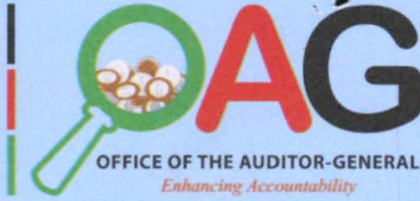


REPUBLIC OF KENYA



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REPORT

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OF

THE AUDITOR-GENERAL

ON

MUNICIPALITY OF NYERI

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF NYERI

PAPERS LAID	
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MUNICIPALITY OF NYERI

County Government of Nyeri

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

**Prepared in accordance with the Accrual Basis of Accounting Method under the International
Public Sector Accounting Standards (IPSAS)**

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Acronyms and Definition of Key Terms

A. Acronyms

ADP	Annual Development Plan
AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CE	County Executive
CECM	County Executive Committee Member
CG	County Government
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
FY	Financial Year
IDeP	Integrated Development Plan
IPSAS	International Public Sector Accounting Standards
Kshs	Kenya Shillings
KUSP	Kenya Urban Support Programme
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety & Health Act
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
UDG	Urban Development Grant
UIG	Urban Institution Grant
WB	World Bank

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

Key Entity Information and Management

a) Background information

The Municipality of Nyeri is established and derives its authority and accountability from the Urban Areas and Cities Act, No. 13 of 2011 (as amended in 2019), and the Municipality of Nyeri Charter dated 24th August 2018.

The Municipality operates under the jurisdiction of the County Government of Nyeri and is domiciled in the Republic of Kenya.

b) Principal Activities

Vision

A safe, habitable, competitive and prosperous municipality

Mission

To create and maximize opportunities for social economic development while upholding an attractive, clean, sustainable and secure environment for all.

Objectives

- To promote shared economic growth and job creation.
- To enhance good governance and active participatory citizenry.
- To enhance basic infrastructure for effective service delivery.

Core Values

- i. Patriotism
- ii. Fairness
- iii. Integrity
- iv. Service Excellence

Delegated Functions

Pursuant to Section 6(2) of the County Governments Act, which empowers county governments to delegate any of their functions to decentralized units within the county, the County Government of Nyeri, through Executive Order No. 2 of 2024 dated 21st August 2024, has delegated the following functions to the Municipality of Nyeri.

S/NO.	Function	Activities
1)	Municipal Solid Waste Management	<ul style="list-style-type: none"> i. Promotion, regulation and provision of refuse collection and solid waste management services. ii. Public awareness and sensitization on waste management and town beautification
2)	Municipal Beautification and Streetscaping	<ul style="list-style-type: none"> i. Greening of the municipality ii. Planting and maintaining flower beds within the municipality
3)	Municipal Traffic Management and Enforcement	<ul style="list-style-type: none"> i. Enforcing traffic rules and regulations ii. Maintenance of law and order within the municipality
4)	Management of the Field Marshal Muthoni Kirima Transport Terminus	<ul style="list-style-type: none"> i. Transport management ii. Market management iii. Revenue collection
5)	Revenue collection within the municipality of Nyeri	Collection of Market fees, Cess fees, Parking fees, Business permit fees, land rates and other relevant fees
6)	Planning and Development Control	<ul style="list-style-type: none"> i. Control of land use ii. Land sub-division iii. Land development and zoning by public and private sectors for any purpose iv. Management of municipal residential houses
7)	Municipal Public Transport	Construction, rehabilitation and maintenance of municipal public transport.

c) Key Management

Municipality of Nyeri management is under the following key organs:

- County Executive
- Department of Lands, Physical Planning and Urban Development
- Nyeri Municipal Board
- Nyeri Municipal Administration

d) Fiduciary Management

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

Ref	Position	Name
1)	Municipal Manager	CS Perister M. Kigwa
2)	Assistant Accountant General	CPA Eunice W. Mwangi
3)	Deputy Director Physical Planning	Joseph G. Njomo
4)	Principal Superintending Engineer	Eng. Joseph N. Mwangi
5)	Principal Assistant Public Health Officer	John M. Mwangi

e) Fiduciary Oversight Arrangements

In the Municipality of Nyeri, fiduciary oversight plays a critical role in ensuring that public resources are managed with integrity, transparency, and accountability. These oversight mechanisms are essential for protecting public funds and guaranteeing their effective use in enhancing service delivery to citizens.

For the financial year ending 30th June 2025, the Municipality implemented several key fiduciary activities aligned with the principles of good governance, including:

- Strengthening of internal controls and financial management systems
- Adherence to the Public Finance Management (PFM) framework and applicable regulations
- Regular financial reporting in compliance with International Public Sector Accounting Standards (IPSAS)
- Oversight by the County Treasury (CT), Office of the Controller of Budget (OCOB), and Office of the Auditor General (OAG)
- Transparent budgeting and execution through the Annual Development Plan (ADP), County Integrated Development Plan (CIDP) and Municipality Integrated Development Plan (IDeP)
- Timely submission and approval of Authority to Incur Expenditure (AIE)

- Proper utilization of conditional grants such as the Urban Institutional Grant (UIG), from the Kenya Urban Support Programme (KUSP)

These measures ensured sound financial stewardship and enhanced public trust in the operations of the Municipality.

Committees of the Senate

The fiduciary oversight of the Municipality's financial operations is supported by institutional mechanisms established at both national and county levels. A key component of this oversight framework is the Committees of the Senate, particularly the Senate Standing Committee on Devolution and Intergovernmental Relations and the Senate Public Accounts Committee (PAC).

These Senate Committees play a pivotal role especially in accountability hearings. County officials, including municipal managers and County Executive Committee (CEC) members responsible for finance and urban development, may be summoned to appear before the Senate to explain expenditure variances, audit queries, and implementation progress of budgeted programmes.

County Assembly Oversight Committees

The County Assembly plays a pivotal role in fiduciary oversight through its specialized committees. These committees are responsible for scrutinizing the financial operations and budget implementation by the County Executive, ensuring that public funds are utilized efficiently, effectively, and in line with established legal and regulatory frameworks. These committee includes;

- **Public Accounts Committee :** Examines reports of the Auditor General and ensures corrective actions are taken on audit queries.
- **Budget and Appropriations Committee:** Reviews budget estimates, monitors budget implementation, and assesses the alignment of expenditures with development priorities.
- **Finance and Economic Planning Committee:** Oversees fiscal policy, revenue collection, public debt, and economic planning matters.
- **Implementation Committee:** Monitors the execution of Assembly resolutions and the implementation of development projects.

Through these committees, the County Assembly strengthens accountability, transparency, and good governance in the use of public funds.

Development Partner's Oversight

Development partners play a crucial role in enhancing fiduciary accountability through the monitoring and evaluation of projects and programmes funded through grants, loans, or technical assistance. Their oversight mechanisms ensure that funds are used for intended purposes, in line with agreed-upon frameworks, and contribute meaningfully to development objectives.

In the Municipality of Nyeri, development partners such as the World Bank, through programs like the Kenya Urban Support Programme (KUSP), conduct regular fiduciary reviews, performance audits, and progress assessments. These processes often involve:

- Financial and technical reporting requirements
- On-site supervision missions and audits
- Verification of results and performance indicators
- Capacity assessments and risk mitigation reviews

Development partner oversight strengthens transparency, compliance, and institutional capacity, ensuring that externally funded initiatives deliver sustainable and accountable outcomes for the community.

County Executive Audit Committee

The County Executive Audit Committee serves as an independent advisory body that enhances the effectiveness of governance, risk management, and internal controls within the County Executive. It plays a critical role in fiduciary oversight by providing objective assurance and advice on financial reporting, compliance, and performance management.

The Committee operates independently and reports directly to the County Governor ensuring that critical issues affecting financial governance are addressed proactively

f) Registered Offices

P.O. Box 1112 - 10100
Kamukunji Opp. Temple Rd, 1st Floor
NYERI, KENYA

g) Contacts

Telephone: (+254) 792119135
E-mail: municipality@nyeri.go.ke
Website: www.nyeri.go.ke

h) Bankers

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

i) Independent Auditor

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

j) Principal Legal Advisor

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

K) County Attorney

The County Attorney
County Government of Nyeri,
P.O BOX 1112-10100,
Nyeri, Kenya.

