and prepared a comprehensive report with actionable recommendations for tabling in the House. During this period under review, Stakeholders were consulted where the

committee held sixty five sittings, among them with the County Executive Committee Member in charge of the respective department where impactful insights were shared. Additionally, the committee conducted oversight visits on the status of Early childhood Education centres in Tharaka North and South sub-counties and compiled it's report a waiting tabling in the Assembly.

The committee also participated in a county dialogue and learning outcomes workshop held at Chuka Girls, as well as the KU – WEE research output dissemination workshop for the RCT project by the Kenyatta University Women Economic Empowerment held at H.E the Governor's residence at Ruguri, bringing together several other partners.

Further, the committee participated in the Budget making process where it considered the departmental Annual Development plan FY 2025/2026, Budget ceilings in the County Fiscal Strategy Paper for the Financial year 2025/26 and the annual budget estimates for the FY 2025/2026 and subsequently presented its recommendations to the committee on Finance, Budget and Appropriations.

4. Committee on Health Services

The committee is mandated to consider all matters related to county health services, including, in particular county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, cemeteries, funeral parlors and crematoria.

In the financial year 2024/2025 the Committee considered the Departmental Annual Development Plan for the Financial Year 2025/2026, the County Fiscal Strategy Paper for the Financial Year 2025/26, and the annual budget estimates for the fy 2025/2026 and received submissions from the County Executive Committee Member in charge of the Department and thereafter compiled reports and submitted to the Committee on Finance Budget and Appropriations.

Additionally, the Committee undertook oversight visits on status of health facilities in Muthambi and Maara Sub-Counties. The Committee engaged the department in deliberations on their observations and findings and later compiled a report which was tabled in the House. The committee also undertook benchmarking visits with the counterpart committees from Embu and Kirinyaga County Assemblies to share experiences and learn more on the policy performance in the counties' health sector and also visited their level five hospitals. Later the Committee compiled a report awaiting their adoption and tabling in the County Assembly. Additionally the committee undertook oversight visit to the Chuka Level V Hospital to establish the status of the health facility in terms of infrastructural development, achievements, challenges and policy needs on service delivery. The Committee compiled a report awaiting adoption and tabling in the County Assembly.

Further the Committee held oversight meetings which engaged the department of health on various matters of concern. Among them is the ongoing consideration of a petition from the Universal Health Coverage workers seeking for transition to permanent and pensionable terms of service.

5. Committee on Land, Housing and Physical Planning

The Committee is mandated to consider all matters related to county planning and development including statistics, land survey and mapping, boundaries and fencing, housing; matters related to county land use including zoning, spatial plans, sectoral plans, cities and urban areas plans.

The committee on Land Housing and Physical Planning is mandated to perform oversight of the respective department and in furtherance of this noble role, during the period under review, the committee held sixty one committee sittings, where, analysis of relative departmental success in project implementation was compared against the stated objectives. The committee gathered crucial information concerning the department from County Executive committee Member in-charge, on Chuka Municipality Integrated development Plan 2024 – 2029, lower level market plans as well as other emerging issues like security of tenure in region with land disputes. Oversight ensures that there is accountability, transparency and the public can feel the good governance by their leaders.

The committee investigates and inquires into all matters referred to it by the County Assembly and during the period under review, the committee reviewed the Chuka Municipality Integrated development Plan 2024 – 2029, held public participation and prepared a report with recommendations that will culminate into the approval of the plan by the County Assembly,

Lastly, the committee participated in the Budget making process where it considered the departmental Annual Development Plan for the FY 2025/2026, the County Fiscal Strategy Paper for the financial year 2025/2026 and the Annual Budget Estimates for the FY 2025/2026.

6. Committee on Trade, Tourism and Cooperatives

The committee is mandated to consider all matters related to county trade development and regulation, including markets, trade licenses (excluding regulation of professions), fair trading practices, county investments, local tourism and cooperative societies.

During the period under review the committee successfully participated various activities among them consideration of the Annual Development Plan for the FY 2025/2026, the County Fiscal Strategy Paper 2025, the annual budget Estimates for the Financial Year 2025/2026 oversight visits and fifty four oversight meetings.

As part of the committee's mandate to oversight on the implementation of the County Budget, the committee undertook county visits to County Cooperative Societies in both Maara and Chuka. The key objective of the visit was to ascertain that budget allocated to the cooperatives had been utilized

accordingly. Additionally, the Committee undertook a site visit to Anabas resort-kinondoni to ascertain the measures put in place towards promoting local tourism within the County.

7. Committee on Transport, Public Works and Infrastructure

The committee on Transport, Public works and Infrastructure is mandated to consider all matters related to county transport, including county roads, street lighting, traffic and parking, public road transport; county public works and services including storm water management systems in built-up areas; electricity and gas reticulation and energy regulation.

During the period under review the Committee held a total of fifty-eight oversight meetings in which they considered among others the respective departmental Annual Development plan for the FY 2025/2026, the departmental ceilings in the County Fiscal Strategy Paper for the Financial year 2025/2026 and the annual Budget Estimates for the Financial Year 2025/2026. The committee oversight visits on County feeder roads in Tharaka constituency and compiled its report awaiting tabling in the Assembly.

8. Water, Environment and Natural Resources

The committee is mandated to consider all matters related to implementation of specific national government policies on natural resources and environmental conservation, including soil and water conservation and forestry and control of air pollution, sound pollution, other public nuisances and outdoor advertising and refuse removal, refuse dumps and solid waste disposal and water and sanitation services.

During the period under review the Committee held a total of sixty-three oversight meetings in which they considered among others the respective departmental Annual Development plan FY 2025/2026, the departmental ceilings in the County Fiscal Strategy Paper for the Financial year 2025/2026 and the annual Budget Estimates for the FY 2025/2026. The committee also considered the Statement on the status of water pipes issued by the county government to self-help groups and water projects from the year 2013 to 2024 with the department on water. The committee engaged its stakeholders; among them the CECM in-charge of the department on issues of FLLoCA projects implementation in addressing Climate Change. During the period under review, the committee visited all the FLLoCA projects in the County and compiled its report that is ready for tabling in the House. On the same note, the committee attended a sensitization workshop on how to mainstream Climate Change adaptation and mitigation strategies in the County's Strategic plans (CIDP, ADP). The committee is also following up on the budget implementation of its respective departments for the financial year 2024/2025.

9. Committee on Youth, Sports and Social Services

The Committee is mandated to consider all matters relating to gender, youth and sports; cultural activities, public entertainment and public amenities, including betting, casinos and other forms of gambling, racing, liquor licensing, cinemas, video shows, museums, county parks, and other recreation facilities; firefighting services and disaster management, control of drugs and substance abuse and pornography; and matters related to preservation of county cultural heritage.

During the period under review the committee held a total of sixty-seven oversight meetings. The committee also considered the respective departmental Annual Development plan FY 2025/2026, the departmental ceilings in the County Fiscal Strategy Paper for the financial year 2025/2026 and the Annual Budget Estimates for the FY 2025/2026. The committee held consultative meetings with the respective County Executive Committee Members on the status of the three stadiums (Nyangumi, Kathwana and Kairuni stadia). Additionally, the committee conducted an oversight visit to Kajiunduthi, Kibugua & Rwatha Stadia to access their status and compiled their specific observations and findings.

10. Committee on Finance, Budget and Appropriations

The committee is mandated to:

- a. Investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget;
- b. Discuss and review the estimates and make recommendations to the Assembly;
- c. Examine the County Fiscal Strategy Paper presented to the Assembly;
- d. Examine Bills related to the County budget, including Appropriation Bills and the Finance Bill;
- e. Examine and consider all matters related to public finance, monetary policies and public debt;
- f. Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays;
- g. Consider the reports of the Controller of Budget on the implementation of the annual county budget; and,
- h. In accordance with the Public Finance Management Act, examine the levels of county public debt and proposals for limitation of expenditure on the wages of public officers serving in the county.

During the period under review the Committee considered the Annual Development Plan FY 2025/2026, the County Budget Review and Outlook Paper 2024, the Supplementary Budget Estimates for the FY 2024/2025, The Tharaka Nithi County Supplementary Appropriation Bill, 2025, the Tharaka Nithi County Fiscal Strategy Paper for the FY 2025/2026, the Tharaka Nithi County Supplementary Budet (II) for the Financial Year 2024/2025 and the Thraka Nithi County Supplementary appropriation (2)Bill, 2025, the Annual Budget Estimates for the FY 2025/2026, and the Tharaka Nithi County Appropriation Bill 2025 among others. The committee also held

consultative meetings with the respective departments and the County Executive Committee Member in charge of Finance with respect to the planning documents.

