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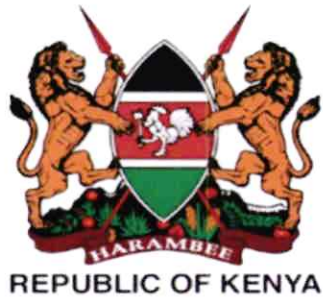
THE AUDITOR-GENERAL

ON

**INTERGOVERNMENTAL RELATIONS
TECHNICAL COMMITTEE**

**FOR THE YEAR ENDED
30 JUNE, 2024**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	03 MAR 2025 Thursday
TABLED BY:	Hon. Ndombi Waiganyo Deputy Majority Party Whip
CLERK-AT-THE-TABLE:	Archibuku



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IGRTC
INTERGOVERNMENTAL
RELATIONS TECHNICAL
COMMITTEE
Consultation, Cooperation & Coordination in Devolution

INTERGOVERNMENTAL RELATIONS TECHNICAL COMMITTEE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

**Intergovernmental Relations Technical Committee
Annual Report and Financial Statements
for the year ended June 30, 2024.**

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1. Acronyms and Definition of Key Terms

A: Acronyms

CEO	Chief Executive Officer
CoG	Council of Governors
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IGR	Intergovernmental Relations
IGRTC	Intergovernmental Relations Technical Committee
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank

B: Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organization.

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

The Intergovernmental Relations Technical Committee (IGRTC) was established under the Intergovernmental Relations Act (IGRA) of 2012. The Entity is domiciled in Kenya.

IGRTC is a state agency responsible for the day-to-day functioning of the National and County Government Co-ordinating Summit (The Summit) and the Council of County Governors (CoG). By law, it is charged with the responsibility of facilitating the activities of the Summit and CoG, as well as implementing the decisions of the two bodies. IGRTC was established in the fifth year of the implementation of the Constitution of Kenya, 2010 and the third year of the implementation of the system of devolved government established by the Constitution.

Vision Statement

Harmonious intergovernmental relations

Mission Statement

To facilitate effective intergovernmental relations for consolidating and deepening devolution through consultation, cooperation, and coordination to achieve socio-economic development.

(b) Principal Activities

Section 12 of the Intergovernmental Relations Act, 2012 states that the IGRTC shall:

- a) Be responsible for the day-to-day administration of the Summit and of the Council and in particular
 - (i) Facilitate the activities of the Summit and of the Council; and
 - (ii) Implement the decisions of the Summit and of the Council;
- b) Take over the residual functions of the transition entity established under the law relating to transition to devolved government after dissolution of such entity;
- c) Convene a meeting of the forty-seven County Secretaries within thirty days preceding every Summit meeting; and
- d) Perform any other function as may be conferred on it by Summit, the Council, this Act or any other legislation.

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(c) Key Management

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

No.	Designation	Name
1.	Board of Directors (Technical Committee)	
	Chairman	Mr. Kithinji Kiragu, OGW, MBS
	Vice Chair	Ms. Saadia A. Kontoma, OGW
	Member	Mr. John N. Burugu
	Member	Mrs. Linet M. Mavu
	Member	Dr. Perminus N. Ndimitu
	Member	Mrs. Alice K. Mayaka, CBS, OGW
	Member	Mr. Wilson L. Ole Pere
	Member	Mrs. Angeline Hongo, MBS
	Member	Mr. John N. Kimwela
2.	Secretariat	
	CEO/Secretary	Dr. Kipkurui S. Chepkwony
	Director	CHRP Monicah M. Wambua, HSC
	Director	Ms. Sophie Amutavy
	Director	Ms. Fatuma Mohamed Amin
	Director	Mr. Victor Odanga
	Director	Ms. Agnes Muthoni Ndwiga

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CEO	Dr. Kipkurui S. Chepkwony
2.	Head of Corporate Services	CHRP Monicah M. Wambua, HSC
3.	Head of Finance (CFO)	Mr. Peter Ochieng Bando

Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

1. Audit and Risk Committee

This is an internal oversight committee responsible for systems and expenditure review and advises management on necessary internal controls aimed at securing and safeguarding the assets of the organization.

2. Finance committee

This committee deals with day to today operations on internal financial and administrative issues while ensuring that programmes and activities are implemented as planned and that they are within the budget.

(f) Entity Headquarters

Parklands Plaza,
Mezzanine, 3RD & 4TH Floor,
Chiromo Lane, Muthithi Road,
Nairobi, KENYA.

(g) Entity Contacts

Parklands Plaza,
P.O. Box 44880 – 00100,
NAIROBI.
Telephone: 0202101489
E-mail: info@igrtc.go.ke, igrtc2015@gmail.com
Website: www.igrtc.go.ke

(h) Entity Bankers

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

Key Entity Information and Management (continued)

(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 Adviser

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



3. The Board of Directors/Council

Ref	Directors	Details
1.	 <p>CPA Kithinji Kiragu, OGW, MBS. Chairman Master of Business Administration (MBA) Strathclyde, Glasgow Bachelor of Commerce, University of Nairobi.</p>	<p>Mr. Kithinji Kiragu, OGW, MBS, was born in 1952. He holds a Bachelor of Commerce degree from the University of Nairobi and an MBA from the University of Strathclyde, Glasgow. A Certified Public Accountant (Kenya), Mr. Kiragu practiced accounting and auditing, later lecturing on these subjects at the University of Nairobi for three years. He has a wealth of experience in management and economics consulting, notably with the legacy firm of Coopers & Lybrand, which integrated into PricewaterhouseCoopers (PWC). At PWC, he served as Partner/Director, overseeing public sector advisory services in the Africa Central Region until 2007. Mr. Kiragu served as Chairman of the State Corporations Advisory Committee (SCAC). He currently serves as the Chairperson of IGRTC.</p>
2.	 <p>Ms. Saadia A. Kontoma, OGW Master of Education in Early Childhood Development (ECD) from the University of Nairobi (UoN).</p>	<p>Ms. Saadia A. Kontoma, OGW, was born in 1969, and holds a Master of Education in Early Childhood Development (ECD) from the University of Nairobi. With over twenty years of valuable experience, she has held diverse roles including a six-year tenure as a TSC Commission Member. Ms. Kontoma has also served as a Focal Officer with the Forum for African Women Educationalist Kenya (FAWEKE). Currently, she is the Vice Chairperson of the IGRTC and serves as the Chairperson of the Sub-committee on Alternative Dispute Resolution (ADR)</p>

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	<p>Bachelor of Education in Early Childhood Development (ECD) from Kenyatta University (KU)</p>	<p>committee of the board. Ms. Kontoma's extensive background in education, coupled with her leadership roles and commitment to women's empowerment, makes her a significant asset to the board.</p>
<p>3.</p>	 <p>Mr. John N. Burugu Master of Arts Degree in International Studies from the University of Nairobi (UoN). Bachelor of Arts Degree from the University of Nairobi (UoN). Higher Diploma in Human Resources Management from the Institute of Human Resources Management of Kenya, IHRM(K).</p>	<p>Mr. John N. Burugu, born on March 13, 1969, holds a Master of Arts Degree in International Studies and a Bachelor of Arts Degree from the University of Nairobi (UoN). Additionally, he earned a Higher Diploma in Human Resources Management from the Institute of Human Resources Management of Kenya (IHRM(K)). A member of the Kenya Institute of Management (KIM), Mr. Burugu brings over 26 years of public service experience to the board. As a trained Career Administrator, he served in Provincial Administration for fourteen years across Western, Coast, and Central regions. Subsequently, he transitioned to the Central Government, contributing to the then Local Government, Cooperatives Development and Marketing, as well as Youth and Sports Affairs Ministries. Currently, Mr. Burugu chairs the thematic area (Sub-Committee) on Summit and Council of Governors (COG) Affairs, showcasing his leadership and administrative skills.</p>