Nyeri Municipal Board Members

S.No.	Name	Details of qualifications and experience
1.	 Mr. Jeremiah W. Ichaura	<p>Age: 69 years</p> <p>Designation: Board Chairman</p> <p>Qualifications: Holds a Master’s degree in Business Administration (Strategic Management option) and a Bachelor’s degree in Commerce (Accounting option). Has also undertaken specialized training in Transformative Leadership and Corporate Governance for Public Boards, among other professional development courses. Participated in various business and professional forums both locally and internationally.</p> <p>Professional Experience: Has held senior leadership roles in the insurance sector, including positions as Senior Regional Manager, General Manager, and Principal Officer at various insurance companies in Kenya. Also has academic experience, having lectured at Dedan Kimathi University. Currently serving as the Chairperson of the Nyeri Municipal Board.</p> <p>Community Engagement: Actively involved in community service, including leadership roles in neighbourhood associations and educational institutions.</p>
2.	 Mrs. Salome W. Ndung’u	<p>Age: 66years</p> <p>Designation: Vice Chairperson</p> <p>Qualifications: Holds a Degree in Education (Home Economics) and a Diploma in Education. Completed training in Corporate Governance for Public Sector Boards and Transformative Leadership, among other professional development courses.</p> <p>Professional Experience: Extensive experience in the education sector, having served as a teacher in various secondary schools. Responsibilities have included</p>

roles such as Class Teacher, Boarding Mistress, and membership in the School Discipline Committee.

Leadership Roles:

Currently serving as Vice Chairperson of Nyeri Municipal Board with prior leadership experience in education and community-based roles.

Community Engagement:

Actively involved in community service, having served as a Neighbourhood Chairperson and Trustee, among other roles.

3.



**CS Perister M.
Kigwa**

Age: 45 years

Designation: Municipal Manager / Secretary to the board

Qualifications:

Holds a Master's Degree in Business Administration (Entrepreneurship option), is a Certified Public Secretary (CPS-K), and holds a Diploma in Information Communication & Technology (ICT). Holds various leadership and governance certificates including; Strategic Leadership Development Programme (SLDP), Senior Management Course (SMC), Transformative Leadership Course, and Corporate Governance for Public Boards Course, among others.

Professional Experience:

Experienced in governance, administration, finance, and strategic management. Has held key positions such as Administrative & Resource Mobilization Officer at Nyeri Hospice, Ward Administrator at the County Government of Nyeri, and currently serves as the Municipal Manager for the Municipality of Nyeri.

Community Engagement:

Actively engaged in community service through participation in various management boards and other leadership roles.

4.



**Hon. Simon N.
Gachunia**

Age: 44 years

Designation: Board Member / CECM - Lands Physical Planning & Urban Development

Qualifications:

Holds a Master of Arts in International Relations from the United States International University (USIU). Also holds a Bachelor of Education Arts (Mathematics and Business Studies) from Kenyatta University, and a Postgraduate Certificate in Cross-Cultural Communication and International Work from Hald Internasjonale Senter, Norway. Has further undertaken training in transformative leadership, governance, strategic sales, and customer service.

Professional Experience:

A seasoned professional with over 15 years of diverse experience in governance, public administration, economic advisory, strategic management, and diaspora engagement. Currently serving as the County Executive Committee Member (CECM) for Lands Physical Planning & Urban Development in Nyeri County. Formerly served as Economic Adviser to the Governor of Nyeri and co-founder and Director of Choice Microfinance Bank.

International Experience:

Worked and studied in Norway and engaged in cross-cultural programming with New Kind of Social Science and Peace Corps, enhancing international communication and leadership skills. Also managed diaspora-focused initiatives and investment outreach globally.

Community Engagement:

Actively involved in charity and community development initiatives, including organizing eye clinics, food relief programs, and student leadership during university.

5.



**Mr. Fredrick M.
Macharia**

Age: 45 years

Designation: Board Member / Chief officer – Lands, Physical Planning & Urban Development

Qualifications:

Holds a Master’s degree in Project Planning and Management and a Bachelor’s degree in Business Studies and Economics. Additionally, he has completed Certified Public Accountant (CPA) Part I. Brings a strong foundation in finance, planning, and administration, supported by over 18 years of experience in both public and private sectors.

Professional Experience:

Currently serving as the Chief Officer – Lands, Physical Planning & Urban Development since October 2023. Previously held various leadership positions in academia, finance, and corporate administration.

Leadership & Governance:

Extensive leadership and board-level experience, particularly in public entities and academic institutions.

6.



**Mr. Charles K.
Karuga**

Age: 57 years

Designation: Board Member

Board Committee Role: Chairman -Finance & Administration Committee

Qualifications:

Holds a Bachelor of Commerce degree and has undertaken various leadership and professional development courses, including the Transformative Leadership Course, Corporate Governance for Public Boards Course, and Strategic Sales and Customer Service training.

Professional Experience:

Brings extensive experience in senior customer service management, having served in leadership roles at a blue-chip company. Areas of specialization include governance and strategic management.

Leadership Roles:

Previously served in customer service and experience management at

Kenya Breweries Limited. Currently serves as Secretary of the Mt. Kenya Tourism Circuit Association.

Community Engagement:

Active in promoting hospitality and tourism in the region. Also serves on the management boards of various tertiary institutions.

7.



**Mr. Zachary M.
Wanjau**

Age: 59 years

Designation: Board Member

Board Committee Role: Chairman Technical Committee

Qualifications:

Holds a Bachelor's Degree in Education (Primary Option) and a Diploma in Education Management. Has also undertaken leadership development courses including the Transformative Leadership Course and Corporate Governance for Public Boards Course

Professional Experience:

Possesses extensive experience in education, administration, governance, and trade union leadership. Career spans both classroom teaching and high-level organizational leadership.

Leadership Roles:

Has served in several leadership positions in education sector and national unions.

Community Engagement:

Actively involved in public service and community leadership. Currently serves as a member of the Nyeri Municipal Board.

8.



**Ms. Winfred W.
Mwangi**

Age: 44 Years

Designation: Board Member

Board Committee Role: Chairman - Audit, Governance & Risk Committee

Qualifications:

Holds a Bachelor of Laws (LLB) degree and a Postgraduate Diploma in Law from the Kenya School of Law. Is a Certified Public Secretary (CPS-K) and a Certified Professional Mediator, with a solid legal and governance background.

Professional Experience:

An Advocate of the High Court of Kenya with over 10 years of post-admission experience in private legal practice. Areas of specialization include legal advisory, corporate governance, mediation, and regulatory compliance.

9.



**Ms. Eunice W.
Mwathi**

Age: 34 years

Designation: Board Member

Qualifications:

Holds a Bachelor of Education (Arts) and a Diploma in Business Management. Has also undertaken professional training in Leadership and Emotional Intelligence as well as Management of People and Resources, among other leadership development programs.

Professional Experience:

Brings valuable experience in governance, education, policy development, and strategic management. Skilled in stakeholder engagement, institutional leadership, and community-based programming.

Leadership Roles and Portfolios Held:

Held various leadership positions in the community, both National and County governments and is currently serving as a member of the Nyeri Municipal Board

Community Service:

Pioneer of the Annual Drug Awareness Walks in Nyeri and Champion for the “Better Tomorrow for Teenage Mothers” initiative under the Nyeri County Department of Gender

10.



**Mr. Wilson G.
Watene**

Age: 34 years

Designation: Board Member

Qualifications:

Holds a Bachelor of Commerce degree (Marketing option) and a Certificate of Proficiency in Insurance. Has a solid background in business development and administrative operations.

Professional Experience:

Experienced in business management and administration, with a practical understanding of the private sector and market dynamics.

Community Engagement:

Actively involved in community-based organizations and is a member of the Nyeri Business Community groups, contributing to local economic and social development.

Key Management Team

S.No	Name	Details of qualifications and experience
1.	 CS Perister M. Kigwa – Municipal Manager	<p>Main Area of Responsibility: Head of Municipal Administration</p> <p>Qualifications: Holds a Master’s Degree in Business Administration (Entrepreneurship option), is a Certified Public Secretary (CPS-K), and holds a Diploma in Information Communication & Technology (ICT). Holds various leadership and governance certificates including; Strategic Leadership Development Programme (SLDP), Senior Management Course (SMC), Transformative Leadership Course, and Corporate Governance for Public Boards Course, among others.</p> <p>Professional Experience: A seasoned professional with extensive twenty (20) years of experience in governance, administration, finance, and strategic management.</p>
2.	 CPA Eunice W. Mwangi – Assistant Accountant General	<p>Main Area of Responsibility: Municipal Budgeting, Accounting, and Resource Mobilization</p> <p>Qualification: Certified Public Accountant (K), ICPAK Membership No. 6203, holds a Diploma in Human Resource Management, ISO Certification course and Senior management course among others.</p> <p>Experience: Experienced Management Professional with a comprehensive twenty-three (23) years of experience in accounting, budgeting, revenue management and audit in the public sector.</p>

3.