Additionally, the committee considered the following quarterly reports and financial statements and is in the process of compiling their report for Tabling in the House:

- i. Quarterly Report and Financial Statements on Tharaka Nithi County Youth Empowerment Fund for the period ended 30th September 2024, 31st December, 2024 and 31st March, 2025.
- ii. Quarterly Report and Financial Statements on Tharaka Nithi County Emergency Fund for the period ended 30th September 2024, 31st December, 2024 and 31st March, 2025.
- iii. Quarterly Report and Financial Statements on Tharaka Nithi County Municipality of Kathwana for the period ended 30th September 2024, 31st December, 2024 and 31st March, 2025.
- iv. Quarterly Report and Financial Statements on Tharaka Nithi County Bursary Development Fund for the period ended 30th September 2024, 31st December, 2024 and 31st March, 2025.
- v. Quarterly Report and Financial Statements on Tharaka Nithi County Revenue Fund for the period ended 30th September 2024, 31st December, 2024 and 31st March, 2025.
- vi. Quarterly Reports and Financial Statements on Tharaka Nithi County Executive for the period ended 30th September 2024, 31st December, 2024 and 31st March, 2025.
- vii. Quarterly Report and Financial Statements on Tharaka Nithi County Receiver of Revenue for the period ended 30th September 2024, 31st December, 2024 and 31st March, 2025.

11. Committee on Public Accounts and Investments

The The Committee on Public Investments and Accounts is established pursuant to Standing Order 220 of the Tharaka Nithi County Assembly Standing Orders whose mandate is;

In respect of the accounts of the County Government;

The examination of the annual reports of the Auditor General on the accounts relating to the appropriations of the sum voted by the Assembly to meet the public expenditure for the County Government, including the Assembly; and,

the examination of any other reports of the Auditor General on public funds relating to the County, including specialized reports and special reports submitted by the Auditor General on his own motion or following a request of the Assembly in accordance with the law relating to Public Audit.

In respect of County Government Entities;

The examination of the annual reports of the Auditor General on the accounts of county government entities, including county corporations;

the examining of any recommendation from the Auditor General relating to withholding of funds to a county government entity or a county corporation;

the examination of proposals from the county executive to declare a county corporation to be a county government entity; and,

where a report is not available, the examination, in the context of the autonomy and efficiency of the county public investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices.

The Committee may, in respect of a County Government-Linked Entity, inquire into the commercial affairs of the entity with a view to examining the prudence and commercial effectiveness of the continued investment of the County in the entity.

The Public Investments and Accounts Committee may examine the commercial effectiveness of the County Government's investment in a county government entity or a county corporation, including proposals for divestiture.

The primary mandate of the Committee is to oversight the expenditure of public funds by Tharaka Nithi County Executive, to ensure value for money.

During the financial year 2024/25,

1. The Committee compiled and adopted a report on the County Executive audited report for the year ended 30th June, 2022 awaiting tabling in the Assembly for deliberations. In addition, the Committee considered and held hearings in consultation with the Office of the Auditor General on the audited report on the County Executive Financial statements for the period ended 30th June, 2023.
2. The Committee also considered the audited reports of the Auditor General on Tharaka Nithi County Youth Empowerment for the year ended 30th June, 2022 and 2023 and thereafter held hearings in consultation with the Office of the Auditor General.
3. The Committee further considered, received written submissions from the accounting officers, tabled the following reports which were adopted by the County Assembly:
 - a) Report of the Auditor General on Nithi Water and Sanitation Company Limited for the Year ended 30th June, 2024.
 - b) Report of the Auditor General on the Financial Statements of Tharaka Nithi County Executive for the Year ended 30th June, 2024.
 - c) Report of the Auditor General on the Financial Statements of Tharaka Nithi County Assembly for the Year ended 30th June, 2024.
 - d) Report of the Auditor General on Municipality of Kathwana for the Year ended 30th June, 2024.

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- e) Report of the Auditor General on the Financial Statements of Tharaka Nithi County Revenue Fund for the Year ended 30th June, 2024.
- f) Report of the Auditor General on the Financial Statements of Tharaka Nithi County Assembly Car Loan and Mortgage Fund for the Year ended 30th June, 2024.
- g) Report of the Auditor General on the Financial Statements of Tharaka Nithi County Climate Change Fund for the Year ended 30th June, 2024.
- h) Report of the Auditor General on the Financial Statements of Tharaka Nithi County Emergency Fund for the Year ended 30th June, 2024.
- i) Report of the Auditor General on the Financial Statements of Tharaka Nithi County Youth Empowerment Fund for the Year ended 30th June, 2024.
- j) Report of the Auditor General on the Financial Statements of Tharaka Nithi County Executive Staff Mortgage and Car Loan Scheme Fund for the Year ended 30th June, 2024.
- k) Report of the Auditor General on the Financial Statements of Tharaka Nithi County Bursary Fund for the Year ended 30th June, 2024.
- l) Report of the Auditor General on Receiver of Revenue- Revenue Statements for the Year ended 30th June, 2024- County Government Tharaka Nithi.

The key fiduciary oversight arrangements for the Committee on Public Investments and Accounts is to;

- i. Undertake timely examination of audit reports to prompt management take the recommended actions within the stipulated time, and consequently reduce the likelihood of recurrence of the audit query.
- ii. Thorough examination of audit reports. The Committee engages the Office of the Auditor General to enable them understand the issues raised in the audit reports in compliance with the Public Finance Management Act. In addition, the committee aims to investigate whether spending of public funds complied with the legislatures intentions and expected standards, and also whether value for money was obtained.
- iii. Make the recommendations. Upon consideration of the audited reports and hearings from the witnesses, the Committee compiles a report to the Count Assembly with recommendations of the intended impact to the County Corporations.

The key considerations are:

1. Resources

This includes the technical staff, Finances and the supporting function of the Auditor General. The technical staff provide brief summary of audit issue and current status which contains the Audit query, Accounting officer response, Verification by auditor, Applicable laws and regulations and the suggested questions.

2. Working Practices

These includes the committee's decision making in form of unanimity and/or minority report; frequency of committee meetings to interrogate the reports; attendance and transparency in the committee meeting; and compliance to timeliness to avoid back log.

3. Public Investments and Accounts Committee Process

The committee considers the audited reports in order of priorities the reports; prepares its programme for the hearing of the witnesses in consultation with the auditor general; conduct the hearings; compile reporting with recommendations and later follow-up on the recommendations.

12. Liaison committee

The Liaison Committee is established under standing order 226 and is mandated to

- a. guide and co-ordinate the operations, policies and mandates of all Committees;
- b. deliberate on and apportion the annual operating budget among the Committees;
- c. consider the programmes of all Committees,;
- d. ensure that Committees submit reports as required by these Standing Orders;
- e. subject to paragraph (3) of Standing Order 15 (Speaker may refer a matter to any committee), determine, whenever necessary, the committee or committees to deliberate on any matter; and,
- f. give such advice relating to the work and mandate of committees as it may consider necessary;
- g. The Liaison Committee shall consider reports of Committees that have been referred to them by the Speaker or those that have not been deliberated by the Assembly and may submit a consolidated report containing the summaries of such reports for noting by the Assembly.
- h. In the Financial year 2024/2025 the Committee considered the two half year Committees' progress reports and thereafter compiled a report that was tabled in the House.

13. Committee on Implementation

Implementation committee is one of the select committees in the Assembly whose mandate is to; scrutinize the resolutions of the County Assembly (including adopted committee reports), petitions and the undertakings given by the County Executive Committee and examine –

- (a) whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented; and whether such implementation has taken place within the minimum time necessary; and
- (b) whether or not legislation passed by the County Assembly has been operationalised and where operationalised, the extent to which such operationalisation has taken place within the minimum time necessary.

The Committee may propose to the County Assembly, sanctions against any member of the County Executive Committee who fails to report to the relevant select Committee on implementation status without justifiable reasons.

During the period under review the committee held a total of forty meetings. The committee is in the process of inquiring into all resolution passed by the Assembly and requesting for implementation status of the same from the relevant implementing authorities and the respective County Executive Committee Members.