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<p>4.</p>	 <p>Mrs. Angeline Hongo, MBS Master of Business Administration in Finance from the University of Nairobi (UoN). Bachelor of Commerce in Accounting from the University of Nairobi (UoN).</p>	<p>Mrs. Angeline Hongo, MBS, born on August 15th, 1960, is a highly qualified professional with a Master of Business Administration in Finance from the University of Nairobi (UoN) and a Bachelor of Commerce in Accounting, also from UoN. As a distinguished civil servant with over 30 years of experience, Mrs. Hongo has contributed significantly to various sectors. Her career began as an Auditor in the then Controller and Auditor General’s Office, followed by a role as Principal Cooperative Auditor in the Ministry of Cooperatives. She later served in the Ministry of Local Government as the Program Coordinator for the Kenya Local Government Reform Program (KLGRP). Her extensive service includes roles in statutory boards such as the Kenya Accountants and Secretaries National Examinations Board (KASNEB), TANA Water Services Board, and TANATHI Water Services Board. Mrs. Hongo is a member of the IGRTC and holds the position of Chairperson of the thematic area on Assets and Liabilities and Related Records.</p>
<p>5.</p>	 <p>Mr. Wilson Pere Bachelor of Commerce degree from the University of Nairobi.</p>	<p>Mr. Wilson Pere, born in 1974, holds a Bachelor of Commerce degree from the University of Nairobi. With over 20 years of experience in the water sector and institutional development, he has demonstrated a commendable career trajectory. His career journey includes roles such as Assistant Secretary with the Public Service Commission, Fund Manager, National Constituency Development Fund, and eventually</p>


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		<p>rising to the position of Managing Director of Narok Water and Sewerage Co. Throughout his career, Mr. Pere has been actively involved in governance, serving on various boards, including the Kenya Water Services Providers Association, where he held an executive committee membership. Mr. Pere is currently a member of the IGRTC, where he chairs the sub-committee on Finance, Human Resource, and Institutional Development.</p>
<p>6.</p>	<div data-bbox="339 768 552 1021" data-label="Image"> </div> <p>Mrs. Alice K. Mayaka, CBS, OGW Master of Science (Human Resource Development) from the University of Manchester, UK.</p> <p>Postgraduate Diploma in curriculum Development from Kenyatta University.</p> <p>University of Nairobi and obtained a bachelor of Education (Science) degree.</p>	<p>Mrs. Alice K. Mayaka, CBS, OGW, born on December 18th, 1951, is a highly qualified and accomplished individual. She obtained a Bachelor of Education (Science) degree from the University of Nairobi and holds a postgraduate Diploma in curriculum Development from Kenyatta University. Additionally, Mrs. Mayaka earned a Master of Science in Human Resource Development from the University of Manchester, UK. Mrs. Mayaka's distinguished career includes serving as Permanent Secretary (PS) in the Ministry of State for National Heritage. She has also contributed significantly to education as a curriculum developer at the Kenya Institute of Education (now Kenya Institute of Curriculum Development) and as Deputy Director of Human Resource Development at the Directorate of Personal Management in the Office of the President. Her leadership extends to the academic realm, where she held roles such as Vice Chairperson of Kisii University College and continued as a member when it became a full-</p>



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		<p>fledged university. Mrs. Mayaka is a Member of the first Council of the University of Eldoret and has served as an Independent Director on the board of Total Kenya Limited for two terms. She is also a Member of the National Board of Trustees of the Kenya Girl Guides Association (KGGA) and holds full membership in the Institute of Human Resource Management (IHRM). Currently a member of the Intergovernmental Relations Technical Committee (IGRTC), she chairs the subcommittee on Consultation, Cooperation, Coordination, Human Resource, and Capacity Development.</p>
7.	 <p>Mrs. Linet M. Mosa Master of Business Administration in Strategic Management from the University of Nairobi (UoN). Bachelor of Arts in Education from Kenyatta University. Diploma in Public Relations Management from Kenya Institute of Management.</p>	<p>Mrs. Linet M. Mavu, born on January 3rd, 1972, is currently pursuing a Ph.D. in Business Management at the Jomo Kenyatta University of Agriculture and Technology (JKUAT). She holds a Master of Business Administration in Strategic Management from the University of Nairobi (UoN), a Bachelor of Arts in Education from Kenyatta University, and a Diploma in Public Relations Management from the Kenya Institute of Management. A member of the Kenya Institute of Management (KIM), she brings a diverse professional background to the board. Mrs. Mavu has served in various capacities, including five years as the County Executive Committee Member (CECM) for Administration and Devolution in Taita Taveta County Government. Prior to this, she spent six years in the Ministry of Local Government,</p>

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		<p>stationed in Mombasa Municipal Council. Her career also includes roles as a Graduate Teacher in Allidina Visram (Mombasa), Kenyatta High School (Mwatate), and Murray Girls High School in Taita Taveta. In addition to her professional achievements, Mrs. Mavu is the founder of Ache Africa-Arise Organization, focused on women's empowerment. Mrs. Mavu is the Chairperson of the thematic area (Sub-Committee) on Functional Analysis, Costing, and Transfer of Services (FACT) at the IGRTC.</p>
8.	 <p>Dr. Perminus Ndimitu Doctor of Philosophy in Business Administration (Accounting Option)-UoN Master of Business Administration (Accounting Option)-UoN Bachelor of Commerce (Accounting Option) -UoN</p>	<p>Dr. Perminus Ndimitu, born on January 1st, 1950, is a highly qualified professional with an impressive academic background. He holds a Doctor of Philosophy in Business Administration with a focus on Accounting from the University of Nairobi (UoN). Additionally, Dr. Ndimitu has earned a Master of Business Administration (Accounting Option) and a Bachelor of Commerce (Accounting Option), both from UoN. Currently pursuing a Master of Tax and Customs Administration with a specialization in Tax at KESRA, he demonstrates a commitment to continuous learning. Dr. Ndimitu is a Certified Public Accountant and a Certified Internal Auditor, showcasing his expertise in financial management, audit, and tax consultancy. With over 25 years of experience, he has established himself as a business leader. Dr. Ndimitu is currently serving as a member of the IGRTC and holds the position of Chairperson of the thematic area (Sub-Committee) on Legal Procedures.</p>

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<p>9.</p>	 <p>Mr. John Kimwela Bachelor of science in mathematics degree from Catholic University of Eastern Africa.</p>	<p>Mr. John Kimwela, born on December 31st, 1976, is a versatile professional with a Bachelor of Science in Mathematics degree from the Catholic University of Eastern Africa. With over 15 years of experience in both the public and private sectors, Mr. Kimwela has demonstrated a diverse career. He has served as a policy advisor to the Ministry of Devolution, contributing his expertise to governmental initiatives. His career also extends to the media industry, where he worked as a media consultant for reputable organizations such as Capital News, Standard Media Group, and Nation Media. In the banking sector, Mr. Kimwela served as a Business Advisor at Barclays Bank, bringing his skills to the financial domain. As a civil servant and seasoned professional, he offers a unique perspective that combines mathematical acumen, policy advisory experience, media consultancy, and financial sector knowledge.</p>
<p>10.</p>	 <p>Dr. Kipkurui S. Chepkwony, CEO Master's degree in Development Studies, from Kisii University.</p>	<p>Dr. Kipkurui S. Chepkwony was born on November 18th, 1983. He is an accomplished devolution and intergovernmental relations expert with experience spanning over 15 years. Dr. Chepkwony is currently the Secretary/ Chief Executive Officer (CEO) of the Intergovernmental Relations Technical Committee (IGRTC). He holds a Master's degree in Development Studies, from Kisii University, a Master Certificate in Business Management and Leadership from London Graduate School, and a</p>



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<p>Master Certificate in Business Management and Leadership from London Graduate School.</p> <p>Bachelor's Degree in Biochemistry and Molecular Biology from Jomo Kenyatta University</p>	<p>Bachelor's Degree in Biochemistry and Molecular Biology from Jomo Kenyatta University. Dr. Chepkwony was awarded an Honorary Doctor of Humanities by Commonwealth University and various other awards in recognition of his outstanding service to governance and community development.</p> <p>Before joining IGRTC as the CEO Dr. Chepkwony was the Technical Lead for Intergovernmental Affairs at the Presidential Economic Transformation Secretariat, under the Executive Office of the President. He also served as the Secretary-General of the County Assemblies Forum from July 2019 to August 2022, where he demonstrated his leadership qualities through efficient and prudent utilization of institutional resources. He was an elected Member of the County Assembly (MCA) for Tinderet Ward in Nandi County from March 2013 to August 2022. Dr. Chepkwony started his career in the medical sector where he served as a manager at a pharmaceutical company - Reckitt Benckiser between October 2010 and September 2011 having served as a medical representative at Medisel (K) Ltd. from January 2008 to December 2009. Throughout his public and private sector service, Dr. Chepkwony has championed institutional development through capacity building and inspiring his teams.</p>
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4. Key Management Team