**Eng. Joseph N.
Mwangi - Principal
Superintending
Engineer**

Main Area of Responsibility:

Coordinates and supervises physical infrastructural development in the municipality.

Qualifications:

Registered Professional Engineer with a Bachelor of Science in Civil Engineering from the University of Nairobi.

Experience:

Experienced in structural engineering design and construction supervision of both steel and reinforced concrete structures.

4.



Joseph G. Njomo –
Deputy Director
Physical Planning

Main Area of Responsibility

Physical and Land Use Planning and Development Control

Qualifications

Holds a Master of Arts degree in Project Planning and Management from the University of Nairobi, a Bachelor of Arts degree in Planning from the University of Nairobi. Holds a certificate in Project Planning and Management Course and Senior Management Course (SMC) from Kenya School of Government

Experience:

A qualified and dedicated professional with eleven (11) years of experience in governance and physical planning, specializing in project planning, development control, and land use policy implementation.

5.



John Mwangi –
Principal Assistant
Public Health Officer

Main Area of Responsibility

Environmental Health, Sanitation, and Public Health Risk Monitoring

Qualifications:

Holds a Diploma in Environmental Health Science, Senior Management Course, Supervisory skills course, Participatory Hygiene and Transformation Sanitation course, Home based care course among others.

Experience:

An experienced public health officer with thirty-three (33) years hands-on expertise in environmental health monitoring, sanitation standards enforcement, and implementation of promotive and preventive health programs.

Chairman's Report

The year marked significant strides in institutional development, infrastructure improvement, service delivery, and citizen engagement, as we continue building a more sustainable, inclusive, and prosperous urban environment for all residents.

In the FY 2024-2025, the board finalized and adopted the Integrated Urban Development Plan (IDeP) 2024–2029, which now serves as our strategic framework for future urban transformation. The induction of the municipal board was successfully conducted, strengthening governance capacity, while the County Assembly approved the Nyeri Municipality Traffic Management Bylaws, providing a legal foundation for improved urban mobility.

A key milestone was the creation of the Nyeri Municipality vote, which has allowed for more targeted budget execution. Fund utilization was timely and aligned to priority areas, ensuring efficient delivery of services and development projects.

Our waste management services were expanded to include quarterly clean-up exercises with the participation of community members and stakeholders, reinforcing the importance of public involvement in environmental management.

Through the 'Adopt a Roundabout/Street' initiative, partnerships with the business community has enhanced town aesthetics via greening programs. These efforts have not only beautified the town but also created a sense of shared responsibility for our urban spaces.

A total of 6.98 kilometers of access roads were rehabilitated and upgraded, improving mobility and boosting local commerce. Notable ongoing projects includes; Recarpeting of Field Marshal Mutungi Road, Upgrading of Kirichu Shopping Centre roads to bitumen standard and Upgrading of Muringato Access Road

While we celebrate our progress, we continue to face challenges such as: Limited resources to meet growing urban demands and solid waste management constraints. We are collaborating with the County Government and partners to address these challenges through better planning, resource mobilization, and stakeholder engagement.

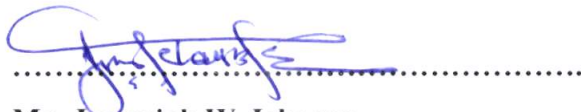
The year saw the successful onboarding of a newly recruited municipal board, bringing in fresh perspectives and renewed energy to drive the municipality's agenda forward. There were no major changes in the key management team during this period.

In the coming year, we are looking forward to developing more comprehensive plans and policies that will guide the future growth and management of our municipality. In addition, we intend to review and update existing municipal planning documents to ensure they remain relevant, responsive, and aligned with current legislative and development frameworks. Infrastructure development will also remain a key priority, as we seek to improve public services, enhance connectivity, and support sustainable urbanization across the municipality.

As we conclude this financial year, I extend my sincere appreciation to the County Government of Nyeri, fellow Board Members, municipal staff, development partners, and citizens for their continued support. Together, we are laying the groundwork for a vibrant, resilient, and inclusive Nyeri Municipality.

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

We remain committed to transparent governance, sustainable development, and citizen-centered service delivery. I look forward to another year of shared progress and transformative impact.



Mr. Jeremiah W. Ichaura
Chairman – Nyeri Municipal Board

Municipal Manager’s Report

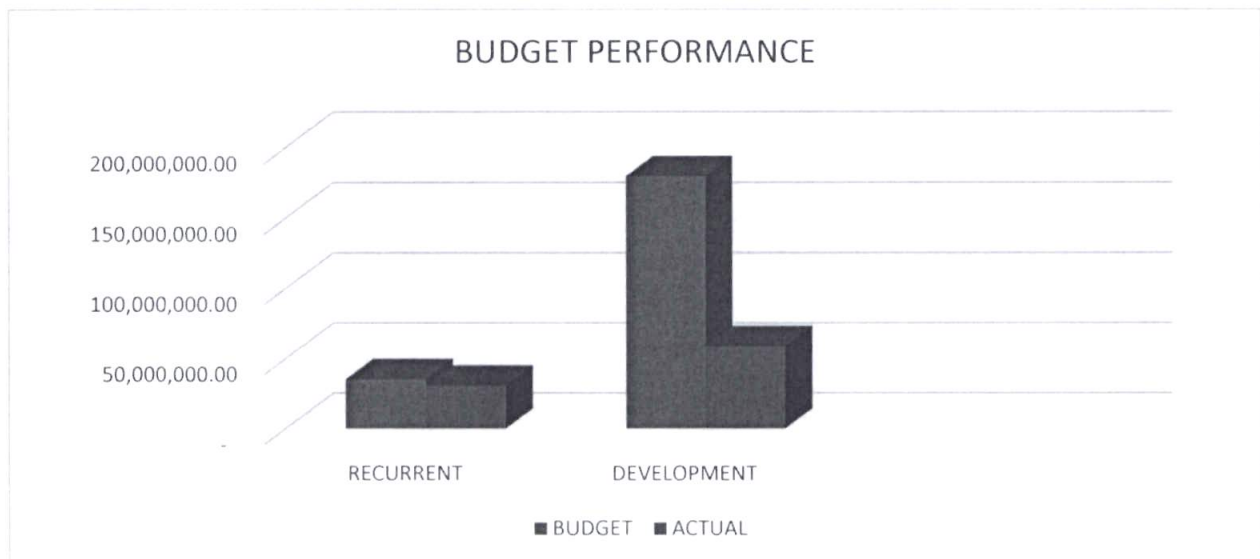
It is with great pleasure that I present this report detailing the operational, financial, and strategic performance of the Municipality of Nyeri for the Financial Year 2024/2025. Building upon the Chairperson’s highlights, this report provides a deeper insight into our budget execution, programmatic outcomes, and institutional progress over the past year.

Budget performance

During the 2024/25 financial year, the Municipality of Nyeri was allocated a dedicated municipal vote amounting to Kshs.215,315,893. This allocation consisted of a conditional grant of Kshs.99,823,519 and County funding of Ksh.115,492,374. Out of the total conditional grant, Kshs.64,823,519 was not received within the reporting year, resulting in actual receipts totalling Kshs.118,435,184. This marked a significant milestone in enhancing structured planning, streamlined budget execution, and improved accountability in service delivery.

The municipality utilized Kshs.91,029,377 of the funds received. This reflects a utilization rate of approximately 76.85% of the total receipts, indicating a relatively strong absorption capacity and progress in project implementation and service delivery.

	BUDGET	ACTUAL
RECURRENT	35,486,880.00	30,777,278.00
DEVELOPMENT	179,829,013.00	58,789,416.00



Outputs, outcomes and impacts

Since the operationalization of the Municipality, we have recorded tangible and measurable outputs. These developments have contributed to improved urban governance, better service delivery, and institutional maturity. Our achievements reflect the combined effort of the County Government, the Municipal Board, and our development partners as discussed below;

The finalization of the Integrated Development Plan (IDeP) 2024–2029 was a key milestone, providing a strategic roadmap for long-term planning. A comprehensive induction program for board members was successfully conducted, enhancing their capacity to govern effectively. Additionally, the development and adoption of the Traffic Management Bylaws marked a significant legislative achievement, setting the foundation for improved urban mobility.

The Municipality upgraded 6.98 kilometers of roads. Notable ongoing projects include Field Marshal Mutungi Road, Kirichu Shopping Centre, and Muringato Access Road by the end of the financial year.