(iii) Performance of key development projects

The Tharaka-Nithi County Assembly continues to invest in strategic development projects aimed at improving its operational capacity and service delivery. Two major projects currently underway include the construction of the County Assembly Chamber and Offices and the Speaker's Residence. The construction of the new Chamber and Offices commenced on December 2, 2024, and has reached 5% completion. This project is expected to provide modern, spacious facilities that will address existing space limitations and improve the working environment for Members of the County Assembly (MCAs) and staff. Once completed, the new infrastructure will streamline legislative activities, strengthen oversight functions, and facilitate greater public participation, ultimately contributing to enhanced governance and improved service delivery for the residents of Tharaka-Nithi County.

The second ongoing project is the construction of the Speaker's Residence, which began on May 20, 2021, and is currently 56% complete. The residence will offer secure and official accommodation for the Speaker as required by law. This project is expected to foster institutional stability and provide the Speaker with a conducive environment to focus on official responsibilities, thereby supporting the effective functioning of the County Assembly. Both of these projects are aligned with the Assembly's strategic priorities and are integrated into its procurement and work plans.

In addition to infrastructure development, the County Assembly remains committed to promoting transparency, accountability, and fair competition in procurement. The Assembly has adopted the e-Government Procurement (EGP) platform, which digitizes the procurement process, ensuring openness and reducing opportunities for malpractice. Guided by the Public Finance Management Act, Public Procurement and Asset Disposal and operationalized through the Integrated Financial Management Information System (IFMIS), the Assembly also prioritizes timely contract payments and adherence to financial obligations. This not only builds trust with suppliers but also ensures continued access to quality goods and services essential for the Assembly's operations.

(iv) Comment on value-for-money achievements

The Tharaka-Nithi County Assembly has consistently pursued value-for-money outcomes by combining impactful development projects with effective legislative and oversight work. These efforts reflect the Assembly's commitment to prudent use of public resources and improved service delivery to the county's residents.

A key example is the ongoing construction of the County Assembly Chamber and Offices, which, though currently at 5% completion, is expected to significantly enhance operational efficiency. Once completed, the facility will address space limitations, modernize legislative operations, and allow greater public participation in governance processes. Similarly, the construction of the Speaker's Residence—now 56% complete—demonstrates long-term financial prudence by eliminating recurring rental costs and supporting institutional stability.

In addition to infrastructure, the Assembly delivered substantial legislative value. During FY 2024/25, seven Bills were passed, including the Child Care and Protection Bill and the Trade and Markets Bill, which are expected to enhance child welfare and improve the local business environment, respectively. Furthermore, 31 motions were debated and resolved, shaping policy direction and addressing pressing community needs.

Oversight activities remained strong, with six statements sought from the Executive on key public concerns and 72 Papers laid before the House. The Assembly's committees, particularly the Public Accounts Committee (PAC), played a critical role in scrutinizing Auditor General reports, influencing corrective actions and improved accountability.

(v) Challenges and recommended way forward

The County Assembly has made commendable strides in fulfilling its legislative, oversight, and representative mandates. However, a number of systemic challenges continue to hinder the full realization of its strategic goals and development agenda. These challenges have had a direct impact on the Assembly's ability to execute its programs effectively and deliver optimal service to the county's residents.

One of the most pressing challenges is the delay in the release of funds from the Exchequer, particularly the non-disbursement of development monies. This issue has disrupted the timely implementation of key projects. For example, the construction of the County Assembly Chamber and Offices, which commenced in December 2024, is currently stalled at only 5% completion due to inconsistent funding. The slow disbursement of resources not only affects project timelines but also contributes to the accumulation of pending bills and interrupts planned operations.

Another major concern is the Assembly's lack of financial autonomy. Despite being an independent arm of government, the Assembly continues to depend on the County Executive to access its budgeted

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funds. This dependency undermines institutional independence and often leads to administrative delays, especially in the payment of suppliers and the execution of capital projects. Such delays compromise the Assembly's ability to deliver on its development objectives in a timely and efficient manner.

Inadequate budget allocation is also a recurring problem that limits the Assembly's operational capacity. The constrained funding environment affects critical functions such as committee operations, public participation initiatives, and oversight activities. These limitations reduce the Assembly's reach and effectiveness in discharging its constitutional responsibilities and responding to public needs.

To address these challenges, there is an urgent need to strengthen the Assembly's financial autonomy, improve predictability in the release of funds, and advocate for increased budget allocations. These reforms are necessary to enhance the Assembly's performance, strengthen governance, and improve service delivery across Tharaka-Nithi County.



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Name: Paul Thirika

Clerk of the County Assembly

5. Statement of Performance against Predetermined Objectives

During the financial year under review, the County Assembly of Tharaka-Nithi implemented its constitutional and statutory mandate under the County Assembly Programme. The objectives of the programme include enacting laws for effective county governance, undertaking oversight over the County Executive, and representing the interests of the citizens.

In fulfilling its legislative role, the Assembly enacted seven (7) Bills, including key laws such as the Tharaka Nithi County Child Care and Protection Bill, the County Trade and Markets Bill, the Sports and Cultural Activities Bill, and the Tax Waivers Administration Bill, 2024. These laws were developed to address social welfare, economic development, and improved revenue administration. Two Supplementary Appropriation Bills and the main Appropriation Bill were passed to authorize county expenditure. Two Bills were withdrawn, while two others remain under consideration and public participation.

The Assembly effectively exercised its oversight function through the consideration of the Auditor General's reports, review of departmental implementation reports, and processing of thirty-one (31) motions. Six (6) statements were sought by Members, and responses were tabled by relevant County Executive departments, contributing to improved accountability. The Assembly also processed one citizen petition and tabled seventy-two (72) papers, thereby enhancing openness in legislative business.

In the area of representation, the Assembly facilitated public participation forums across various wards, ensuring citizens' views were incorporated into legislation and budget processes. This participatory approach helped align county policies with community needs.

The County Assembly also progressed with the construction of its Chamber and Office Block under the General Administration and Support Services programme. This infrastructure project, once completed, will provide a conducive working environment for Members and staff, thereby supporting the Assembly's legislative and oversight mandate.

County Assembly of Tharaka Nithi
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Strategic development objectives

The key mandate of the County Assembly of Tharaka Nithi 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 2025.

Program 1	Strategic Objective	Outcome	Indicator	Performance	Remarks (Explain the reasons underperformance/Overperformance)
County Legislation & Oversight Services	To strengthen the capacity of MCAs to make laws and exercise oversight and representation functions	Improved service delivery to citizens	No of bills passed in the County Assembly	In FY 2024/25 seven bills were passed	
General Administration & Support Services	To promote good governance in the management of County Assembly affairs	Improved service delivery	Developing and Retaining Competent Human Capital	75 staff retained	
	To promote good governance in the management of County Assembly affairs	Improved service delivery	Percentage of completion of work plans	100%	
	To promote good governance in the management of County Assembly affairs	Improved service delivery	Percentage of completion	Construction of Assembly Chamber & Officer's 5% completion	

6. Environmental and Sustainability Reporting

The County Assembly, functions as a vital component of devolved governance, is deeply committed to its fundamental mandate of legislating, providing oversight, and representing the interests of its constituents. Beyond these core responsibilities, the Assembly operates with a profound dedication to the principles of sustainability. This commitment stems from a clear understanding that its long-term viability in delivering effective services and contributing to the County's progress is inherently dependent on embracing responsible and forward-thinking practices. Sustainability, in this comprehensive view, extends beyond mere environmental care to encompass robust governance, social equity, and economic resilience. This report meticulously details the Assembly's strategic blueprint for sustainability, shedding light on its environmental footprint, its commitment to employee well-being, its ethical marketplace conduct, and its active community engagements, all of which are pivotal for ensuring its enduring relevance and positive impact on the people of Tharaka-Nithi County.

a) Sustainability Strategy and Profile

The County Assembly's sustainability strategy is inextricably woven into its primary mission of fostering sound governance and ensuring the judicious utilization of public resources for the enduring prosperity of Tharaka-Nithi County. The leadership, spearheaded by the Speaker of the County Assembly, is pivotal in championing these sustainable initiatives. This entails a deliberate integration of sustainability considerations into the very fabric of strategic planning, budgetary allocations, and day-to-day operational decisions. The Assembly acknowledges that its capacity to achieve long-term sustainability is significantly influenced by the broader political and macroeconomic climate. Fluctuations in national fiscal policies, inflationary pressures, and global economic shifts directly impinge upon the availability and purchasing power of its allocated budget, consequently affecting its ability to consistently fund long-term development projects and maintain essential service delivery. Similarly, political stability at both national and county levels is recognized as a fundamental prerequisite for consistent policy implementation and predictable resource allocation.