	Management	Details
1.	 <p>Dr. Kipkurui S. Chepkwony Chief Executive Officer</p> <p>Master's degree in Development Studies, from Kisii University</p> <p>Master Certificate in Business Management and Leadership from London Graduate School</p> <p>Bachelor's Degree in Biochemistry and Molecular Biology from Jomo Kenyatta University.</p>	<p>Main Area of Responsibility</p> <p>Strategic Management: Provide strategic management in the implementation of decisions made by the Summit and the Technical Committee.</p> <p>Strategic Planning and Policy Implementation: Design and manage the implementation of IGRTC's strategies and policies for effective programs and activities.</p> <p>Establishment of Procedures and Guidelines: Facilitate the establishment of procedures and guidelines for committee functions to meet the requirements of the Committee.</p> <p>Development of Key Policies: Ensure the development of key policies and strategies for respective support divisions.</p> <p>Budget Management and Procurement Oversight: Provide strategic management in the budgeting process. Negotiate with the National Treasury and oversee the overall implementation of the procurement plan.</p> <p>Organization and Staff Management: Organize, control, and manage the staff of the Secretariat.</p> <p>Advisory Role: Advise the Committee on reforms and change initiatives in support services.</p> <p>Implement government circulars.</p> <p>Summit Advisory and Reporting: Support the Committee in advising the Summit on the progress of devolution and matters of national interest.</p> <p>Communication Forums: Organize forums to communicate with county secretaries on the progress of devolution and matters of intergovernmental issues.</p>

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<p>2.</p>	 <p>Ms. Monicah M. Wambua, CHRP, HSC. Director Corporate Affairs Master of Business Administration (MBA) – (Human Resources Management Option) Kenya Methodist University Post-graduate diploma in Human Resource Management Bachelor of Arts Degree in Sociology and Social Work University of Nairobi.</p>	<p>Main Area of Responsibility Strategic Planning and Policy Oversight: Designing and implementing strategies and policies for the Committee's programs and activities. Establishing Procedures and Guidelines: Facilitating the creation of operational procedures and guidelines for all functions in consultation with the CEO. Development of Divisional Policies: Creating key policies and strategies for respective support divisions. Financial Management: Managing the budgeting process and ensuring compliance with approved plans and timelines. Performance Management: Setting targets, evaluating staff performance, and ensuring accountability measures are in place for the Secretariat. Advisory Role: Providing advice on reforms and change initiatives in support services to the Committee. Corporate Services Management: Planning, managing, and overseeing the day-to-day corporate services functions.</p>
<p>3.</p>	 <p>Ms. Sophie Amutavy Director Legal Master of Arts Degree in International Relations from the United States International University (USIU)</p>	<p>Main Area of Responsibility Constitutional Mandate Oversight: Ensure the implementation of the organization's mandate in accordance with the Constitution of Kenya 2010 and relevant provisions. Compliance and Legal Advisory: Oversee compliance with statutory and regulatory requirements. Provide legal advisories on intergovernmental relations and governance matters to the Technical Committee. Legal Research and Instrument Preparation: Conduct legal research on issues related to IGRTC's mandate. Spearhead the review and interpretation of devolution and</p>

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	<p>Bachelor of Laws Degree (LL.B.) from Moi University</p>	<p>intergovernmental relations policies and legislation. Prepare legal instruments aligned with the Technical Committee's mandate.</p> <p>Legislation Database Maintenance: Maintain an up-to-date database of national and county legislation related to devolution and intergovernmental relations.</p> <p>Litigation Coordination: Coordinate IGRTC's representation in litigation matters, including preparing legal briefs and submissions for court.</p> <p>Dispute Resolution and Agreements: Undertake dispute resolution in intergovernmental disputes. Maintain a repository for all intergovernmental agreements between national and county governments</p>
<p>4.</p>	 <p>Ms. Fatuma Mohamed Director Programs - Intergovernmental Relations</p> <p>Masters of Arts In Advanced Disaster Management University of Nairobi.</p> <p>Bachelor of Development Studies (Specialised In Rural Development And Natural Resource Management) - Islamic University of Uganda</p>	<p>Main Area of Responsibility</p> <p>Constitutional and Legal Mandate: Direct the implementation of the organization's mandate in accordance with the Constitution of Kenya 2010, including specific provisions.</p> <p>Statutory Compliance and Strategic Planning: Direct the delivery of the organization's mandate in alignment with the Intergovernmental Relations Act, 2012, and the strategic plan.</p> <p>Capacity Building and Human Resource Management: Coordinate the provision of support and assistance to National and County Governments in capacity building initiatives and human resource management matters.</p> <p>Program Strategies and Policies: Design and oversee the implementation of program strategies and policies in consultation with the Technical Committee.</p> <p>Establishment of Policies and Guidelines: Facilitate the establishment of intergovernmental relations program policies, procedures, and guidelines for the institution.</p>

		<p>Consultation and Coordination: Facilitate consultation, coordination, and cooperation between national and county governments, as well as among county governments.</p> <p>Consultative Fora Convening: Convene consultative fora on sectoral issues of common interest to the national and county governments.</p> <p>Research in Intergovernmental Relations: Conduct frequent research in relevant fields related to intergovernmental relations.</p> <p>Budgeting and Work Plan Management: Develop, review, and update the Directorate's budget and work plan to support its operations.</p> <p>Delivery of Intergovernmental Relations Programs: Direct the delivery of the institution's intergovernmental relations programs in line with the committee's strategic objectives.</p> <p>Performance Monitoring: Develop, implement, and maintain a process for monitoring the organization's performance in terms of achieving its program strategic objectives.</p>
5.	 <p>Mr. Victor Odanga Director Programs – Transfer of Functions Master of Public Policy and Management (MPPM) - Strathmore University School of Business</p>	<p>Main Area of Responsibility</p> <p>Functional Analysis and Transfer: Undertake functional analysis and transfer residual functions to either level of government as per the Fourth Schedule.</p> <p>Resource Allocation and Utilization: Undertake costing of functions to optimize resource allocation and utilization.</p> <p>Coordination of Transfer: Coordinate the transfer of functions, power, or competencies between levels of government.</p> <p>Mutual Agreement Functions Transfer: Conduct the transfer of assigned functions through mutual agreement between the two levels of government.</p>

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	<p>Post Graduate Diploma in Revenue Administration, Kenya School of Revenue Administration (KESRA)</p> <p>Bachelor of Commerce University of Nairobi, School of Business</p>	<p>Asset and Liability Validation: Validate the inventory of all existing assets and liabilities of government, public entities, and local authorities.</p> <p>Asset Management Recommendations: Make recommendations for the effective management of assets of the national and county governments.</p> <p>Knowledge-Based Research: Initiate and develop knowledge-based research to inform policy decisions on issues affecting devolution and intergovernmental relations.</p>
<p>6.</p>	 <p>Ms. Agnes Muthoni Ndwiga Director, Summit and Intergovernmental Relations Structures</p> <p>Master of Science in Governance and Leadership from JKUAT.</p> <p>Bachelor of Business Management (Human Resource Option) from Karatina University.</p> <p>Diploma in Strategic Human Resource Management from the University of Nairobi (UON)</p>	<p>Main Area of Responsibility</p> <p>Supervision of Summit and IGR Functions: Supervise the implementation of functions of the Summit and Intergovernmental Relations structures as per the Intergovernmental Relations Act, 2012.</p> <p>Summit Coordination and Agenda Setting: Coordinate the convening of the Summit and identify agenda items for the Summit Meeting.</p> <p>County Secretaries Meetings Organization: Organize County Secretaries meetings to inform agenda setting for Summit meetings.</p> <p>Resolution Dissemination: Disseminate information on resolutions of the Summit and IGR structures to all relevant stakeholders.</p> <p>Stakeholder Coordination for Resolution Implementation: Coordinate all stakeholders to ensure Summit resolutions are implemented.</p> <p>Progress Reports Reception and Advice: Receive progress reports on the implementation of Summit meetings' resolutions by all actors. Provide advice as appropriate based on the progress reports.</p> <p>Decisions Transmission: Transmit the decisions of intergovernmental structures to the Summit.</p>

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		<p>Summit Reports Preparation and Submission: Prepare and submit to the Summit progress reports on the implementation of Summit resolutions. Prepare and submit Annual Summit Reports to the National Assembly, the Senate, and County Assemblies.</p> <p>Monitoring of Intergovernmental Agreements: Monitor the implementation of intergovernmental agreements on intergovernmental projects.</p>
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5. Chairman's Statement

The new administration was elected into office on the basis of its commitments to a Bottom-up Economic Transformation Agenda (BETA) Plan. Through this Agenda, the Government launched a new economic model that aimed to empower the grassroots and create more opportunities for the majority of Kenyans. The model focused on enhancing productivity, value addition, entrepreneurship, innovation and inclusivity in priority key sectors, including agriculture, manufacturing, trade, health, urban development and housing. Furthermore, in the BETA Plan, the government committed to support consolidation and deepening of devolution as “the optimal mechanism for delivering important services and implementing essential projects and programs in line with Bottom-Up Economic Transformation Agenda (BETA)”. In a nutshell, from the onset the government underscored the nexus of BETA and the implementation of devolution.