In the year under review, 10,075 tons of solid waste was collected. The Municipality successfully organized quarterly clean-up campaigns in Nyeri Town. These campaigns fostered greater citizen participation and heightened environmental awareness within the community. The active involvement of residents, local organizations, and schools demonstrated a growing commitment to maintaining a clean and healthy urban environment.



Town Clean-Up Exercise in partnership with Nyewasco as part of its Corporate Social Responsibility (CSR) initiative.

During the reporting year, the municipality undertook a comprehensive tree planting exercise as part of its environmental conservation and climate change mitigation efforts. This initiative was conducted in collaboration with local schools, community institutions, and environmental groups. A total of over 500 indigenous and ornamental tree species were planted in strategic locations, including school compounds, public institutions, road reserves, and community parks.



Tree planting exercise at Muruguru Girls secondary school

The “Adopt a Roundabout/Street” initiative led to the beautification of five public spaces through public-private partnerships. These efforts not only enhanced the aesthetic appeal of the urban environment but also significantly reduced maintenance costs.



Four citizen forums were held during the year, providing vital platforms for participatory budgeting, feedback on service delivery, and transparency. These engagements helped strengthen accountability mechanisms and ensured that development priorities aligned with community needs.



Public participation on the financial & development trajectory

Value for money achievements

Throughout the financial year, the Municipality maintained a strong commitment to transparency and cost-effectiveness. All projects were procured through competitive bidding, ensuring fair pricing and quality delivery. Partnerships with the private sector, particularly in beautification projects, helped cut municipal costs.

Challenges

Despite the year's successes, several challenges were encountered. Delays in the release of funds occasionally disrupted the timely implementation of time-sensitive projects. The growing volume of solid waste outpaced current capacity, highlighting the urgent need for additional skip bins and waste collection trucks. Rising citizen expectations, combined with staffing gaps and institutional capacity constraints, placed pressure on the Municipality to innovate and adapt more rapidly in service delivery.

Future outlook

Looking ahead, the Municipality of Nyeri has set a projected budget of Kshs172,265,880 for the Financial Year 2025/2026. The following priorities will guide our implementation agenda:

- i. Infrastructure Development – Continued upgrading of access roads, drainage systems, and pedestrian walkways.
- ii. Revenue Collection – Operationalizing own-source revenue systems for greater financial sustainability.
- iii. Field Marshal Muthoni Kirima Transport Terminus – Full operationalization of the terminus to ease congestion in Nyeri town center.
- iv. Policy and Planning – Reviewing of the Integrated Strategic Urban Development Plan (ISUDP) and the preparation of Neighbourhood Association Engagement Act.
- v. Solid Waste Management – Procurement of 15 additional skip bins and strengthening recycling partnerships.
- vi. Board and Staff Development – Continued investment in staff training and digital capacity building.

Risk management strategies

To mitigate potential risks, the Municipality has adopted several proactive strategies. These include stakeholder engagement frameworks to reduce implementation resistance, regular audit and compliance checks to ensure financial integrity, and the integration of environmental safeguards into infrastructure projects.

Conclusion

The Financial Year 2024/2025 marked a period of strategic growth, institutional strengthening, and foundation-building for the Municipality of Nyeri. With the continued support of the County Government, Board Members, development partners, and active citizenry, we are confident in our ability to deliver inclusive and sustainable urban development. As we look to the year ahead, our focus

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

remains on deepening reforms, expanding services, and enhancing the quality of life for all residents of Nyeri.

We thank all stakeholders for their unwavering commitment and look forward to another year of shared success and transformation.



.....
CS Perister M. Kigwa
Municipal Manager

Statement of Performance Against Predetermined Objectives for the FY 2024-2025

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a County Government entity shall prepare financial statements in respect of the entity in formats to be prescribed by the Accounting Standards Board including a statement of the county government entity's performance against predetermined objectives.

The key development objectives of the Municipality of Nyeri Integrated Development Plan (IDeP), 2024-2029 are;

- i. To promote shared economic growth and job creation.
- ii. To enhance good governance and active participatory citizenry.
- iii. To enhance basic infrastructure for effective service delivery

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Municipal Administrative Services	To improve existing physical and social infrastructure within the Municipality.	Improved road network	No. of kilometres of access roads upgraded, maintained and rehabilitated	In FY under review 6.98km of roads were upgraded, maintained and rehabilitated.
	To achieve timely delivery of planning decisions on private sector and community development initiatives	Improved governance	No. of forums conducted	Four (4) citizen forums were held during the year under review
	To improve sanitation standards within the municipality	Clean and healthy environment	No. of tons of solid waste collected	10,075 tons of solid waste was collected during the year under review

Corporate Governance Statement

Nyeri Municipal Board upholds the principles of transparency, accountability, and integrity in its operations. The Board is committed to effective governance structures, policies, and practices that support the Municipality's strategic objectives and ensure value for stakeholders.

1. Appointment and Removal of Board Members

Board members are appointed through a structured and transparent process guided by the Urban Areas and Cities Act and relevant county legislation. The process includes public advertisement of vacancies, shortlisting, and vetting by relevant county organs, followed by formal appointment by the County Government of Nyeri. Removal of board members follows due process based on performance, misconduct, or failure to meet statutory obligations.

The Board comprises a balanced mix of professionals representing various sectors including planning, finance, environment, and community development. The diversity in gender, age, and professional background ensures inclusive and effective decision-making. The Board Charter exists to guide roles, responsibilities, and ethical conduct of members.

2. Roles and Functions of the Board

The Board is responsible for policy formulation, strategic oversight, budget approval, and performance monitoring of the Municipality. It ensures alignment with the County Integrated Development Plan (CIDP), Municipality Integrated Development Plan (IDeP) and the Municipal Charter. It also oversees public participation in governance processes.

3. Induction, Training, and Development

Newly appointed board members undergo an induction program to familiarize them with the municipal governance structure, legal framework, financial systems, and stakeholder engagement processes. Ongoing training and capacity-building initiatives are held periodically in collaboration with institutions such as the Kenya School of Government and Council of Governors.

4. Board and Members' Performance

Performance evaluations are conducted annually. The assessment includes self-evaluation, peer review, and external input where necessary. The results inform training needs, strategic planning, and overall effectiveness.

Board Meetings and Attendance

During the reporting year, the Board held four (4) scheduled meetings. Attendance averaged over ninety percent (90%), with most members attending all sessions. Attendance is a key performance

metric and is reported to the County Executive Committee Member (CECM) in charge of Urban Development.

Succession Plan

The Board serves a five-year term, which is renewable once. To ensure continuity and leadership stability, the Governor, during the reconstitution of the Board, ensures that at least fifty percent of the members are reappointed. This strategic reappointment process preserves institutional memory and sustains the momentum of ongoing programs and initiatives.

Conflict of Interest

Members are required to declare interests at the beginning of each meeting and recuse themselves where necessary. Disclosure is documented in the minutes, and any breach is subject to disciplinary procedures.

Board Remuneration

Board remuneration is determined by the Salaries and Remuneration Commission (SRC) and includes sitting allowances and reimbursements for official tasks. Payments are made transparently and are disclosed in financial reports.

Ethics and Conduct

The Board upholds high ethical standards anchored in the Leadership and Integrity Act and the Board Charter. Members sign a Code of Conduct and are expected to exhibit professionalism, impartiality, and accountability. Breaches are addressed through established disciplinary mechanisms.

Communication

The Board ensures key decisions, plans, and performance reports are shared through public notices, community forums, and the County Government's website. Stakeholder feedback is integral to continuous improvement.

Committees' Terms of Reference

The Board has established specialized committees with clear terms of reference (ToRs), these are:

- i) **Finance and Administration Committee** – This committee is responsible for overseeing all aspects related to municipal finance and administration. Its key functions include reviewing and monitoring budgets, financial statements, resource allocation, procurement processes, human resource matters, and administrative policies. Additionally, the committee undertakes any other duties delegated by the Board, ensuring financial integrity, compliance with legal frameworks, and efficient operation of municipal functions.

- ii) **Technical Committee** – The Technical Committee oversees the technical and operational dimensions of service delivery within the municipality. It is tasked with evaluating the progress of ongoing municipal projects and programmes, ensuring that implementation aligns with planned objectives. The committee also sets and reviews service delivery standards, procedures, and quality controls to promote efficiency and effectiveness.
- iii) **Audit, Governance and Risk Committee** – The committee is responsible for strengthening the accountability, transparency, and integrity of municipal operations. It provides oversight on internal controls, financial reporting, and risk management systems to ensure that the municipality complies with statutory and regulatory requirements. The committee also monitors governance practices, reviews ethical conduct, and ensures the Board operates within the principles of good corporate governance. Additionally, it identifies potential risks affecting the municipality and recommends mitigation strategies.