In its pursuit of excellence, the Assembly actively seeks to align its practices with international best standards in public sector governance and sustainable development, drawing inspiration from the overarching principles enshrined in global frameworks such as the Sustainable Development Goals (SDGs), particularly those focusing on good governance, peace, justice, and the development of robust institutions.

Notable achievements during the reporting period underscore the Assembly's progress in embedding sustainability. The timely passage of crucial legislative instruments, particularly the annual Appropriation Bills, has provided a stable and legal framework for resource allocation and efficient service delivery across the county. The successful adoption and full utilization of the Integrated Financial Management Information System (IFMIS) have dramatically enhanced financial

transparency, accountability, and operational efficiency, thereby contributing directly to sustainable resource management.

Despite these advancements, significant challenges persist, threatening the Assembly's operational sustainability. These include persistent delays in exchequer releases from the National Treasury and a lingering lack of full financial autonomy, which necessitates reliance on the County Executive for the disbursement of allocated funds. Such financial constraints frequently lead to delays in project implementation, impede the efficient execution of planned development initiatives, and can potentially accumulate pending bills. These obstacles clearly highlight the ongoing need for sustained advocacy for more predictable funding mechanisms and greater fiscal independence to ensure the Assembly can fully achieve its strategic objectives.

b) Environmental Performance

While the County Assembly, primarily a legislative and administrative body, does not have the direct, large-scale environmental impacts associated with industrial sectors, it is resolute in its commitment to minimizing its ecological footprint and actively promoting environmental stewardship through its internal policies and daily operations. The Assembly operates under the umbrella of national environmental policies and regulations, with its internal practices implicitly guided by core principles of responsible resource consumption and diligent waste management.

The Assembly is progressing towards formalizing its environmental commitment by developing a more explicit and comprehensive environmental policy that will codify its approach to sustainable operations. Tangible evidence of this commitment is discernible in its concerted efforts to manage resource consumption and optimize waste management. A notable success lies in the increasing adoption of digital platforms for internal communication and official documentation. This strategic shift is aimed at substantially reducing paper consumption, contributing to a more sustainable use of natural resources. The full utilization of IFMIS, EGP, and HRIS further supports this initiative, fostering a more paperless environment in critical financial and human resource management functions.

c) Employee Welfare

The County Assembly profoundly recognizes that its human capital represents its most invaluable asset, and therefore, the welfare of its employees is paramount to the sustained delivery of high-quality services to the citizens it serves. A comprehensive suite of policies governs the entire employee lifecycle, spanning from the initial hiring process through continuous career development and ensuring workplace safety.

The hiring process is guided by foundational principles of fairness, transparency, and meritocracy. This commitment ensures that all qualified candidates are afforded equal opportunities, in strict compliance with national labor laws and established public service guidelines. The Assembly is

deeply dedicated to fostering gender balance and inclusivity across all organizational tiers. Continuous efforts are made to achieve and maintain a representative gender ratio in both recruitment and promotion endeavors, thereby cultivating a diverse, equitable, and vibrant work environment. The efficacy and responsiveness of employee welfare policies are regularly enhanced through a structured process of stakeholder engagements, which actively involves staff representatives and relevant internal committees. This participatory approach ensures that policies remain attuned to the evolving needs and concerns of the employee base.

A high priority is placed on improving employee skills and facilitating career management. Policies are specifically designed to support continuous professional development through a diverse range of avenues. These include access to internal and external training programs, participation in specialized workshops and seminars, and sponsorship for further academic pursuits. This strategic investment in human capital ensures that the Assembly's staff members possess and continually update the requisite expertise to effectively support its complex legislative, oversight, and administrative functions. Appraisal and reward systems are thoughtfully designed to acknowledge, motivate, and incentivize high performance, establishing a clear link between individual contributions and the Assembly's overarching strategic objectives.

d) Marketplace Practices

The County Assembly is resolutely committed to upholding the highest standards of integrity, fairness, and responsibility in all its interactions within the marketplace. This commitment is particularly evident in its management of the supply chain and its unwavering dedication to ethical conduct.

a) Responsible Supply Chain and Supplier Relations

The Assembly maintains exemplary business practices by ensuring responsible supply chain and supplier relations. This commitment is tangibly demonstrated through its unwavering dedication to honouring contracts precisely as per the agreed terms and conditions. Prompt payment practices are a paramount priority, with the Assembly striving diligently to respect payment schedules explicitly stipulated in contracts and scrupulously adhering to the prompt payment guidelines outlined in the Public Finance Management Act. The full utilization of the Integrated Financial Management Information System (IFMIS) significantly contributes to streamlining payment processes, thereby minimizing delays and ensuring unparalleled transparency in financial transactions.

b) Responsible Ethical Practices - Corruption-Free Environment

The County Assembly unequivocally maintains a steadfast commitment to fostering and sustaining a corruption-free environment across all its operational facets. This commitment is underpinned by the implementation of several robust and multi-layered mechanisms:

- **Adoption of EGP:** The complete and mandatory utilization of the e-Government Procurement (EGP) platform stands as a cornerstone of our comprehensive anti-corruption efforts. EGP digitizes and automates the entirety of the procurement process, from the initial tender advertisement phase through to the final award and contract management. This automation dramatically enhances transparency, significantly reduces opportunities for human discretion, and consequently minimizes the potential for corrupt practices.
- **Internal Audit:** The Internal Audit Department plays an indispensable role in the proactive detection and prevention of fraud and corruption. This is achieved through continuous review and rigorous assessment of internal controls and meticulous examination of financial transactions.
- **Oversight by PAC/CPAC:** The rigorous and independent oversight exercised by the County Assembly's Public Accounts Committee (PAC) and the Senate Public Accounts Committee (CPAC) provides a crucial external layer of accountability. These committees meticulously scrutinize expenditures and promptly flag any identified irregularities, ensuring that corrective measures are swiftly implemented.
- **Compliance with PFM Act and PPADA:** Strict, non-negotiable adherence to the provisions of the Public Finance Management Act, 2012, and the Public Procurement and Asset Disposal Act, 2015, is mandated. This ensures that all financial management and procurement activities are conducted with the highest degree of legality and ethical integrity.

c) Stewardship of Goods and Services

The Assembly's fundamental role as a steward of goods and services transcends mere procurement. It encompasses a profound commitment to outlining and actively implementing efforts to safeguard the fundamental rights and interests of its citizens across all its functions. This crucial objective is primarily achieved through the diligent execution of its legislative and oversight mandates. The strategic passage of vital Bills, such as the Tharaka Nithi County Child Care and Protection Bill, 2024, and the Tharaka Nithi County Trade and Markets Bill, 2024, directly exemplifies the Assembly's dedication to establishing comprehensive legal frameworks that robustly protect citizens' welfare and bolster their economic interests. services.

e) Community Engagements

The County Assembly, by its very nature as a representative institution, is profoundly integrated within the Tharaka-Nithi community. It actively seeks to deepen its engagement beyond its formal legislative and oversight responsibilities. While a legislative body typically does not participate in direct charitable giving in the manner of a private entity, its core functions are inherently oriented towards fostering community social investment and responsibility.

Tangible evidence of the Assembly's community engagement and social responsibility efforts includes:

- **Public Participation Forums:** The Assembly regularly organizes and conducts extensive public participation forums across various locations within the county. These forums are designed to gather invaluable input on proposed Bills and the annual county budget. This direct and inclusive engagement ensures that legislative and financial decisions are thoroughly informed by the actual needs and expressed aspirations of the citizenry, thereby fostering a strong sense of public ownership and accountability.
- **Handling of Petitions:** The formal and transparent process for receiving and addressing citizen petitions, as evidenced by the one petition presented to the Assembly during the reporting period, provides a direct and accessible channel for community members to formally raise their grievances and seek redress. This mechanism ensures that their voices are heard and deliberated upon at the highest legislative level.
- **Legislative Promotion of Social Welfare:** The Assembly's legislative output consistently promotes diverse aspects of community welfare. For instance, the successful passage of the Tharaka Nithi County Sports and Cultural Activities Bill, 2024, stands as a clear and deliberate effort to stimulate sports and cultural development throughout the county. This directly contributes to youth engagement, the preservation of rich cultural heritage, and overall community well-being. Similarly, the enactment of the Tharaka Nithi County Child Care and Protection Bill, 2024, powerfully underscores the Assembly's steadfast commitment to safeguarding the fundamental rights and overall well-being of vulnerable child populations.
- **Oversight of Social Sector Budgets:** Through its dedicated oversight committees, the Assembly scrutinizes the budgets and performance of county government departments that are responsible for vital sectors such as education, healthcare, and water and sanitation initiatives. This critical oversight ensures that funds specifically allocated to these essential public services are utilized both effectively and efficiently, leading to improved access to and quality of services for the entire community.
- **Staff Training and Development:** While primarily an internal measure aimed at employee welfare, the Assembly's significant investment in staff training and development indirectly yields substantial benefits for the community. This investment ensures a highly skilled, knowledgeable, and professional workforce that is capable of delivering efficient and high-quality public services to the citizens of Tharaka-Nithi.
- **Labour Relations:** The Assembly diligently maintains sound and equitable labour relations within its own workforce. This commitment ensures fair employment practices and fosters a harmonious, productive working environment, thereby setting a positive example for other public and private entities operating within the county.