The Constitution established a devolved system of government comprising of the national and county governments where powers, functions and resources were decentralized to the devolved units. Article 6(2) and 189 of the Constitution provides for a cooperative and interdependent model of governance while recognizing the distinct nature of each level of government. The distinct and interdependent nature of the two levels of government gives rise to intergovernmental relations. Section 11 of the Intergovernmental Relations Act, 2012 establishes the Intergovernmental Relations Technical Committee (IGRTC). IGRTC is mandated pursuant to Section 12 of the Act to among others facilitating the National and County Governments Coordinating Summit (The Summit) and the Council of County Governors (COG), providing fora for consultations and cooperation between the national government and county governments and resolution of intergovernmental disputes through the Alternative dispute resolution mechanisms.

During the reporting period, the Committee implemented its mandate alongside other emerging issues from Summit, IBEC, Parliament and other intergovernmental forums. IGRTC successfully unbundled devolved functions for transfer to the county governments to enable county governments fully implement devolved functions as provided for in the Constitution. This process identified an indicative financial resource of Kshs. 272 billion worth of components of devolved functions for transfer. Sector forums were also established to facilitate and coordinate consultations between the two levels of government for effective performance of the functions. IGRTC also facilitated the

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resolution of intergovernmental disputes enabling both levels of government to work harmoniously and reduce the cost of litigation.

The successful realization of some of the aforementioned achievements have been impeded by a number of critical challenges that when addressed will improve the state of intergovernmental relations and subsequently effective devolution for service delivery. Key among the challenges include the limited legal powers of the institution to fully implement its functions including facilitation of the resolution of intergovernmental disputes and limited funds allocated for the performance of the functions.

The success of the country is pegged on effective devolution while the success of devolution depends on effective intergovernmental relations. This report therefore presents key achievements realized during the period as IGRTC strives to continually implement its mandate for the success of intergovernmental relations and devolution in the country.



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CPA Kithinji Kiragu

Chairman,

Intergovernmental Relations Technical Committee

6. Report of the Chief Executive Officer

The Intergovernmental Relations Technical Committee (IGRTC) was established pursuant to the Provisions of Section 11 of the Intergovernmental Relations Act 2012. The functions of the Technical Committee are provided for in Section 12 of the Act and include implementing the decision of the National and County Government Coordinating Summit and the Council of Governors. To enable effective implementation of its mandate the technical committee developed and launched a new strategic plan 2023-2027, to guide the organization towards a positive institutional trajectory in the discharge of its mandate as a key stakeholder in devolution and intergovernmental relations. The new strategic plan aligns the organization with the government's development agenda, the Bottom-up Economic Transformation Agenda (BETA). The strategic plan is supported by six pillars or key result areas as follows;

- i. The summit and shared national strategic agenda,
- ii. Support coordinated sustainable socio-economic planning to achieve objects and principles of devolution,
- iii. Effective performance of functions by the two levels of government,
- iv. Coordinate harmonization of policies and legislation on devolution matters,
- v. Intergovernmental dispute prevention and resolution and
- vi. Organizational effectiveness and efficiency

During the period under review IGRTC successfully organized the 10th National and County Governments Coordinating Summit meeting. The meeting came up with fifteen (15) resolutions for implementation by both levels of government. It is noteworthy to report that by the end of the financial year the resolutions were at 80% of implementation. Key among the resolutions was the finalization of the unbundling of pending devolved functions where IGRTC undertook a stakeholder engagement to validate the draft sector reports. The engagement led to development of 14 gazette notices that delineates and transfers the functions to the county governments. IGRTC further unbundled the functions performed by Regional Development Authorities (RDAs) with a view to transfer their functions and assets to either level of government, in compliance to the Fourth Schedule of the Constitution.

The Technical Committee during financial year 2023/2024 successfully handed over at total of 8,186 motor vehicles and machinery worth approximately Ksh.3billion to the 47 county governments. Further, copies of ownership documents of these assets were obtained in collaboration with the

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National Transport and Safety Authorities (NTSA) for seamless transfer to county governments. IGRTC carried-out monitoring and evaluation of the valuation of land and buildings in 30 counties. Over 65% of assets of defunct local authorities were valued in the 30 counties.

IGRTC hosted the second Biennial Intergovernmental Relations Symposium whose theme was “the State of Intergovernmental Relations: Consolidating and Deepening Devolution in Kenya”. The symposium was planned as one of the intergovernmental consultation platforms in furtherance of the constitutional provision that require the two levels of government to cooperate and constantly consult in pursuit of common goals while discouraging adversarial approaches in their interactions. The outcomes of the Symposium were resolutions and action plans which collectively contributed to creating a more collaborative and effective framework for intergovernmental relations, aligning with the objectives of devolution in Kenya.

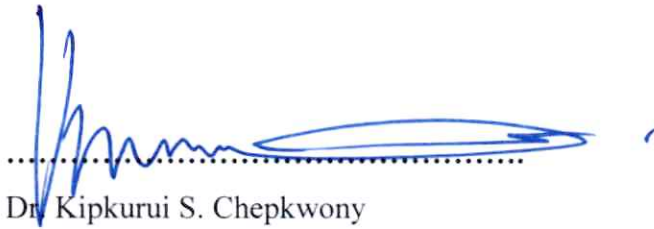
Despite IGRTC achievements during the period under review, there were myriad of challenges experienced. Some of these challenges included; (i) Inadequate funds to carry out key activities within the institution mandate, (ii) Delayed establishment of intergovernmental sector forums to follow up on implementation of summit resolutions, (iii) Slow pace in the review of policies and legislation to ensure conformity with the Constitution and (iv) Withdrawal by parties in the resolution of intergovernmental disputes process facilitated by IGRTC. The limited powers of IGRTC in dispute resolution restrained effective dispute resolution. (v) Lack of awareness amongst stakeholders on constitutional and legislative provisions on amicable resolution of intergovernmental disputes through alternative dispute resolution.

In order to mitigate some of the challenges, IGRTC seeks to partner more with development partners in programs that are geared towards deepening devolution. Secondly, IGRTC has been following closely on the process amending of the Intergovernmental Relations Act, 2012 by the Senate of Kenya, where IGRTC submitted memoranda which among other issues was the strengthening of the IGRTC to perform its mandate more effectively.

In the financial year ended 30th June 2024, IGRTC was allocated Ksh 596,560,000.00, the total expenditures amounted to Ksh 534,077,563.00, the balance brought forward was Ksh 18,387,919.00 and the absorption rate was 99.80%.

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Section 81 of the PFM Act, 2012 provides that at the end of each financial year the accounting officer for a national government entity shall prepare financial statements in respect of the entity. These financial statements were prepared in compliance of accrual accounting standards as published by the Public Sector Accounting Standards Board (PSASB). The financial statements prepared are statement of financial performance, statement of financial position, statement of changes in net assets, statement of cash flow, statement of comparison of budgets and actual amounts and notes to the financial statements.



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Dr. Kipkurui S. Chepkwony

Chief Executive Officer

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7. Statement of Performance against Predetermined Objectives for FY 2023/2024

IGRTC's Strategic Plan (2023-2027) has six Key Result Areas (KRA) and eight strategic objectives for the five years starting the FY 2023/2024. These Key Results Areas are as follows:

KRA1: The summit and shared national strategic agenda

KRA2: Support coordinated sustainable socio-economic planning to achieve objects and principles of devolution

KRA3: Effective performance of functions by the two levels of government

KRA4: Coordinate harmonisation of policies and legislation on devolution matters

KRA5: Intergovernmental dispute prevention and resolution

KRA6: Organisational effectiveness and efficiency

IGRTC develops its annual work plans based on the above six key result areas. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The IGRTC achieved its performance targets set for the FY 2023/2024 period for its 6 KRAs, as indicated in the table below:

Key Result Area	Strategic Objective	Key Performance Indicators	Activities	Achievements
The summit and shared national strategic agenda	To facilitate administration of activities of the Summit	No. of summit meetings held and % of resolutions implemented	Summit meeting held and resolutions implemented	One Summit meeting (The 10 th Summit) held and 80 % of the resolutions implemented
Support coordinated sustainable socio-economic planning to achieve objects and principles of devolution	To coordinate evaluation and reporting of the performance of national and county governments	No. of trained officers	Training and development of IGRTC officers in preparation for the evaluation of performance of national and county governments exercise.	Thirty-one (31) officers trained on M&E framework and development of tools to carry out the exercise.
Effective performance of functions by the two levels of government	Facilitate the transfer of functions, powers or competences	Functions unbundled, delineated, assigned and transferred	Unbundling, delineation and assignment of devolved functions	i. Twelve (12) sector reports developed. ii. Fourteen (14) gazette notices developed and submitted to the Office of the Attorney General's office for publication.