Environmental and Sustainability Reporting

Sustainability Strategy and Profile

Global political and economic trends, particularly climate change, have heightened the need for sustainable practices. Nyeri Municipality has responded by aligning with the Sustainable Development Goals, especially Goal 11 on sustainable cities and Goal 13 on climate action.

During the reporting period, Nyeri Municipality made significant progress in environmental sustainability and social inclusion by constructing eco-friendly roads, improving waste management, and promoting local procurement to support youth, women, and PWDs.

The Municipality also emphasized local content in procurement, with a significant portion of contracts allocated to local suppliers

Environmental Performance

Nyeri Municipality's Solid Waste Management Policy provides a clear framework for reducing environmental impact through waste reduction, energy conservation, and biodiversity protection. Key initiatives during the reporting period included public sensitization campaigns and quarterly cleanup exercises, which enhanced community awareness and participation in environmental conservation. While inadequate recycling infrastructure posed a challenge, the Municipality responded by partnering with local waste management firms to improve recycling systems—an approach expected to strengthen long-term sustainability outcomes.

Employee Welfare

Nyeri Municipality prioritizes employee welfare by fostering a fair, inclusive, and safe working environment. It invests in continuous capacity building through workshops, training, and seminars to enhance staff skills. A structured performance appraisal system supports goal setting, feedback, and recognition. The Municipality also upholds compliance with the Occupational Safety and Health Act of 2007, ensuring workplace safety standards.

Marketplace Practices

a) Responsible Competition Practices

Nyeri Municipality ensures fair competition in all aspects of service delivery. Open, transparent tendering procedures are followed for all contracts.

b) Responsible Supply Chain and Supplier Relations

The Municipality emphasizes ethical and responsible business practices in its supply chain. Suppliers are required to adhere to strict standards of fair treatment, including honoring contracts and respecting agreed payment practices. In the procurement of goods and services, a portion of the budget is allocated to local suppliers, ensuring that we support the local economy while maintaining competitive procurement processes.

c) Responsible Marketing and Advertisement

The Municipality maintains ethical marketing practices, ensuring that all communication with the public is clear, accurate, and transparent. This includes public sensitization campaigns where citizens are informed about available services and can access them online. Diversity and inclusivity are key principles in our outreach efforts, and we ensure that our communication materials cater to all demographics.

d) Product Stewardship or Awareness Creation

Nyeri Municipality works diligently to protect citizens' rights through the provision of adequate service information and the protection of consumer data. Our customer service centers are trained to assist residents in navigating their rights and resolving any disputes.

Community Engagements

During the reporting period, the Municipality conducted tree planting campaigns, resulting in the planting of over 500 trees in schools and public spaces, contributing to environmental conservation and urban greening. These efforts reflect the Municipality's commitment to building a sustainable, inclusive, and resilient community.

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

In conclusion, Nyeri Municipality has made notable strides in embedding sustainability into its operations. Despite ongoing challenges in waste management and infrastructure, the Municipality remains committed to environmental stewardship, social inclusion, and economic development, aiming to be a model for sustainable urban growth.

Report of the Municipality Board Members

The Board Members submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Municipality affairs.

Principal activities

The principal activities of the Municipality are as outlined on pages iii-iv

Performance

The performance of the Municipality for the year ended June 30, 2025 are set out on page xxi

Board Members

The members of the Board who served during the year are shown on page ix-xv. There were no changes in the Board during the financial year under review.

Auditors

The Auditor General is responsible for the statutory audit of the Municipality in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Name:

Secretary of the Board

Statement of Management's Responsibilities

Section 180 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of the Municipality established by Urban Areas and Cities Act No. 13 of 2011 shall prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Municipal manager is responsible for the preparation and presentation of the Municipality's financial statements, which give a true and fair view of the state of affairs of the Municipality 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 City/Municipality, (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 City/Municipality, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

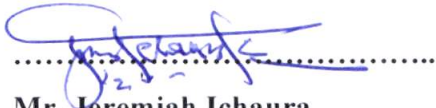
The Municipal Manager accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Urban Areas and Cities Act No. 13 of 2011*. The Municipal Manager is of the opinion that the financial statements give a true and fair view of the state of Municipality's transactions during the financial year ended June 30, 2025, and the financial position as at that date.

The Municipal Manager further confirms the completeness of the accounting records which have been relied upon in the preparation of financial statements as well as the adequacy of the systems of internal financial control.

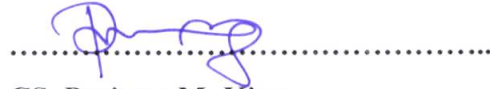
In preparing the financial statements, the directors have assessed the fund's ability to continue as a going concern. Nothing has come to the attention of the Municipal Manager to indicate that the Municipality will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Municipality's financial statements were approved by the Board on 17th Nov 2025 and signed on its behalf by:



Mr. Jeremiah Ichaura
Chairperson of the Board



CS Perister M. Kigwa
Accounting officer of the Board

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MUNICIPALITY OF NYERI FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF NYERI

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying transitional IPSAS financial statements of Nyeri Municipality set out on pages 1 to 41, which comprise of the statement of financial performance as at 30 June, 2025 and the statement of financial position statement of net

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

In my opinion, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of Nyeri Municipality 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 National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012 (and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025).

Basis for Opinion

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

Emphasis of Matter

Review of the statement of comparison of budget and actual amounts revealed that the Municipality budgeted to collect revenue amounting to Kshs 215,315,893, against which only Kshs 118,435,184 was realized. This represents a shortfall of Kshs 96,880,709 or 45% of the projected revenue. Further, only Kshs 91,029,377 of the actual revenue collected was utilized during the year, resulting in underutilization of Kshs 27,405,807 or 23%.

In the circumstances, planned activities and service delivery to residents may have been affected.

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. I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on page iv to xxxvi which comprise of Key Entity Information and Management, The Board of Directors,

Management Team, Chairman's Statement, Report of the Chief Executive Officer, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities, Statement of Performance Against Predetermined Objectives) as outlined in the financial statements. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Municipality'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 matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Lack of Operational and Financial Autonomy

Review of documents provided for audit revealed that the Municipality lacks both operational and financial autonomy in several key areas, including budget implementation, staff management, Board operations and expenses, and revenue management. Approvals and directives relating to these functions are often issued by the County Executive, thereby limiting the Municipality's ability to execute its mandate effectively and efficiently. Although an administrative framework exists to support the autonomous functioning of the Municipality, key administrative activities are yet to be formally transferred to the entity by the County Government. This is contrary to Section 21(1)(a) of the Urban Areas and Cities Act, 2011 which gives Municipality Boards executive authority as delegated by County Executives.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in

the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weaknesses in the Internal Audit Function

Review of information provided for audit revealed that Nyeri Municipality did not have any internal audit reports for the period under review. Consequently, continuous monitoring and evaluation of internal controls by the internal audit function were not undertaken during the year. In addition, the Board Committee responsible for Audit, Governance, and Risk was not furnished with any internal audit reports for consideration and oversight.

In the circumstances, the existence and effectiveness of the internal controls system could not be confirmed.

2. Lack of Fraud Management Policy

During the year under review, Nyeri Municipality did not have a risk management policy or strategy in place to mitigate operational, legal and financial risks. Further, the Management did not have in place a disaster recovery plan. This was contrary to Regulation 158 of the Public Finance Management (County Government), Regulations 2015.

In the absence of a risk management policy, the Management would face challenges in identifying individual risks, significant areas, likelihood of occurrence of identified risks and the appropriate control measures to be implemented.

3. Lack of Risk Management Policy

During the year under review, Nyeri Municipality did not have a risk management policy or strategy in place to mitigate operational, legal and financial risks. Further, the Management did not have in place a disaster recovery plan. This was contrary to Regulation 158 of the Public Finance Management (County Government), Regulations 2015.

In the absence of a risk management policy, the Management would face challenges in identifying individual risks, significant areas, likelihood of occurrence of identified risks and the appropriate control measures to be implemented.

4. Irregular Payment of Claims/ Payment of Travel Allowances Outside the Imprest System

Review of records provided for audit revealed that the entity's management made payments to various members of staff totaling to Kshs 1,512,139 through refunds/claims made by the officers undertaking various activities outside the County headquarters. The payments were direct payments to their bank accounts without proper imprest application and approval via imprest warrants as analyzed in the sample below. This was contrary to the provisions of Regulation 91(2) and 93(4) of the Public Finance Management (County Governments) Regulations, 2015, on the management of temporary imprest.