7. Management Discussion and Analysis

The County Assembly of Tharaka-Nithi is the legislative arm of the county government, mandated to make laws, provide oversight over the County Executive and other county entities, and represent the interests of citizens. Its activities are primarily organized under two core programs: County Legislation and Oversight Services and General Administration and Support Services. During the 2024/25 financial year, the Assembly achieved notable progress in its legislative and oversight functions as well as institutional development.

In terms of legislation, the Assembly passed seven Bills into law. These included the FY 2025 Appropriation Bill and two Supplementary Appropriation Bills, which authorized county expenditure for the year. Other critical pieces of legislation included the Tharaka Nithi County Child Care and Protection Bill, 2024, the Trade and Markets Bill, 2024, the Sports and Cultural Activities Bill, 2024, and the Tax Waivers Administration Bill, 2024. Collectively, these laws are expected to improve governance, regulate county economic activities, and enhance social welfare. On oversight, the Assembly debated and resolved 31 motions, sought six statements from the County Executive, processed one citizen petition, and tabled 72 papers in the House. The Public Accounts Committee (PAC) scrutinized the Auditor General's reports on county finances and ensured that audit queries from FY 2023/24 were addressed. These activities underscored the Assembly's role in promoting accountability and transparency.

Institutionally, the Assembly made progress on key infrastructure projects. The construction of the County Assembly Chamber and Offices, which commenced in December 2024, had reached 5% completion by year-end. This project is expected to modernize legislative workspaces and improve operational efficiency. Meanwhile, the construction of the Speaker's Residence, which began in May 2021, had reached 56% completion. Once completed, this facility will provide secure and dedicated accommodation for the Speaker, enhance leadership stability, and reduce the costs associated with leased premises.

Financially, the Assembly managed its budget prudently. At the beginning of the year, pending bills amounted to Kshs. 179.8 million, which were reduced to Kshs. 96.8 million by the end of the financial year. Importantly, the Assembly did not accumulate any statutory arrears in respect of PAYE, NSSF, or NHIF, demonstrating strong compliance with tax and social security obligations. While delays in exchequer disbursements occasionally affected cash flows and the timely settlement of supplier payments, the Assembly remained committed to honoring its financial obligations and ensuring efficient budget absorption.

The Assembly also recognized and actively managed various risks that could affect its operations. Financial risks arose from delayed fund disbursements and limited financial autonomy. Operational risks included potential system downtimes in IFMIS and HRIS, which are critical for financial and human resource processes, while compliance risks related to procurement and reporting requirements. Security and asset management risks involved the potential for unauthorized access to premises and

mismanagement of public resources. To mitigate these risks, the Assembly strengthened internal audit and control processes, advocated for timely fund releases, provided continuous staff training, enhanced ICT support for key systems, and implemented strict security and asset management protocols.

In terms of statutory compliance, the Assembly operated within the framework of the Constitution of Kenya 2010, the Public Finance Management Act 2012, and its 2015 Regulations, the County Assembly Services Act 2017, and the Public Procurement and Asset Disposal Act 2015. Quarterly financial reports were prepared and submitted to the Controller of Budget, National Treasury, Commission on Revenue Allocation, and the County Assembly as required by Section 166 of the PFM Act. Annual financial statements were also submitted to the Auditor General under Section 164 of the PFM Act. All financial operations were executed through IFMIS, and payrolls were processed through HRIS, ensuring accountability and transparency.

The Assembly's performance was also influenced by the national economic environment. Factors such as inflation, fluctuations in revenue flows, and rising procurement costs affected the predictability of cash flows and delayed some activities. At the same time, the Assembly actively engaged in forums advocating for full financial autonomy, which is essential for effective devolution and independent legislative operations.

Looking ahead, the Assembly plans to complete its ongoing infrastructure projects, including the new Chamber and Speaker's Residence, enact more progressive legislation such as the Finance Bill 2025 and Agroecology Development Bill 2025, and strengthen its oversight capacity through empowered committees and enhanced staff training. The Assembly also intends to invest in digital transformation to improve operational efficiency and continue advocating for predictable and independent funding to enhance service delivery.

Finally, the Assembly remains committed to public participation, citizen engagement, and transparent governance. Citizen petitions will continue to be processed promptly, public input will be incorporated in budgets and legislation, and suppliers will be treated fairly through the e-Government Procurement (EGP) platform. By upholding accountability, safeguarding public assets, and fostering citizen trust, the Tharaka-Nithi County Assembly is well-positioned to sustain effective service delivery and advance the goals of devolution in the coming years.

8. Statement of Management Responsibilities

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly financial statements, which give a true and fair view of the state of affairs of the County Assembly for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County 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 (iv) Making accounting estimates that are reasonable in the circumstances.

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

The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

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

Approval of the financial statements

The County Assembly of Tharaka Nithi financial statements were approved and signed by the Clerk on 18/08/2025.


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Clerk of County Assembly

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REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF THARAKA-NITHI 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 financial statements of County Assembly of Tharaka-Nithi set out on pages 1 to 49 which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of County Assembly of Tharaka-Nithi as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

Unsupported and Unreconciled Opening Trade and Other Payables Balance

The statement of financial position and as disclosed in Note 14 to the financial statements reflects an opening balance of Kshs.189,829,989 in respect to trade and other payables which is at variance with the corresponding balance of Kshs.115,506,646 reflected in the previous year's audited financial statements resulting to an unreconciled variance of Kshs.74,323,343. In addition, no evidence was provided for audit review to confirm that the Assembly's suppliers were circularized, supplier statements as at 30 June, 2024 obtained and reconciled to their records to ensure completeness of trade and other payables.

In the circumstances the accuracy and completeness of trade and other payables opening balance of Kshs.189,829,989 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Tharaka-Nithi's 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 Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis totaling to Kshs.539,067,456 and Kshs.483,346,288 respectively resulting into underfunding of Kshs.55,721,168 or 10% of the final receipt budget. Similarly, the Assembly expended Kshs.442,912,397 against actual receipts of Kshs.483,346,288 resulting to under absorption totaling to Kshs.40,433,891.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the prior year's audit 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 of Tharaka Nithi in 2024/2025 revealed the matters remained unresolved. The issues have been reiterated as substantial paragraphs since they are recurring and summarized in attached **Appendix 1**.

Other Information

Management is responsible for the Other Information set out on page ii to xlv which comprise of Project Information and Overall Performance, Statement of Performance against the County's Predetermined Objectives, Environmental and Sustainability reporting and Statement of County's Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Exchequer Releases

As previously reported, the statement of financial performance reflects exchequer releases amount of Kshs.500,090,691 as disclosed in Note 6 to the financial statements. Included in this amount is Kshs.161,293,776 relating to exchequer released by the County Treasury to the County Assembly for fourth Quarter, which further includes an amount of Kshs.43,327,504, released and received on 30 June, 2025. This was contrary to Section 17(6) of the Public Finance Management Act, 2012 which requires that The National Treasury shall, at the beginning of every quarter, and in any event not later than the fifteenth day from the commencement of the quarter, disburse monies to County Governments.

The late release of the exchequer to the County Assembly caused delays in the delivery of goods and services to the public and The National Treasury was in breach of the law.