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Key Result Area	Strategic Objective	Key Performance Indicators	Activities	Achievements
	and attendant resources			<ul style="list-style-type: none"> iii. Attendant resources for thirty-three (33) counties for sixty-one (61) libraries transferred to counties iv. Seven (7) Museums transferred to counties v. One (1) draft Legal notice to operationalize transfer of function of RDAs to counties developed
		Assets transferred	Transfer of assets to Counties	<ul style="list-style-type: none"> i. Deed of transfer of construction of county headquarters to 5 counties developed and signed to effect the transfer. ii. Transfer of assets related to transferred libraries to 33 counties ii. Hand over 8,186 motor vehicles (including motor cycles), plant and equipment to the 47 counties v. Thirty (30) reports developed on the monitoring and evaluation of the exercise on valuation on land and buildings in 30 counties.
Coordinate harmonisation of policies and legislation on devolution matters	To facilitate harmonization of policies, legislation and institutional structures of both national and county governments to align to the Constitution	Memoranda and advisories	Development of memoranda on the amendment of IGR, Act.	Amendment of the IGRA, Act instituted in the Senate
			Established partnership with the International Commission of Jurists (ICJ)	One (1) Memorandum of understanding between IGRTC and ICJ signed
		Submissions in court	IGRTC was enjoined as an interested party in the court case between Nairobi City County Government and the State Department for Basic Education on the school	IGR partnership agreement facilitated and a judgement made to uphold the agreement.

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Key Result Area	Strategic Objective	Key Performance Indicators	Activities	Achievements
			feeding programme in public schools in Nairobi	
		Bills developed	Identify policies, legislation and institutional structures that do not conform to the devolved system of governance	One (1) Omnibus bill developed- Devolution law (Amendment) bill,2024.
Intergovernmental dispute prevention and resolution	To facilitate prevention and resolution of intergovernmental disputes	Disputes resolution facilitated	Facilitate and strengthen the prevention and resolution of intergovernmental disputes through ADR mechanisms	Eight (8) Intergovernmental dispute were declared in IGRTC where three (3) were resolved
Organisational effectiveness and efficiency	To strengthen organizational institutional capacity	Strategic plan	Development of the Strategic Plan in line with the 5 th generation guidelines	Strategic plan 2023-2027 developed, launched and implemented
		System developed	Digitalization and automation of services	E-summit and E-board system to facilitate paperless Summit and Board meetings developed
		Strategy	Corporate communication and branding Risk management and internal control	Communication Strategy reviewed to include emerging issues in corporate communication and branding. Public visibility of the institution also improved.

8. Corporate Governance Statement

IGRTC has a board charter which is a formal document that defines the Board's roles and responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic oversight function. The Charter also provides the Board members with an opportunity to think creatively and critically about how their strategic and operational plans align with the organization's strategic direction and expectations, with respect to governance. The purpose of the Board Charter is to promote high standards of governance.

The process of appointment of the Members of the Technical is outlined in the Intergovernmental Relations Act, 2012 which provides for the constitution of the Board as follows;

- i. A chairperson competitively recruited and appointed by the Summit;
- ii. Not more than eight members competitively recruited and appointed by the Summit; and
- iii. The Principal Secretary of the State department for the time being responsible for matters relating to devolution;
- iv. The CEO/Secretary competitively recruited and appointed by the Technical Committee, with the approval of the Summit who will be an ex-official member without voting rights.

The members of the Board elect one person from amongst their number to be the vice-chairperson, to step in and to coordinate a meeting in the absence of the chairman.

The Chairperson, Members of the Board and the Chief Executive Officer are appointed for a non-renewal term of 6 years.

The principal responsibility of the Board is to provide policy direction, establish the long-term goals of the Committee and ensuring that effective plans are developed and implemented within a commonly agreed organizational structure. This entails:

- i. Determining the Institution's mission, vision, purpose and core values.
- ii. Establish a corporate culture with ethical conduct that permeates the whole Institution.
- iii. Setting and overseeing the overall strategy and approving significant policies of the Institution.
- iv. Oversight and direct the work of the Committee mandate as per Section 8, 12, 13, 32, and 33 of the Intergovernmental Act 2012.
- v. Oversee that the strategy is aligned with the purpose of the Committee and the legitimate interests and expectations of its stakeholders.
- vi. Reviewing, evaluating and approving the Committee's budget and financial forecast.
- vii. Monitoring the Committees' performance and ensuring sustainability.

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- viii. Reviewing, evaluating and approving major resource allocations and capital investment.
- ix. Ensuring availability of adequate resources for the achievement of the institution's objectives.
- x. Promoting, effective, accurate, timely and transparent disclosure to stakeholders of pertinent information on the organization's operations and performance.
- xi. Hiring and approving the appointment of senior management staff.
- xii. Promote effective communication with stakeholders and a positive image of IGRTC.
- xiii. Adopting, implementing and monitoring compliance with IGRTC Board Charter and Code of Conduct and Ethics and related policies.

On matters of Board performance, the Chairman annually reviews the effectiveness of the Board, including its committees, individual Board members and the CEO.

Members of the board are remunerated as per the SRC guidelines.

A Board member shall cease holding office if the Board member-

- a. Serves the appointing Committee with a written notice of resignation; or
- b. Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding ten thousand shillings; or
- c. Is adjudged bankrupt or enters into a composition scheme or arrangement with his creditors; or
- d. Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Board; or
- e. Accepts any office the holding of which, if he or she were not a member of the Board would make him/her ineligible for appointment to the office of a member of the Board; or
- f. Conducts himself in a manner deemed by the appointing authority to be inconsistent with membership of the Board; or
- g. In the event of death of a member.

IGRTC's Technical Committee undertakes its ordinary meetings once every quarter to deliberate matters presented before it by management for policy direction. The Chairperson sets the agenda for the meetings in consultation with the Secretary/CEO and in accordance with the strategic plan, emerging needs and challenges. During the reporting period, the Board held four (4) ordinary meetings and one special meeting as indicated below:

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Board Meetings 2023/2024

No	Name	17 th July, 2023	7 th Dec, 2023	8 th Feb, 2024 (Special)	28 th Feb, 2024	25 th Apr, 2024	14 th June, 2024 (Special)
1	Mr. Kithinji Kiragu, OGW, MBS - Chairman	✓	✓	✓	✓	✓	✓
2.	Ms. Saadia A. Kontoma, OGW - V. Chair	✓	✓	✓	x	✓	x
3.	Mr. John N. Burugu - Member	✓	✓	✓	✓	✓	✓
4.	Mrs. Angeline Hongo, MBS - Member	✓	✓	✓	✓	✓	x
5.	Mrs. Linet M. Mavu - Member	✓	✓	✓	✓	✓	x
6.	Dr. Perminus N. Ndimitu - Member	✓	✓	✓	✓	✓	✓
7.	Mr. Wilson L. Ole Pere - Member	✓	✓	✓	✓	✓	✓
8.	Mr. John N. Kimwela - Member	✓	✓	✓	✓	✓	✓
9.	Mrs. Alice K. Mayaka, CBS, OGW - Member	✓	✓	✓	✓	✓	✓
10.	Mr. Patrick Karanja - Rep. PS. State Dept. for Devolution	✓	x	x	✓	x	x
11.	Dr. Kipkurui S. Chepkwony - CEO			✓	✓	✓	✓

9. Management Discussion and Analysis

IGRTC Major Achievements for the Last Three Years

- i. Implementation of the resolutions of the 9th Summit meeting. The resolutions were implemented in full and reported back to the Summit.
- ii. Implementation of the resolutions of the 10th Summit meeting. The key resolutions included the division of the Road Maintenance Levy Fund (RMLF) amounting to Ksh. 10.522 Billion for maintenance of county roads. The third National Wage Bill conference was held to deliberate on modalities to reduce the national wage bill to 35% in compliance with PFM Nact 2012 by 2028, transfer of the library function with the attendant resources to county governments and review of the gazette notices on transfer of devolved functions.
- iii. Convened the Second Intergovernmental Relations Symposium that provided a platform to reflect on the status of intergovernmental relations in Kenya.
- iv. Transfer of the library and museums functions to the county government and all the attendant resources including personnel and assets.
- v. Transfer of the motor vehicles from the defunct local authorities to the county governments and the relevant copies of ownership documents.
- vi. Unbundling of the functions of the Regional Development Authorities (RDAs) as per the Cabinet decision. A report was developed and submitted to Cabinet for further action.
- vii. Review of legislation impeding the transfer and implementation of devolved functions by the county governments and made amendment proposals to the legislation through an Omnibus Bill to be submitted to Parliament.
- viii. Training of senior IGRTC officers on monitoring and evaluation from 20th – 24th May, 2024
- ix. Developed and launched the new Strategic Plan 2023/2027 in line with the 5th generation guidelines from the State Department for Economic Planning.
- x. Developed and operationalized digital devices and systems including the E-Summit, E-board system and iPads to facilitate paperless Summit and Board meetings.
- xi. Held continuous engagement with the stakeholders in the sectors including mining, tourism and wildlife and public service to facilitate the establishment of sector forums.
- xii. IGRTC has constantly engaged the National Assembly, the Senate, the county assemblies, the Council of Governors and IBEC in ensuring accountability in the performance of its mandate.
- xiii. Handed over the construction of county headquarters for the county governments of Isiolo, Tharaka Nithi, Nyandarua, Lamu and Tana River.