In the circumstances, the existence and effectiveness of an imprest system that enhances accountability 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 Board of Directors

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 Municipality'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.

The Board of Directors is responsible for overseeing the Municipality'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

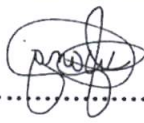
04 December, 2025

Statement of Financial Performance for The Year Ended 30 June 2025.

Description	Note	FY 2024/2025	Insert Comparative
		Kshs.	FY 2023/2024 Kshs.
Revenue from non-exchange transactions			
Transfers from the County Government	6	118,435,094	-
Public contributions and donations	7	-	-
Levies Fines and Penalties	8	-	-
Other revenues (<i>Specify</i>)	9	-	-
		118,435,094	-
Revenue from exchange transactions			
Interest income	10	-	-
Miscellaneous Income	11	-	-
		-	-
Total revenue		118,435,094	-
Expenditure			
Use of goods and services	12	67,053,226	-
Staff costs	13	21,376,061	-
Board expenses	14	2,600,000	-
Finance costs	15	-	-
Depreciation and amortization	16	-	-
Repairs and maintenance	17	-	-
Total expenses		91,029,287	-
Other gains/losses			
Gain/loss on disposal of assets	18	-	-
Surplus/(deficit) for the period		27,405,807	-

The notes set out on pages 28 to 43 form an integral part of these Financial Statements. The entity financial statements were approved on 17th Nov 2025 and signed by:


.....
CS Perister M. Kigwa
CPS M/No.4133
Municipal Manager



.....
CPA Eunice w. Mwangi
Head of Finance
ICPAK M/No. 6203

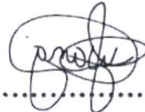
County Government of Nyeri
Municipality of Nyeri
Annual Report and Financial Statements for the year ended June 30, 2025

Statement of Financial Position as at 30 June 2025

Description	Note	FY 2024/2025	Insert Comparative FY20
		Kshs.	23/2024 Kshs.
Assets			
Current assets			
Cash and cash equivalents	19	28,872,442	4,042
Receivables from exchange transactions	20	-	-
Receivables from non-exchange transactions	21	-	-
Prepayments	22	-	-
Inventories	23	75,856	-
Total current assets		28,948,298	4,042
Non-current assets			
Property, plant, and equipment	24	-	-
Intangible assets	25	-	-
Biological Assets	26	-	-
Total Non-current Assets		-	-
Total assets (A)		28,948,298	4,042
Liabilities			
Current liabilities			
Trade and other payables	27	1,538,449	-
Refundable deposits from customers	28	-	-
Provisions	29	-	-
Borrowings	30	-	-
Employee benefit obligations	31	-	-
Deferred Income	32	-	-
Social Benefits	33	-	-
Total current liabilities		1,538,449	-
Non-current liabilities			
Provisions	29	-	-
Borrowings	30	-	-
Non-current employee benefit obligation	31	-	-
Deferred Income	32	-	-
Social Benefits	33	-	-
Total liabilities (B)		1,538,449	-
Net Assets (A-B)		27,409,849	4,042
Represented by:			
Capital/Development Grants/Fund		4,042	
Reserves		-	
Accumulated surplus		27,405,807	
Net Assets/Equity		27,409,849	4,042

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 17th Nov 2025 and signed by:

.....

 CS Perister M. Kigwa
 CPS M/No.4133
 Municipal Manager

.....

 CPA Eunice W. Mwangi
 Head of Finance
 ICPAK M/No. 6203

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

Statement of Changes in Net Assets for the Year Ended 30 June 2025

Description	Capital/ Development Grants/Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs.	Kshs.	Kshs.
Bal as at 1 July 2023 (previous year)	-	-	-	-
Surplus/(deficit) for the year		-	-	-
Funds received during the year	-	-	-	-
Revaluation gain/loss	-	-	-	-
Bal as at 30 Jun 2024	-	-	-	-
Bal as at 1 July 2024 (current year)	-	-	-	-
Surplus/(deficit) for the year	27,405,807	-	-	27,405,807
Funds received during the year		-	-	-
Revaluation gain/loss	-	-	-	-
Balance as at 30 June 2025	27,405,807	-	-	27,405,807

Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	FY 2024/2025	FY2023/2024
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the County Government		118,435,094	-
Public contributions and donations		-	-
Interest received		-	-
Miscellaneous receipts (<i>Specify</i>)		-	-
Total Receipts		118,435,094	-
Payments			
Use of goods and services		67,053,226	-
Staff costs		21,376,061	-
Board expenses		2,600,000	-
Finance costs		-	-
Total Payments		91,029,287	-
Net cash flows from operating activities	34	27,405,807	-
Increase in trade payables		1,538,449	
Cash flows from investing activities			
		-	
		75,856	
Purchase of PPE & intangible assets		-	-
Proceeds from sale of PPE		-	-
Net cash flows used in investing activities		1,462,593	-
Cash flows from financing activities			
Receipts from Capital grants			-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		1,462,593	-
Net increase/(decrease) in cash & cash equivalents		28,868,400	-
Cash And Cash Equivalents At 1 July	19	4,042	-
Cash And Cash Equivalents At 30 June 2025	19	28,872,442	-

Statement of Comparison of Budget & Actual Amounts for the Year ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
Budget carryovers from the previous year*	-	-	-	-	-	0%
Receipts						
Transfers from the County Government	61,790,880	53,701,494	115,492,374	86,125,788	29,366,586	75%
Donor funding : (a)Urban Institutional Grant	35,000,000	-	35,000,000	32,309,396	2,690,604	92%
(b) Urban Development Grant	-	64,823,519	64,823,519	-	64,823,519	0%
Miscellaneous income (<i>specify</i>)	-	-	-	-	-	%
Total Receipts	96,790,880	118,525,013	215,315,893	118,435,184	96,880,709	%
Payments						
Use of goods and services	11,874,873	3,496,000	15,370,873	15,116,227	254,646	98%
Grants from other Government entities	35,000,000	64,823,519	99,823,519	3,440,900	96,382,619	3%
Staff Costs	5,866,007	20,000,000	25,866,007	21,376,061	4,489,946	83%
Capital programs expended	44,050,000	30,205,494	74,255,494	51,096,189	23,159,305	69%
Total expenditure Payments	96,790,880	118,525,013	215,315,893	91,029,377	124,286,516	42%
Capital Expenditure Payments						
Surplus for the period	-	-	-	27,405,807	-	
					27,405,807	

Budget notes

The underutilization was caused by the delayed disbursement of the capital grants and non-disbursement of Urban Institute Grant (UIG) and Urban Development Grant (UDG) by the Kenya Urban Support Program.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	27,405,807.
1	Accounts payables	1,538,449
2	opening balances	4,042
3	Reason for differences	
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	28,948,298

Notes to the Financial Statements

1. General Information

Municipality of Nyeri is established by and derives its authority and accountability from the Urban Areas and Cities Act, No. 13 of 2011 (as amended in 2019), and the Municipality of Nyeri Charter dated 24th August 2018. The municipality is under the County Government of Nyeri and is domiciled in Kenya.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts, and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *Municipality's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Municipality of Nyeri*.

The financial statements have been prepared in accordance with the PFM Act, the Urban Areas and Cities Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Application of New and revised standards (IPSAS)

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

There were no new and amended standards issued in the financial year.

- 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 43: Leases	Applicable 1st January 2025 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.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 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.
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 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.
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by:

	<ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
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>
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> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements

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	understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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iii. Early adoption of standards

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

4. 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. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

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 for each period.

b) Budget information

The original budget for FY 2024-2025 of Kshs 96,790,880 was approved by the County Assembly on 19th 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 Municipality upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Municipality recorded additional appropriations of Kshs118,525,013 on 10th April 2025 following the governing body's approval.

The Municipality's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis

using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. 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 Cashflows has been presented under Budget Reconciliation section of these financial statements.

c) 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 Municipality 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.

d) 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.

e) Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

f) Financial instruments

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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At 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.

Financial assets

Classification of financial assets

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

on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

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 a surplus or deficit model.

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.

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.

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

g) 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:

Raw materials: purchase cost using the weighted average cost method

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 City/Municipality.

h) Provisions

Provisions are recognized when the Municipality 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 Municipality 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.