2. Failure to Budget for Climate Change and Financing

Review of the County Assembly of Tharaka - Nithi annual budget revealed that no provisions for climate change mitigation, adaptation programs, or climate financing initiatives were made. In addition, there was no evidence of planned allocation of funds for projects or activities that address climate risks, such as water source protection, energy-efficient operations, or climate resilience measures. This is contrary to Section 19(1) of the National Climate Change Act, 2016 which require that a County Government shall, in performance Mainstreaming its functions, integrate and mainstream climate change actions, interventions and duties set out in this Act, and the County National Climate Change Action Plan into various sectors.

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

3. Non – Compliance with the Public Procurement Capacity Building Levy Order, 2023

Review of records revealed that the County Assembly entered into contracts but no evidence has been provided to confirm that the Assembly complied with paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which provides that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 also requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20th day of the subsequent month and also file monthly returns.

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

4. Non-Compliance with Fiscal Responsibility Principle on County Assembly Expenditure

The total approved expenditure for the County Assembly amounted to Kshs.539,067,456 or 8.3% of the total County Government's revenues of Kshs.6,466,615,529. This ratio exceeded the set threshold of 7% by Kshs.86,404,368 contrary to Regulation 25(1)(f) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the approved expenditures of a County Assembly shall not exceed seven percent (7%) of the total revenues of the County Executive or twice the personnel emoluments of that County Assembly, whichever is lower.

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

5. Non-Compliance with the Law on Staff Ethnic Representation and People with Special Needs

As previously reported, twenty-three (23) or 79% of the twenty-nine (29) of the County Assembly's staff on Management level (Job groups N – T) were from the dominant ethnic group in the County. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community. In addition, out of the one hundred and eighty (180) staff, the County Assembly had one employee with disabilities representing approximately 0.01%, which is significantly below the statutory requirement of 5% as stipulated in Section 13 of the Persons with Disabilities Act, 2003.

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

6. Non-Compliance with the One-Third of Basic Salary Rule

As previously reported, review of the County Assembly's monthly payrolls revealed that twelve (12) officers had their net salaries falling below a third of their basic pay contrary to Section 19(3) of the Employment Act No.11 of 2007 which provides that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages.

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

7. Irregularities in Procurement of Legal Services

As previously reported, the statement of financial position reflects a balance of Kshs.224,503,523 in respect to trade and other payables, which as disclosed in Note 14 to the financial statements include trade payables of Kshs.144,740,710. The latter balance includes legal cost totalling Kshs.30,465,493. However, review of documents revealed that the County Assembly engaged private legal consultants instead of using County's internal legal counsel whose key function is to represent the County Assembly in civil disputes and matters of public interest. In addition, no evidence of approval to engage the services of private legal consultants was provided for audit review.

In the circumstances, value for money and effectiveness in use of public funds totalling Kshs.30,465,493 could not be confirmed.

8. Irregularities and Delay in Proposed Construction of the Assembly's Chambers

The statement of financial position reflects property, plant and equipment balance of Kshs.10,626,476 which as disclosed in Note 13 to the financial statements includes work in progress balance in respect to proposed construction of Assembly's chambers of Kshs.9,960,810. Review of records revealed that the contract for the above was awarded on 2 December, 2024 at a contract sum of Kshs.172,137,365 with the project completion duration of thirty-six (36) months. However, review of measured bill of quantity revealed the following anomalies;

- i. The value of work certified as per certificate 001 presented for payment amounted to Kshs.9,960,810 or approximately 6% of the contract price. However, nine (9) months have elapsed since the project commenced, suggesting that the project should have achieved at least 20% completion based on the expected progress timeline. This indicates significant delays in project implementation.
- ii. An exit clause that gives each party the right to terminate the agreement under specified circumstances, and sets out the conditions and procedures for ending the contract was not included in the contract. This is contrary Section 153(2) of the Public Procurement and Assets Disposal Act, 2025, Revised 2022 which requires that a contract document shall specify the grounds on which the contract may be terminated and specify the procedures applicable on termination.
- iii. The measured bill of quantity revealed that the amount includes provisional sums of Kshs.932,600 which was not evidenced by recommendation of the evaluation committee and approval of the Accounting Officer. In addition, evidence of utilization and accounting for the same provision has not been provided for audit verification. This is contrary to Section 139(2) of Public Procurement and Assets Disposal Act, 2025, Revised 2022, which requires that an Accounting Officer of a procuring entity, on the recommendation of an evaluation committee or as prescribed in the signed Contract Agreement, may approve the request for— (a) use of prime costs; (b) use of contingencies; (c) reimbursable costs; and (d) use of provisional sums.
- iv. Review of re-measured work for element 1 in the bill of quantities revealed that the contracted value totalled Kshs.1,709,170 against actual work done amounting to Kshs.7,633,610, resulting to a variance of Kshs.5,924,440, representing variations of quantities exceeding the 15% allowable limit under Section 139(4) of the Public Procurement and Asset Disposal Act , 2015.
- v. Further, the variations were not supported by request from the contractor or the Assembly and there was no evidence that evaluation committee considered these variations and the same were approved by the Accounting Officer.

In the circumstances, the intended benefit and value for money in the implementation and management of the project may not be realized.

9. Delayed Construction of Speaker's Official Residence

As previously reported, the County Assembly awarded contract for construction of the speaker's official residence to a contractor at a contract sum of Kshs.33,709,617 with commencement date of 20 May, 2021 for a contract period of two (2) years with the completion date earmarked for 20 May, 2023. However, the project stalled at (57%) percentage of completion with no ongoing works and the contractor out of site. The total amount paid as at September, 2025, was Kshs.14,591,536. In addition, the contract had been extended twice to 20 May, 2024 and second extension to 20 May, 2025 which as at the time of the audit (September, 2025) has since expired. This is contrary to the Salaries and Remuneration Commission circular of Ref. No. SRC/TS/CGOVT/3/61 dated 24 October, 2016 which provides guidelines on prioritization of funds for construction of Speaker's official residence in the year 2018/2019 budget cycle and in any case not later than 30 June, 2022.

In the circumstances, the intended benefit and value for money paid totalling Kshs.14,591,536 may not be realized as further delays may increase the project cost due to escalating prices of materials and services.

10. Failure to Prioritize Payment of Pending Accounts Payable

As previously reported, the statement of financial position and as disclosed in Note 14 to the financial statements revealed a balance of Kshs.224,503,523 in respect to trade and other payables. The balance includes Kshs.213,544,713 comprising Kshs.144,740,710 and Kshs.68,804,003 relating to trade payables and employee payables respectively. However, it was noted that these balances relate to financial year 2023/2024 and earlier years and remained long outstanding for inordinately long period without clearance, contrary to Regulations 41(2) of the Public Finance Management (County Government) Regulations, 2015 which requires that debt service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the Government does not default on debt obligations.

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

11. Failure to Remit Statutory Dues and Deductions

As previously reported, the statement of financial position reflects a balance of Kshs.224,503,523 in respect to trade and other payables, which as disclosed in Note 14 to the financial statement include employee payables balance of Kshs.68,804,003. The latter balance includes employee wages of Kshs.53,475,936, LAPFUND deductions of Kshs.3,577,346 and LAPTRUST arrears of Kshs.11,750,720. However, Management had not remitted deducted amounts to the respective Institutions contrary to Section 19(4) of the Employment Act, 2007 which provides that an employer who deducts an amount from an employee's remuneration in accordance with Subsection (1)(a), (f), (g) and (h) should pay the amount so deducted in accordance with the time period and other requirements specified in the law remittance / deductions.

In the circumstances, the delay in remission of statutory deductions and dues may attract penalties and interest from the receiving institutions and deny the staff of County Assembly respective services and benefits.

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 matter 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

Ineffective Internal Audit and Audit Committee

As previously reported, review of records in respect to Internal Audit Department revealed that the Internal Audit Committee was not in place and Management had not made any effort to establish the same as part of governance and oversight activities. In addition, although the Internal Audit Department was in existence, there were no approved Internal Audit Charter, Audit Plan and Audit Reports on areas reviewed during the year. Further, Management did not provide for audit review any quarterly or annual internal audit reports and no follow-up on the implementation of the recommendations of external auditors.