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Key Risks

The major risks faced by the institution included:

- i. Financial risks. Arising from inadequate funding to implement key activities.
- ii. Operational risks. Arising from inadequate legislative and regulatory framework.
- iii. Political risks. Duplication of roles between intergovernmental structures.

Major Planned Activities

Planned activity	Expected Output
Assessment on the performance of devolved functions in Kenya	Assessment report indicating areas of interventions, improvement and recommendations to county and national government, Summit and Legislature.
Assessment of establishment and operationalization of County and national Intergovernmental Units	Status report on the existence, establishment and level of operationalization
Establishment of intergovernmental sector forums	All sectors established and operationalized.
Facilitation of intergovernmental disputes resolution through the alternative dispute resolution mechanisms	All registered intergovernmental disputes resolved
Coordinating the conduct of Summit meetings	Summit meetings convened and resolutions implemented
Reporting to the legislative bodies	Development of Annual Summit Report
Transfer of functions	Legal notices developed
Costing of functions transferred to county governments	Transfer of attendant resources
Transfer of assets and liabilities to the two levels of government	No. of assets and amounts of liabilities transferred.

10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

IGRTC has put in place a strategic plan with clear activities and undertakes consultative meetings between the two levels of government and other key stakeholders in devolution. IGRTC has an adequate institutional capacity with appropriate work environment and human resource development plan.

In line with the Government agenda on prioritizing digital platforms for handling data, and ensuring no loss of data, IGRTC through Innovation and Technology invested in sustainable paperless technologies and practices that aids in driving organizations efficiency while reducing ecological impacts. The Digital platforms include;

- a) The E-summit system and iPads to facilitate the conduct of paperless Summit meetings and improve efficiency.
- b) Development of E-IGR System that provides a platform for reporting purposes and task-assignments to employees. This system is essential in coordinating the performance of the mandate of IGRTC by the staff and coordination of activities.
- c) Digital transformation from the use of manual register to an Online meetings attendance register. The E-register serves as a repository for handling and storing attendance details for participants during institutional meetings.

These best practices have contributed to the reduction in the use of files, papers and tonners therefore improving documentation and meetings efficiency.

ii) Environmental performance

IGRTC takes action that are in the interests of protecting the natural resources, with particular emphasis on preserving the capability of the environment to support human life. IGRTC has put in place measures that minimizes resources, control, prevent and reduce pollution to the environment by ensuring proper handling and disposal of waste. Some of these measures include:

- a) **Natural Resource Conservation:** Employees took the mandate to always switch off the lights and close the running water taps when not being in use so as to reduce environmental waste and optimize the use of natural resources.
- b) **Biodiversity:** IGRTC boarded in the tree growing activities, this has majorly contributed to protection of our ecosystems and biodiversity through afforestation efforts.

- c) **Electronic waste disposal:** To minimize future e-waste, IGRTC Prioritize in purchasing energy-efficient and durable devices with longer life cycles and ensures that devices receive regular maintenance, this practice tends in extending the lifespan of all electronic devices

iii) Employee welfare

IGRTC is an equal opportunity employer that adheres to merit, fairness and competitive recruitment processes. It recruits persons who are professionally qualified by job related standards of education, training and experience with no discrimination whatsoever on the basis of race, sex, pregnancy, marital status, health status, ethnic or social origin, colour, age, disability, religion, culture or language. Further, IGRTC endeavours to achieve the two-thirds gender rule as set out in the Constitution of Kenya 2010; reflect national diversity; and implement national policies on disability mainstreaming.

IGRTC is committed to ensuring continuous learning and development and upgrading of its Human Resources core competencies, knowledge, skills and attitudes including their ability to assimilate technology to enable them accomplish its mandate. All employees are eligible for training based on Training Needs Assessment conducted periodically. Training Needs Assessment is a performance audit that generates and provides information to assess the inadequacy of knowledge and skills which inhibits the organization from attaining its objectives. IGRTC develops both short-term and long-term training programmes in specific professions that are intended to impart required knowledge, skills and attitudes to enhance staff performance, and also designs specific in-house training programmes which address the identified training needs.

IGRTC has a Staff Performance Appraisal system (SPAS), which is predicated upon the principle of work planning, setting of agreed performance targets, feedback and reporting. It is linked to personnel development, career progression, placement, rewards and sanctions. Further, there is a Rewards and Sanctions system for rewarding exemplary performance and administering sanctions for poor performance. The system aims at motivating employees to have positive attitude to work and to enhance productivity in the organization.

IGRTC has an Organizational Policies and Procedures Operational Manual in which matters of Staff Occupational Health and Safety guidelines are clearly outlined. The organization recognizes the need to have a healthy and safe working environment and commits itself to the achievement of the highest standards of health and safety in the workplace. IGRTC implements policies and programmes that assure employees protection from such hazards and disasters. The policies and programmes are implemented in compliance with the provisions of Occupational Safety and Health Act, 2007 and other

relevant Labour Laws. The organization undertakes regular health and safety consultation with staff and their representatives and, where necessary with contractors and suppliers of equipment and services, to ensure that occupational safety and health management is of the highest standard.

iv) Market place practices-

IGRTC continues to promote local manufacturers by purchasing goods manufactured locally through promotion of local content in procurement.

a) Responsible competition practice.

IGRTC select suppliers competitively for the provision of goods, works and services as per the Public Procurement and Asset Disposal Act, 2015, and Public Procurement and Asset Disposal Regulations, 2020.

b) Responsible Supply chain and supplier relations

IGRTC maintains good business practices by engaging local Kenyans for the provision of goods, works and services as per the Public Procurement and Asset Disposal Act, 2015, and Public Procurement and Asset Disposal Regulations, 2020. IGRTC treats suppliers responsibly by honouring contracts and making payments on time.

c) Responsible marketing and advertisement

IGRTC places its advertisements in the My Gov newspapers, PPIP portal and on the IGRTC website, while providing equal opportunity to all suppliers and encouraging youth and women and people living with disability to apply for tenders.

v) Corporate Social Responsibility / Community Engagements

IGRTC carried out a CSR activity aimed at recognizing and positively contributing to stakeholders by assisting the less fortunate and vulnerable in society as well as adding value for the organization by enhancing its visibility and public engagement. The activity was undertaken on 14th December, 2023 where a team of IGRTC staff represented the organization in paying a visit to Safe House Children's Home in Naivasha, Nakuru County. The children were presented with food items worth KES. 60,000/= for the Christmas celebrations and additional KES. 138,000 was deposited to the children's home bank account.

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11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30th, 2024, which show the state of the IGRTC's affairs.

i) Principal activities

The principal activities of the IGRTC are:

- (a) Be responsible for the day-to-day administration of the Summit and of the Council and in particular - Facilitate the activities of the Summit and of the Council; and implement the decisions of the Summit and of the Council;
- (b) Take over the residual functions of the transition entity established under the law relating to transition to devolved government after dissolution of such entity;
- (c) Convene a meeting of the forty-seven County Secretaries within thirty days preceding every Summit meeting; and
- (d) Perform any other function as may be conferred on it by Summit, the Council, this Act or any other legislation.

ii) Results

The results of the Entity for the year ended June 30, 2024, are set out on pages 1 to 26.