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the needs of society as a whole. The entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

The Municipality 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.

k) Contingent assets

The Municipality 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 Municipality 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

l) Nature and purpose of reserves

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

m) Changes in accounting policies and estimates

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

n) Employee benefits – Retirement benefit plans

The Municipality provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the Municipality does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to scheme 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 benefits 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.

o) 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.

p) 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.

q) Related parties

The Municipality 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 Municipality, or vice versa. Members of key management are regarded as related parties and comprise the Board members, the municipal managers and municipal Accountant.

r) 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 various commercial banks at the end of the financial year.

s) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

t) Events after the reporting period

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorized for issue.

Two types of events can be identified:

(a) Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and

(b) Those that are indicative of conditions that arose after the reporting date (*non-adjusting events after the reporting date*).

The Municipality should indicate whether there are material adjusting and non-adjusting events after the reporting period.

u) Currency

The financial statements are presented in Kenya Shillings (Kshs.) and the values rounded off to the nearest shilling.

5. Significant judgments and sources of estimation uncertainty

The preparation of the Municipality'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 Municipality based its assumptions and estimates on parameters available when the consolidated 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 Municipality. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

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

- i) The condition of the asset based on the assessment of experts employed by the Municipality.
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- iii) The nature of the processes in which the asset is deployed.
- iv) Availability of funds to replace the asset.
- v) Changes in the market in relation to the asset.

Notes to the Financial Statements

6. Transfers from the County Government

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	32,309,300	-
Payments by County on behalf of the entity	86,125,794	-
Unconditional development grants	-	-
Total	118,435,094	-

(a) Transfers from County Government entities (Categorized)

Name Of the Entity Sending the Grant	Amount recognized to Statement of financial performance* Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	Insert Comparative FY
			Kshs	Kshs	Kshs
State Department	-	-	-	-	-
Ministry	-	-	-	-	-
	-	-	-	-	-
Total	-	-	-	-	-

7. Public Contributions and Donations

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

8. Levies, Fines and penalties

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Levies	-	-
Fines	-	-
Penalties	-	-
Others (<i>indicate and specify</i>)	-	-
Total	-	-

9. Other Revenues

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Transfers from other government entities	-	-
Others (<i>indicate and specify</i>)	-	-
Total	-	-

10. Interest income

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Interest income from investments	-	-
Interest income on bank deposits	-	-
Others (<i>Specify</i>)	-	-
Total interest income	-	-

11. Miscellaneous income

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Income from sale of tender documents	-	-
Others (<i>specify</i>)	-	-
Total other income	-	-

12. Use of Goods and Services

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Utilities, supplies and services	40,000	-
Communication, supplies and services	269,992	-
Domestic travel and subsistence	1,048,500	-
Foreign travel and subsistence	-	-
Printing, advertising, supplies & services	201,426	-
Rent and rates	-	-
Training expenses	228,546	-
Hospitality supplies and services	386,638	-
Insurance costs	-	-
Specialized materials and services	1,577,445	-
Office and general supplies and services	735,550	-
Fuel, oil and lubricants	39,750	-
Other operating expenses (<i>Specify</i>)	3,440,900	-
Routine maintenance – vehicles and other equipment	5,961,210	-
Routine maintenance – other assets	89,820	-
Contracted Professional Services	1,937,350	-
Audit fees	-	-
Hire of Transport, equipment etc	-	-
Bank Charges	-	-
Capital programs expended	51,096,099	-
Total	67,053,226	-

13. Staff costs

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Salaries and wages	19,227,391	-
Staff gratuity	-	-
Social security contribution	-	-
Other staff costs (<i>House, Leave & extreneous allowances</i>)	2,148,670	-
Total	21,376,061	-

14. Board expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Chairman/Members' Honoraria	-	-
Sitting allowances	543,000	-
Medical Insurance	-	-
Induction and Training	783,000	-
Travel and accommodation	1,274,000	-
Conference Costs	-	-
Other allowances (<i>Specify</i>)	-	-
Total	2,600,000	-

15. Finance costs

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
Total	-	-

16. Depreciation and amortization

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	-

17. Repairs and Maintenance

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Property- Buildings	-	-
Office equipment	-	-
Furniture and fittings	-	-
Motor vehicle expenses	-	-
Maintenance of civil works	-	-
Total repairs and maintenance	-	-

18. Gain/(loss) on disposal of assets

Description	FY 2024/2025	FY 2023/2024
	Kshs,	Kshs,
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

19. Cash and cash equivalents

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Fixed deposits account	-	-
On – call deposits	-	-
CBK Municipality of Nyeri Urban Development Grant	4,036	4,036
CBK Municipality of Nyeri Urban Institutional Grant	28,868,406	6
Total cash and cash equivalents	28,872,442	4,042

Detailed analysis of the cash and cash equivalents are as follows:

Financial institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
a) Fixed deposits account			
Kenya Commercial bank		-	0
Equity Bank, etc		-	0
Sub- total		-	-
b) On - call deposits			
Kenya Commercial bank		-	0
Equity Bank - etc		-	0
Sub- total		-	0
c) Current account			
Kenya Commercial bank		-	0
Equity Bank - etc		-	0
Sub- total		-	0
d) CBK Municipality of Nyeri Urban Institutional Grant	1000372222	28,868,406	6
Municipality of Nyeri Urban Development Grant	1000372214	4036	4,036
Cash in hand		-	0
Mobile Money		-	0
Sub- total		28,872,442	4,042
Grand total		28,872,442	4,042

20. Receivables from exchange transactions

Description	FY2024-2025	FY2023-2024
	Kshs.	Kshs.
Current Receivables		
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total Current receivables (a)	-	-
Non-Current receivables		
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total Non- current receivables (b)	-	-
Total	-	-

Ageing analysis for Receivables from exchange transactions

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	0	%
Between 1- 2 years	-	%	0	%
Between 2-3 years	-	%	0	%
Over 3 years	-	%	0	%
Total (a+b)	-	%	0	%

21. Receivables from Non-Exchange transaction

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Transfer from County Executive	-	-
Transfer from XXXX Fund	-	-
Total	-	-

Ageing analysis for Receivables from non-exchange transactions

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	0	%
Between 1- 2 years	-	%	0	%
Between 2-3 years	-	%	0	%
Over 3 years	-	%	0	%
Total	-	%	0	%

22. Prepayments

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Other (<i>specify</i>)	-	-
Total	-	-

23. Inventories

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Consumable stores Office fittings	75,856	-
Medical supplies	-	-
Spare parts and meters	-	-
Water for distribution	-	-
Other goods held for resale	-	-
Catering	-	-
Less: allowance for impairment	-	-
Total inventories at the lower of cost and net realizable value	75,856	-

Detailed Disclosure on Inventories

	FY 2024/2025	FY 2023/2024
	Opening balance	-
Additional Inventory in the year	75,856	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	75,856	-

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24. Property, Plant and Equipment

Description	Land	Building	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Depreciation Rate		X%	X%	X%	X%	X%		
As at 1 July 2023 (previous year)	-	-	0	-	0	0	0	0
Additions	-	-	0	-	0	0	0	0
Disposals	-	-	0	-	0	0	0	0
Transfers/adjustments	-	-	0	-	0	0	0	0
Revaluation Adjustment	-	-	0	-	0			
As at 30th June 2024	-	-	0	-	0	0	0	0
Additions for the year	-	-	0	-	-	0	0	0
Disposals for the year	-	-	0	-	0	0	0	0
Transfer/adjustments	-	-	0	-	0	0	0	0
Revaluation Adjustment	-	-	0	-	0			
As at 30th June 2025(current year)	-		0	-	0	0	0	0
Depreciation and impairment								
At 1 July 2023 (previous year)		-	0	-	0	0	0	0
Depreciation		-	0	-	0	0	-	0
Impairment		-	-	-	-	0	-	0
Transfers/ Adjustments		-	0	-	0	0	0	0
As at 30 June 2024		-	0	-	0	0	0	0
Depreciation for the year		-	0	-	0	0	-	0
Disposals for the year		-	0	-	-	0	0	0
Impairment for the year		-	0	-	-	0	-	0
Transfer/adjustment		-	0	-	0	0	0	0
As at 30th June 2025(current year)		-	0	-	0	0	0	0
NBV as at 30th Jun 2024 (previous year)	-	-	0	-	0	0	0	0
NBV as at 30th Jun 2025 (current year)	-	-	0	-	0	0	0	0

25. Intangible assets

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

26. Biological Assets

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Trees in a plantation forest	-	-
Animals: Dairy Cattle, Pigs, Sheep	-	-
Others specify	-	-
Total	-	-