In the circumstances, the assurance on existence and effectiveness of the internal controls at the County Assembly 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 the Management and those Charged with Governance

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

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

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

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

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

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 November, 2025

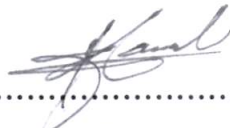
Appendix 1; Unresolved Prior Year Audit Matters

S/NO	Description
1	Unsupported and Unaccounted for Imprest Issued to Officers
2	Unreconciled Summary of Fixed Assets
3	Late Exchequer Releases
4	Late Remittances of Statutory Dues and Deductions
5	Failure to Comply with Fiscal Responsibility Principles on Wages and Benefits
6	Employees Earning Below a Third of Their Basic Salary
7	Non-Compliance with the Law on Staff Ethnic Composition
8	Irregularities in Procurement of Legal Services
9	Delayed Construction of Speaker's Official Residence
10	Failure to Prioritize Payment of Pending Accounts Payables
11	Ineffective Internal Audit and Audit Committee

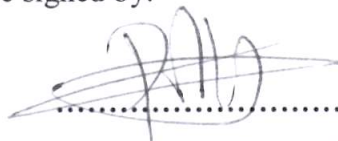
10. Statement of Financial Performance for the year ended 30 June 2025

Description	Notes	Year ended
		30th June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	500,090,691
Total revenue		500,090,691
Expenses		
Employee costs	7	246,482,335
Use of goods and services	8	220,144,786
Depreciation and amortization expense	9	332,334
Total expenses		466,959,454
Surplus/Deficit for the year		33,131,237
Net Surplus/Deficit		33,131,237

The Financial Statements set out on pages 1 to 4 were signed by:



.....
Name: Paul Thirika
Clerk of The County Assembly

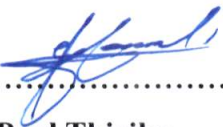


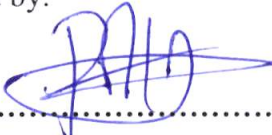
.....
Name: Polly Kagendo Mbae
Director Finance & Accounting
Services
ICPAK M/No: 18586

11. Statement of Financial Position as at 30 June 2025

Description	Notes	Year ended 30th June 2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	10	40,433,892	-
Receivables from Non-Exchange Transactions	11	55,721,168	38,976,765
Prepayment	12	-	7,232,238
Total Current Assets		96,155,060	46,209,003
Non-Current Assets			
Property, Plant and Equipment	13	10,626,476	-
Total Non- Current Assets		10,626,476	-
Total Assets (A)		106,781,536	46,209,003
Liabilities			
Current Liabilities			
Trade and Other Payables	14	224,503,523	189,829,989
Total Current Liabilities		224,503,523	189,829,989
Total Liabilities (B)		224,503,523	189,829,989
Net Assets (A-B)		(117,721,987)	(143,620,986)
Represented by:			
Reserves		-	-
Accumulated Surplus		(117,721,987)	(143,620,986)
Capital Fund		-	-
Net Assets		(117,721,987)	(143,620,986)

The financial statements set out on pages 1 to 4 were signed by:

.....

Name: Paul Thirika
Clerk of The County Assembly

.....

Name: Polly Kagendo Mbae
Director Finance & Accounting
Services
ICPAK M/No: 18586

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

	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30 th June 2024 (cash basis)	-			-
Adjustments:				-
Recognition of assets				-
Receivables from Non-Exchange Transactions	38,976,765			38,976,765
Repayment (Insurance)	7,232,238			7,232,238
Recognition of liabilities				-
Trade payables	(135,746,899)			(135,746,899)
Employee payables	(54,083,090)			(54,083,090)
As at July 1, 2025	(143,620,986)			(143,620,986)
Prepayment (Adjustment)	(7,232,238)			(7,232,238)
Return to CRF				-
Surplus/ deficit for the year	33,131,237			33,131,237
Other changes (specify)				-
As at June 30, 2025	(117,721,987)	-	-	(117,721,987)

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

Description	Notes	Year ended 30th Jun 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		483,346,288
Total receipts		483,346,288
Payments		
Employee costs		231,761,422
Use of goods and services		211,150,975
Total payments		442,912,397
Net cash flows from/(used in) operating activities	15	40,433,892
Cash flows from investing activities		
Purchase of PPE		-
Net cash flows from/(used in) investing activities		-
Cash flows from financing activities		
Returns to CRF		-
Net cash flows from financing Activities		-
Net increase/(decrease) in cash & Cash equivalents		40,433,892
Cash and cash equivalents as at Period Start	10	-
Cash and cash equivalents as at Period End	10	40,433,892

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						
Transfers from CRF	620,004,325	80,936,869	539,067,456	483,346,288	55,721,168	90%
Miscellaneous Revenue			-		-	
Other income			-		-	
Total revenues	620,004,325	80,936,869	539,067,456	483,346,288	55,721,168	90%
Expenses						
Employee costs	282,883,886	(10,096,886)	272,787,000	231,761,422	41,025,578	85%
Use of goods and services	277,481,856	(27,913,725)	249,568,131	211,150,975	38,417,157	85%
Total	560,365,742	(38,010,611)	522,355,131	442,912,397	79,442,735	85%
Capital items						
Acquisition of PPE	59,638,583	(42,926,258)	16,712,325	-	16,712,325	0%
Total expenses	59,638,583	(42,926,258)	16,712,325	-	16,712,325	0%
Development	59,638,583					
Total Expenses	620,004,325	(80,936,869)	539,067,456	442,912,397	96,155,060	82%
Surplus/ deficit	-	-	-	40,433,892		

Reconciliation table

No.	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	40,433,892
1	Basis difference	-
2	Timing differences	-
3	Entity differences	-
4	Classification differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	40,433,892

Budget Notes

1. Commentary on Budget Utilization (IPSAS 24.14)

The County Assembly of Tharaka-Nithi recorded a budget utilization rate of 82% in the financial year 2024/25. The underutilization of the approved budget was mainly attributed to delays in the release of exchequer funds from the County Revenue Fund (CRF) during the year under review.

2. Explanation of Changes between Original and Final Budget (IPSAS 24.29)

The difference between the original and final budget for the County Assembly in FY 2024/25 was primarily due to budget reallocations through the two supplementary budgets approved by the County Assembly during the year.

15. Notes to the Financial Statements

1. General Information

The County Assembly of Tharaka Nithi is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are Legislation, Oversight & Presentation.

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;

The County Assembly has taken advantage of transitional provision under IPSAS33 and therefore these 1st year's financial statements are transitional financial statements. In these statements, all financial assets including Cash & Cash equivalent, accounts Receivables along with financial liabilities including accounts payables have however been disclosed accordingly. One item of statement of financial position namely Property, plant and Equipment have been partially recognized to a total Kshs.10,626,476 however a total of Kshs.82,145,804 of Property, plant and equipment in the fixed asset register has not been recognized a waiting valuation and the entity taking advantage of transitional provisions outlined in IPSASS 33. The Inventories has not been recognised with the entity taking advantage of the transition provisions outlined in IPSAS33,

The County Assembly of Tharaka Nithi is in the process of identifying and valuing all its assets towards full compliance with IPSAS Accrual.

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

Basis of Preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on provisions of Transition under the International Public Sector Accounting Standards (IPPS 33) unless otherwise specified, as is the case in the Statement of Cash Flows.

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

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. The accounting policies adopted will be applied consistently.

Reporting period

The reporting period for these financial statements is for the period 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 *entity* pursues a number of policy targets and outcomes. However the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the *entity* 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 *entity* policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the *entity'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.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><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>

Standard	Effective date and impact:
	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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

Standard	Effective date and impact:
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
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>

Standard	Effective date and impact:
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on *25th June 2024*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of xxxx on

County Assembly of Tharaka Nithi

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

the 2024/25 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

Notes to the Financial Statements (Continued)

Budget information (continued)

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

d) Property, plant and equipment

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

amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value

Notes to the Financial Statements (Continued)

e) Right of use asset

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

f) Tangible Natural Resources

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

Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value

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

Notes to the Financial Statements (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of

expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (Amend as appropriate).

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements (Continued)

i. Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

ii) Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

j) Inventories

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

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

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

k) Provisions

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

l) Contingent liabilities

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

Notes to the Financial Statements (Continued)

m) Contingent assets

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

Notes to the Financial Statements (Continued)

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the

exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements.