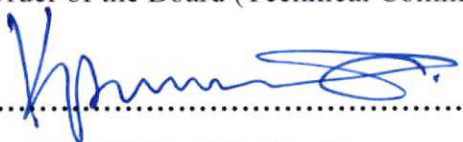
iii) Directors

The members of the Board of Directors (Technical Committee) who served during the year are shown on pages viii to xv.

iv) Auditors

The Auditor-General is responsible for the statutory audit of the Intergovernmental Relations Technical Committee in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board (Technical Committee)



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Name: Dr. Kipkurui S. Chepkwony

Chief Executive Officer

12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 require the Directors to prepare financial statements in respect of that Intergovernmental Relations Technical Committee (IGRTC), which give a true and fair view of the state of affairs of the IGRTC at the end of the financial year/period and the operating results of the IGRTC for that year/period. The Directors are also required to ensure that the IGRTC keeps proper accounting records which disclose with reasonable accuracy the financial position of the IGRTC. The Directors are also responsible for safeguarding the assets of the IGRTC

The Directors are responsible for the preparation and presentation of the IGRTC's financial statements, which give a true and fair view of the state of affairs of the IGRTC for and as at the end of the financial year (period) ended on June 30, 2024. 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 Entity; (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 IGRTC; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the IGRTC's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Directors are of the opinion that the IGRTC's financial statements give a true and fair view of the state of IGRTC's transactions during the financial year ended June 30, 2024, and of the IGRTC's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the IGRTC which have been relied upon in the preparation of the IGRTC's financial statements as well as the adequacy of the systems of internal financial control.

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Nothing has come to the attention of the Directors to indicate that the IGRTC will not remain a going concern for at least the next twelve months from the date of this statement.

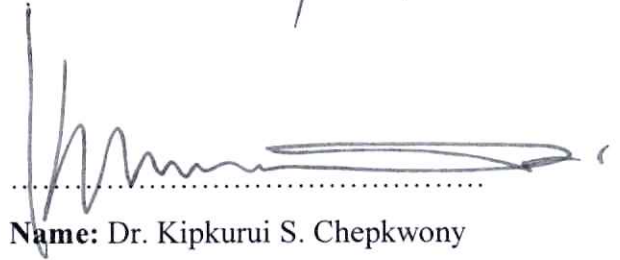
Approval of the financial statements

The IGRTC's financial statements were approved by the Board on 19/12/ 2024 and signed on its behalf by:



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Name: CPA Kithinji Kiragu
Chairperson of the Board/Council

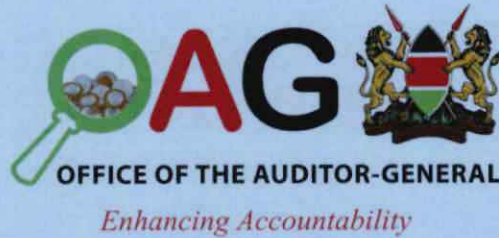


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Name: Dr. Kipkurui S. Chepkwony
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON INTERGOVERNMENTAL RELATIONS TECHNICAL COMMITTEE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

1. 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;
2. 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,
3. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Intergovernmental Relations Technical Committee set out on pages 1 to 28, which comprise the statement of financial

position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Intergovernmental Relations Technical Committee as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Cash and Cash Equivalents Balance

The statement of financial position reflects a balance of Kshs.108,042,340 under cash and cash equivalents as disclosed in Note 12 to the financial statements. However, review of the bank reconciliation statement for the month of June, 2024 revealed payments in bank not in cashbook amounting to Kshs.8,662,291 relating to the period of July, 2022 to January, 2023. Management explained that the payments were irregularly made by an officer who has since retired and that the matter was reported to the Assets Recovery Agency and is being investigated by the Ethics and Anti-Corruption Commission. However, progress on the status of the investigations was not disclosed.

In addition, the statement of cashflows reflects net cashflows from operating activities balance of Kshs.102,519,668 as disclosed in Note 18 to the financial statements. The balance includes working capital adjustments in respect of increase in payables of Kshs.3,504,823 and nil change in provisions which differ with the recomputed balances of Kshs.11,822,347 and Kshs.31,347,939 by Kshs.8,317,523 and Kshs.31,347,939 respectively, resulting in the overstatement of net cashflows from operating activities by Kshs.39,665,462.

In the circumstances, the completeness and accuracy of the cash and cash equivalents balance of Kshs.108,042,340 as at 30 June, 2024 could not be confirmed.

2. Unsupported Prior Year Adjustment

The statement of changes in net assets reflects a prior year adjustment of Kshs.44,102,890 which includes an adjustment of Kshs.7,035,757 in respect of accumulated depreciation. However, the balance was not supported by the fixed assets register or a schedule.

In the circumstances, the accuracy of the prior year adjustment of Kshs.7,035,757 in respect of accumulated depreciation could not be confirmed.

3. Inaccuracy of Property, Plant and Equipment Balance

The statement of financial position reflects property, plant, and equipment net book value of Kshs.46,390,044 and a comparative year net book value of Kshs.23,832,340. However, the comparative year balance of Kshs.23,832,340 differs with the balance of Kshs.19,394,912 disclosed in Note 14 to the financial statements, resulting to an unexplained variance of Kshs.4,437,428.

Further, the accumulated depreciation balances as at 30 June, 2024 for office equipment, furniture and fittings, and computers of Kshs.7,705,062 and Kshs.10,587,851 respectively, were not supported by depreciation schedules of the assets.

In the circumstances, the accuracy of the property, plant and equipment net book value of Kshs.46,390,044 could not be confirmed.

4. Unsupported Payment of Parking Charges

The statement of financial performance reflects an expenditure of Kshs.317,062,639 in respect of use of goods and services which, as disclosed in Note 7 to the financial statements, includes an amount of Kshs.49,366,938 relating to rent expenses. The rent expenses includes an amount of Kshs.2,520,000 paid to the landlord towards parking charges. However, a duly executed lease agreement for the parking spaces was not provided for audit review.

In the circumstances, the accuracy, completeness, and rights and obligations of parking charges of Kshs.2,520,000 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion, 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 xl which comprise of Key Entity Information and Management, The Board of Directors/Council, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability

Reporting, Report of the Directors, and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Acquisition of Furniture

During the year under review, the Committee incurred an expenditure of Kshs.900,000 on purchase of twenty (20) orthopedic chairs. However, the expenditure was not included in the Annual Procurement Plan contrary to Regulation (71)(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that pursuant to Section 73 of the Act, the Head of the user department shall initiate the procurement process through a requisition as per the approved Procurement Plan.

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

2. Irregular Payments of Allowances

The statement of financial performance reflects an expenditure of Kshs.114,369,232 under employee costs which, as disclosed in Note 8 to the financial statements, includes an amount of Kshs.91,133,016 relating to salaries and wages. The expenditure on salaries and wages included amounts of Kshs.596,000 and Kshs.2,295,500 in respect of responsibility allowances and security expenses respectively which were, however, not supported with approval from the Salaries and Remuneration Commission.

Further, the expenditure on salaries and wages of Kshs.91,133,016 includes a payment of Kshs.596,000 for opening and evaluation of quotations and a further payment of Kshs.280,000 for facilitation of security officers. However, the criteria for the rates applied for both payments was not provided.

In the circumstances, the regularity of the employee costs amount of Kshs.3,767,500 could not be confirmed.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Committee'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 for 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

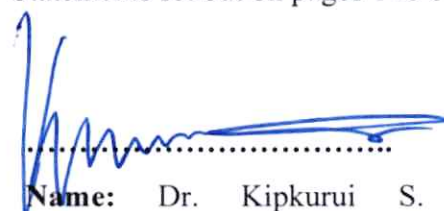
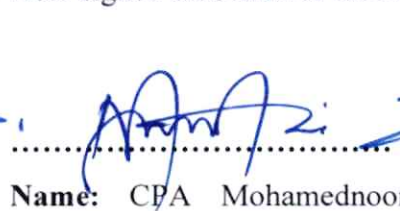
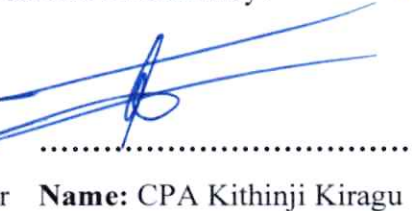
30 December, 2024

**Intergovernmental Relations Technical Committee
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14. Statement of Financial Performance for the year ended 30 June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6 b	512,219,010	446,294,350
Total revenue		512,219,010	446,294,350
Expenses			
Use of goods and services	7	317,062,640	249,244,483
Employee costs	8	114,369,232	94,783,489
Board Expenses	9	78,891,326	74,462,256
Depreciation and amortization expense	10	8,276,083	5,723,403
Repairs and maintenance	11	11,399,244	3,692,799
Total expenses		529,998,524	427,906,431
Surplus/ (deficit) before tax		-17,779,514	18,387,919
Surplus/ (deficit) for the period/year		-17,779,514	18,387,919
Net Surplus for the year		-17,779,514	18,387,919