27. Trade and Other Payables

Description	FY 2024/2025		FY 2023/2024	
		Kshs.		Kshs.
Trade payables		1,538,449		0
Retentions		-		0
Accrued expenses		-		0
Other payables (Specify)		-		0
Total trade and other payables		1,538,449		-
Ageing analysis:	FY 2024/2025	% of the Total	FY 2023/2024	% of the Total
Under one year		-	0	%
1-2 years	-	%	0	%
2-3 years	-	%	0	%
Over 3 years	-	-	0	%
Total	-	%	0	%

28. Refundable deposits and prepayments from customers

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
Rent deposits	-		0	
Prepayments	-		0	
Others (<i>specify</i>)	-		0	
Total	-		-	
Ageing analysis:	FY 2024/2025	% of the Total	FY 2023/2024	% of the Total
Under one year	-	%	0	%
1-2 years	-	%	0	%
2-3 years	-	%	0	%
Over 3 years	-	%	0	%
Total	-	%	0	%

29. Provisions

Description	FY 2024/2025		FY 2023/2024	
	Kshs.		Kshs.	
Balance at the beginning of the year	-		-	
Additional Provisions (<i>Specify</i>)	-		-	
Provision utilised	-		-	
Balance at the end of the year	-		-	
Current Portion of provision	-		-	
Long term portion of provision	-		-	
Total Provisions	-		-	

30. Borrowings

The table below shows the classification of borrowings long-term and current borrowings:

Description	FY 2024/2025		FY 2023/2024	
	Kshs.		Kshs.	
Short term borrowings (current portion)	-		-	
Long term borrowings	-		-	
Total	-		-	

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Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Balance at beginning of the period	-	-
Borrowings during the year	-	-
Repayments of borrowings during the period	-	-
Balance at end of the period	-	-

The table below shows the Distribution of borrowings:

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Borrowings		
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Borrowings from other government institutions	-	-
Total balance at end of the year	-	-

31. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	Total
	Kshs.	Kshs.	Kshs.	Kshs.
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
Total	-	-	-	-

32. Deferred Income

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
National/County Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

The deferred income movement is as follows:

Description	County government	International funders/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	-	-	-	-
Additions during the year	-	-	-	-
Transfers to capital fund	-	-	-	-
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	-	-	-	-

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

33. Social Benefit Liabilities

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
PWD benefit scheme		
Elderly social benefit scheme	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

34. Cash generated from operations

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Surplus/ (deficit) for the year before tax	27,405,807	-
Adjusted for:		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Working Capital adjustments	-	
Increase in inventory	75,856	-
Increase in receivables	-	-
Increase in payables		
Net cash flow from operating activities	27,329,951	-

35. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Municipality 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. The Municipality is related to the following entities:

- a) The County Government.
- b) The Parent County Government Ministry.
- c) County Assembly.
- d) Key management.
- e) Municipality Board

b) Related party transactions

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Transfers from related parties'	-	-
Transfers to related parties	-	-

c) Key management remuneration

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Board Members	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Due from parent Ministry	-	-
Due from County Government	-	-
Due from County Assembly	-	-
Total	-	-

e) Due to related parties

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Due to County Assembly	-	-
Total	-	-

36. Contingent liabilities

Contingent liabilities	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Court case xxx against the entity	-	-
Bank guarantees	-	-
Total	-	-

37. Contingent Assets

Contingent liabilities	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Court case xxx against the entity	-	-
Others Specify	-	-
Total	-	-

38. Financial risk management

The Municipality's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Municipality's overall risk management programme focuses on the 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 Municipality 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 Municipality's financial risk management objectives and policies are detailed below:

I. Credit risk

The Municipality 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 assessments 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 Municipality's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the Municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
At 30 June 2025 (current year)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2024 (previous year)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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 Municipality has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The Municipality Board sets 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 Municipal Manager, who has built an appropriate liquidity risk management framework for the management of the Municipality's short, medium and long-term liquidity management requirements. The Municipality manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs.	Kshs.	Kshs.	Kshs.
At 30 Jun 2025 (current year)				
Trade payables	1,538,449	-		1,538,449
Current portion of borrowings	-	-		-
Provisions	-	-		-
Employee benefit obligation	-	-		-
Total	-	-	-	-
At 30 Jun 2024 (previous year)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-		-
Employee benefit obligation	-	-		-
Total	1,538,449	-	-	1,538,449

III. Market risk

The Board has put in place an internal audit function to assist it in assessing the risk faced by the Municipality 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 Municipality'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 Municipality'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 Municipality's exposure to market risks or the manner in which it manages and measures the risk.

IV. Foreign currency risk

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

Description		Other currencies	Total
	Kshs.	Kshs.	Kshs.
At 30 June 2025(current year)			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund’s statement of financial performance 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.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs.	Kshs.	Kshs.
2025 (current year)			
Euro	-	-	-
USD	-	-	-
2024 (previous year)			
Euro	-	-	-
USD	-	-	-

V. 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 Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund’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.

VI. Capital risk management.

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

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Revaluation reserve	-	-
Capital/Development Grants/Municipality	4,042	-
Accumulated surplus	27,405,807	-
Total Funds	27,409,849	-
Total borrowings	-	-
Less: cash and bank balances	-	-
	28,948,298	
Net debt/ (excess cash and cash equivalents)	1,538,449	-
Gearing	0	-

39. Program for Results (PforR) Disclosure

Expenditure Details	Amount in Kshs
Cumulative actual expenditures for the previous years	2025
Actual expenditure in the current financial year.	
1. Employee Cost	-
2. Use of goods and Services	-
3. Grants and Subsidies	-
4. Building of ECDE facilities	-
5. Others (specify)	-
Sub-total	-
Cumulative Actual Expenditures to date	-

Appendices

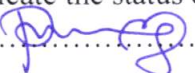
Appendix 1. Progress on Follow up of Auditors Recommendations.

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)

Guidance Notes:

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

.....


To be Signed by the Accounting officer of the Entity

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Appendix 2: Inter-Entity Transfers

MUNICIPALITY NAME: NYERI					
Breakdown of Transfers from the County Executive of Nyeri County					
FY 2024/2025					
a.	Recurrent Grants	Bank Statement Date	Amount (Kshs.)		Indicate the FY to which the amounts relate
			-		
			-		
	Total		-		
b.	Development Grants	11-Jul 2025	32,309,300		FY 2024-2025
			-		
			-		
			-		
	Total		32,309,300		
c.	Direct Payments	01-Jul 2024 – 30 Jun 2025	86,125,794		FY 2024-2025
			-		
			-		
	Total		86,125,794		





Signed by the Head of Accounts of the Entity and the transferring Entities

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Appendix 3: Reporting of Climate Relevant Expenditures

Name of the Organization
Telephone Number
Email Address
Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

Project Name	Project Description	Project Objectives	Project Activities	Quarterly Expenditures				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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Appendix 4: Disaster Expenditure Reporting Template

Date:

Entity

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

NYERI MUNICIPALITY URBAN INSTITUTIONAL GRANT(UG)
COUNTY GOVERNMENT OF NYERI

Account Number: 1000372222

BANK RECONCILIATION JUNE 2025

F.O 30

		Ksh	Ksh	Ksh
	Balance as per Bank certificate:			5.85
Less:				
	Payments in cash book not yet recorded in bank statement (Unpresented cheques)	3,440,900.00		
	Receipts in bank statement not yet recorded in cash book		3,440,900.00	
Add:				
	Payments in bank statement not yet recorded in cash book			
	Receipts in cashbook not yet recorded in bank statement	32,309,300.00	32,309,300.00	
	Balance as per Cash book:			28,868,405.85

I certify that I have verified the bank balances in the cash book with Bank statement and that the above reconciliation is correct.

Prepared By: *Maria M. Mwangi* Approved By: CPA Eunice W. Mwangi

Signature: *[Signature]*
Accountant

Signature: *[Signature]*
Assistant Accountant General

**NYERI MUNICIPALITY URBAN DEVELOPMENT GRANT(UDG)
COUNTY GOVERNMENT OF NYERI
Account Number: 1000372214
BANK RECONCILIATION JUNE 2025
F.O 30**

	Ksh	Ksh	Ksh
Balance as per Bank certificate:			4,036.45
Less:			
Payments in cash book not yet recorded in bank statement (Unpresented cheques)	-		
Receipts in bank statement not yet recorded in cash book		-	
Add:			
Payments in bank statement not yet recorded in cash book			
Receipts in cashbook not yet recorded in bank statement	-	-	
Balance as per Cash book:			4,036.45

I certify that I have verified the bank balances in the cash book with Bank statement and that the above reconciliation is correct.

Prepared By: *Miriam M. Mwangi* Approved By: CPA Eunice W. Mwangi

Signature: *[Signature]*
Accountant

Signature: *[Signature]*
Assistant Accountant General