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

the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

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

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers for Year ended 30th June 2025
	Kshs	Kshs	Kshs
Recurrent	484,378,366		484,378,366
Development	15,712,325		15,712,325
Special purpose transfers			-
Total	500,090,691	-	500,090,691

7. Employee Costs

Description	Year ended
	30th June 2025
	Kshs
Basic salaries of permanent employees	65,246,270
Basic wages of temporary employees	50,178,746
Personal allowances – part of salary	101,971,810
Pension and other social security contributions	7,595,061
Employer contributions to compulsory national social security schemes	2,050,020
Employer contributions to compulsory national health insurance schemes	
Other social benefit schemes	16,122,306
Other personnel costs	3,318,121
Employee costs	246,482,335

Notes to the Financial Statements (Continued)

8. Use of Goods and Services

Description	Year ended
	30th June 2025
	Kshs
Utilities, supplies and services	279,095
Communication, supplies and services	60,490
Domestic travel and subsistence	135,970,785
Foreign travel and subsistence	9,726,360
Printing, advertising, and information supplies & services	1,109,980
Rentals of produced assets	-
Training expenses	10,120,100
Hospitality supplies and services	16,823,861
Insurance costs	10,143,779
Specialized materials and services	-
Other operating expenses <i>including bank Charges</i>	27,641,600
Office and general supplies and services	1,454,876
Fuel Oil and Lubricants	5,147,790
Routine maintenance – vehicles and other transport equipment	1,560,070
Routine maintenance – other assets	106,000
Others (specify)	-
Total	220,144,786

Notes to the Financial Statements (Continued)

9. Depreciation and Amortization Expense

Description	Year ended 30th June 2025
	Kshs
Property, plant and equipment	332,334
Intangible assets	
Investment property carried at cost	
Total	332,334

10. Cash and Cash Equivalents

Description	Year ended 30th June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Recurrent Account	40,433,892	-
Development Account	-	-
Deposits Account		
Special Purpose Accounts		
Other operating commercial accounts (<i>Specify</i>)		
Total	40,433,892	-

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

Financial Institution	Account number	Year ended 30th June 2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Recurrent Accounts			
<i>CBK00001</i>	1000199407	40,433,892	-
Development Accounts			
<i>CBK00002</i>	1000199393	-	-
Deposits Accounts			
Total		40,433,892	-

Notes to the Financial Statements (Continued)

11. Receivables from Non-Exchange Transactions

Description	Year ended 30th June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Exchequer Issues	55,721,168	38,976,765
Less: impairment allowance		
Total receivables from non-exchange transactions	55,721,168	38,976,765

Ageing Analysis- Receivables from non-Exchange transactions	FY 2024/25	% of the total	Opening Balance	% of the total
Less than 1 year	55,721,168	100%	38,976,765	100%
Between 1-2 years	-	0%		0%
Over 3 years	-	0%		0%
Total	55,721,168		38,976,765	100%

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

Description	FY 2024/25
	Kshs
At the beginning of the year	38,976,765
Additional provisions during the year	55,721,168
Recovered during the year	(38,976,765)
Written off during the year	
At the end of the year	55,721,168

Notes to the Financial Statements (Continued)

12. Prepayment

Description	Year ended 30th June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Insurance Prepayment		7,232,238
Total	-	7,232,238

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Notes to the Financial Statements (Continued)

13. 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%	12.50%	33.30%	x%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024										-
Additions						998,000		9,960,810		10,958,810
Disposals										-
Transfer/Adjustments										-
As At 30th Jun 2025	-	-	-	-	-	998,000	-	9,960,810	-	10,958,810
Depreciation And Impairment										
Depreciation						(332,334)				(332,334)
Disposals										-
Impairment										-
Transfer/Adjustment										-
As At 30th Jun 2025	-	-	-	-	-	(332,334)	-	-	-	(332,334)
Net Book Values										
Opening Bal as at 1st July 2024						-	-	-		-
As At 30th Jun 2025						665,666	-	9,960,810	-	10,626,476

The Work in Progress as at the end of the financial year amounts to Kshs. 9,960,810. This balance relates to the ongoing construction of the County Assembly Chamber and Offices.

Notes to the Financial Statements (Continued)

14. Trade and Other Payables

Description	Year ended 30th June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Trade payables	144,740,710	135,746,899
Payments received in advance		
Employee payables	68,804,003	54,083,090
Third-party payments	10,958,810	-
Other payables		
Total trade and other payables	224,503,523	189,829,989

Ageing analysis: (Trade and other payables)	Current FY	%	Opening balance	% of the Total
Under one year	-			
1-2 years	-			
2-3 years	-			
Over 3 years	-			
Total (tie to above total)	-		-	

Notes to the Financial Statements (Continued)

15. Cash Generated from Operations

	Year ended 30th June 2025
Surplus for the year before tax	25,898,999
Adjusted for:	
Increase in Prepayments	7,232,238
Depreciation	332,334
Working capital adjustments	
Increase in receivables	(16,744,403)
Increase in payables	23,714,724
Net cash flow from operating activities	40,433,892

16. Financial Risk Management

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

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

i) Credit risk

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

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

	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	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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

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 xxxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

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

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

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

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

a) Foreign currency risk

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

Notes to the Financial Statements (Continued)

Financial Risk Management

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

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

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

Notes to the Financial Statements (Continued)

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs (20xx: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (20xx – KShs xxx)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

Financial Risk Management

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

	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Financial Assets				
Quoted Equity Investments	-	-	-	-
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 Entity’s capital risk management is to safeguard the Entity’s ability to continue as a going concern. The Entity capital structure comprises of the following funds:

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

Notes to the Financial Statements (Continued)

17. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

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

	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	-

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	2024-2025
	Kshs
Total	-
c) Expenses incurred on behalf of related party	
Payments of salaries and wages for employees	-
Payments for goods and services	-
Total	
d) Key management compensation	
Compensation to key management	-
Total	-

18. Capital Commitments

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

(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)

19. Events after the Reporting Period

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

20. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

21. Currency

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

16. Appendix

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Unsupported and unaccounted for Imprest Issued to officers	The management as addressed the issue by ensuring that all imprest issued are surrendered and accounted for.	Resolved	
2	Unreconciled Summary of Fixed Asset	The management as resolved the issue by forming a committee on asset and liability management committee where by the secretariat are tasked with the mandate of continuous update of fixed Asset register.	Resolved	
3	Unresolved Prior Year Audit Issues	The management has address the issues.	Resolved	
4	Late exchequer release	The management has no control on this issue	Not Resolved	
5	Late Remittances of Statutory Dues and Deductions	It was noted and management decided to be submitting the dues immediately the Exchequer release is released.	Not Resolved	
6	Failure to Comply with Fiscal Responsibility Principles on wages and Benefits	The management noted the issue and it was addressed	Resolved	
7	Employees Earning Below a Third of Basic Salary	The management noted the issue and is being addressed cause it was caused by other deductions added to salaries such Housing levy among others	Not Resolved	

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8	Non-Compliance with the Law on Staff Ethnic Composition	The management noted the issue and it was addressed.	Resolved	
9	Irregularities in Procurement of Legal Services	The management noted the issue and it was addressed	Resolved	
10	Delayed Construction of Speakers Official Residence	The management noted the issue though it has been caused by delayed disbursement of funds and its hoping the funds will be released to be able to complete the project	Not Resolved	2 years
11	Failure to prioritize payment of pending Accounts Payables	The management noted the issue and planned on how to clear the pending payable	Resolved	
12	Weak Internal Audit and Audit Committee	The management noted the issue and It has been addressed	Resolved	

Guidance Notes:

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



Accounting Officer

Date: 18/08/2025

Appendix VIII: Fixed Asset Register

	Historical Cost b/f	Additions during the year	Disposals during the year	Transfers in/(out) during the year	Historical Cost c/f
	(Kshs)	(Kshs)	(Kshs)		(Kshs)
	Previous Year				Current Year
Land					-
Buildings and structures					-
Transport equipment	39,679,950				39,679,950
Office equipment, furniture and fittings	11,113,140				11,113,140
ICT Equipment	18,399,695	998,000			19,397,695
Machinery and Equipment					-
Biological assets					-
Infrastructure Assets- Roads, Rails					-
Heritage and cultural assets					-
Intangible assets					-
Work in Progress	19,118,081	9,960,810			29,078,891
Total	88,310,866	10,958,810	-	-	99,269,676

APPENDIX IX: RECONCILIATION OF NET ASSETS ON CASH BASIS AND OPENING BALANCES AS AT 1ST JULY 2024

	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30 th June 2024 (cash basis)	-			-
Adjustments:				-
Recognition of assets				-
Receivables from Non-Exchange Transactions	38,976,765			38,976,765
Repayment (Insurance)	7,232,238			7,232,238
Recognition of liabilities				-
Trade payables	(135,746,899)			(135,746,899)
Employee payables	(54,083,090)			(54,083,090)
As at July 1, 2025	(143,620,986)			(143,620,986)