The notes set out on pages 7 to 26 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:

Name: Dr. Kipkurui S. Chepkwony

Accounting Officer

Date

27/12/2024

Name: CPA Mohamednoor Hassan

Head of Accounts

ICPAK M/No: 26178

Date 27/12/2024

Name: CPA Kithinji Kiragu

Chairman of the Board

Date 27/12/2024

**Intergovernmental Relations Technical Committee
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15 Statement of Financial Position as at 30 June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	12	108,042,340	245,833,222.85
Inventories	13	6,811,416	5,949,365.30
Total Current Assets		114,853,756	251,782,588.15
Non-current assets			
Property, plant and equipment	14	46,390,044	23,832,340.11
Total assets		161,243,800	275,614,928.26
Liabilities			
Current liabilities			
Trade and other payables	15	14,732,567	2,910,220.00
Current Provision	16	55,189,572	23,841,633.12
Deferred Income	17	100,000,000	195,659,010.00
Total Current Liabilities		169,922,139	222,410,863.12
Net assets		-8,678,339	53,204,065.14
Accumulated surplus		-33,628,846	28,253,558.14
Capital Fund		24,950,507	24,950,507.00
Total Net Assets and Liabilities		-8,678,339	53,204,065.14

The financial statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:

Name: Dr. Kipkurui S. Chepkwony

Accounting Officer

Date

27/12/2024

Name: CPA Mohamednoor Hassan

Head of Accounts

ICPAK M/No: 26178

Date

27/12/2024

Name: CPA Kithinji Kiragu

Chairman of the Board

Date

27/12/2024

**Intergovernmental Relations Technical Committee
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16. Statement of Changes in Net Assets for the year ended 30 June 2024

Description	Retained earnings	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs
As At July 1, 2022	9,865,639.00	24,950,507.00	34,816,146.00
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	-	-	-
Prior year adjustment	-	-	-
Deferred tax on excess depreciation	-	-	-
Fair value adjustment on quoted investments	-	-	-
Total comprehensive income	-	-	-
Capital/Development grants received during the year	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-
Dividends paid – 2023	-	-	-
Interim dividends paid – 2023	-	-	-
Surplus/ (deficit) for the year	18,387,919.14		
Proposed final dividends	-	-	-
As At June 30, 2023	28,253,558.14	24,950,507.00	53,204,065.14
As At July 1, 2023	28,253,558.14	24,950,507.00	53,204,065.14

	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2023	28,253,558.14	24,950,507.00	53,204,065.14
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	-	-	-
Prior year adjustment	- 44,102,890.69	-	- 44,102,890.69
Deferred tax on excess depreciation	-	-	-
Fair value adjustment on quoted investments	-	-	-

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Description	Retained earnings	Capital/ Development Grants/Fund	Total
Total comprehensive income	-	-	-
Capital/Development grants received during the year	-		-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-
Dividends paid – 2023	-	-	-
Interim dividends paid – 2024	-	-	-
Surplus/ (deficit) for the year	- 17,779,513.51		- 17,779,513.51
Proposed final dividends	-	-	-
At June 30, 2024	-33,628,846.06	24,950,507.00	-8,678,339.06
At July 1, 2024	-33,628,846.06	24,950,507.00	-8,678,339.06

Prior adjustments relate to provision of accrued gratuity for staff and technical committee members on contract and accumulated depreciation for prior years amounting to KShs. 37,067,134 and 7,035,757.00 respectively.

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17. Statement of Cash Flows for the year ended 30 June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6 b	512,219,010	641,953,360.00
Total Receipts		512,219,010	641,953,360.00
Payments			
Use of goods and services		(261,426,815)	(246,034,263.40)
Employee costs		(83,021,293)	(82,630,050.50)
Board Expenses		(78,891,326)	(74,462,256.00)
Repairs and maintenance		(11,399,244)	(3,692,799.25)
Grants and subsidies	17	(180,000,000)	
Total Payments		(614,738,678)	(406,819,369.15)
Net cash flows from/ (used in) operating activities	19	(102,519,668)	235,133,990.85
Cash flows from investing activities			
Purchase of PPE and Intangible assets	14	(35,271,215)	(2,646,650.00)
Net cash flows used in investing activities		(35,271,215)	(2,646,650.00)
Cash flows from financing activities		0.00	0.00
Proceeds from borrowings		0.00	0.00
Net cash flows from financing Activities		0.00	0.00
Net increase/(decrease) in cash and cash equivalents		(137,790,883)	232,487,341
Cash and cash equivalents at 1 July 2023	12	245,833,223	13,345,882
Cash and cash equivalents at 30 June 2024	12	108,042,340	245,833,223

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18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	n
	a	B	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from Other Governments entities	343,560,000	253,000,000	596,560,000	512,219,010	84,340,990	86%
Total income	343,560,000	253,000,000	596,560,000	512,219,010	84,340,990	86%
Expenses					0	
Use of Goods and Services	166,187,524	120,753,427	286,940,951	317,062,640	(30,121,689)	110%
Employee costs	84,581,150	41,226,573	125,807,723	114,369,232	11,438,492	91%
Board Expenses	78,891,326		78,891,326	78,891,326	0	100%
Repairs and maintenance	7,800,000	21,920,000	29,720,000	11,399,244	18,320,756	38%
Total expenditure	337,460,000	183,900,000	521,360,000	521,722,441	(362,441)	100%
Surplus for the period	6,100,000	69,100,000	75,200,000	(9,503,431)	84,703,431	
Capital Expenditure	6,100,000	69,100,000	75,200,000	35,271,215	39,928,785	47%

Budget Notes

Delay in disbursements of Supplementary Budget led to underutilization of the budget and transfer of Kshs.100,000,000 to deferred income. IGRTC was allocated additional funds during the supplementary budgets to facilitate the completion of the transfer of functions in twelve sectors and unbundling of the functions of RDAs as directed by Summit and Cabinet resulting in overutilization of use of goods. IGRTC was allocated additional funding during supplementary budgets to recruit additional staff. The delay in the disbursement of the Supplementary Budget resulted in the underutilization of funds allocated for repairs and maintenance. IGRTC was allocated additional funds for purchase of motor vehicles but the budget was carried forward to the FY 2024/2025 due to delay in disbursement of funds.

19. Notes to the Financial Statements

1. General Information

Intergovernmental Relations Technical Committee is established by and derives its authority and accountability from Intergovernmental Relations Act. IGRTC is wholly owned by the Government of Kenya and is domiciled in Kenya. IGRTC's principal activity is to coordinate the day-to-day functioning of the National and County Government Co-ordinating Summit (the summit) and the Council of County Governors (CoG).

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 judgement in the process of applying the IGRTC's accounting policies. The areas involving a higher degree of judgement 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 IGRTC. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

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

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ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>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;</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45-Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p>

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Standard	Effective date and impact:
	<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>

iii. Early adoption of standards

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

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to IGRTC 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 has been acquired using such funds.

b) Budget information

The original budget for the Current FY was approved by the National Assembly on 6th June, 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of Kshs.153,000,000 and Kshs.100,000,000 on the 14th Nov 2023 and 4th June 2024 budget respectively following the governing body's approval.

IGRTC'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. In addition to the Basis difference, adjustments to amounts in the financial statements

are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

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**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

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 Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

The depreciation rates used are as follows:

Computers – 33%

Furniture and fittings – 12.5%

Equipment – 10%

d) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to IGRTC. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. IGRTC also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that IGRTC will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to IGRTC. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

e) 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.

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**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

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.

a) 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.

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**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

b) 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

**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

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

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

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

h) Provisions

Provisions are recognized when the IGRTC 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 IGRTC 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 need of society as a whole. The entity recognises a social benefit as an expense for the social benefit 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.

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**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

j) Contingent liabilities

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

k) Contingent assets

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

l) Nature and purpose of reserves

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

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

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**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

o) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

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

IGRTC 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 IGRTC, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

r) Service concession arrangements

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

s) Cash and cash equivalents

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

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**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

t) Comparative figures

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

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the 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 Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

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

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Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to the Financial Statements (Continued)

6. (b) Transfers from other governments entities

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance.	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers 2023-2024	2022-2023
	KShs	KShs	KShs	KShs	KShs
State Department for Devolution	496,560,000	100,000,000	0	596,560,000	641,953,360
Total	496,560,000	100,000,000	0	596,560,000	641,953,360

6 (b) Amount recognized to Statement of Financial Performance includes Kshs. 496,560,000 disbursed in 2023/2024 FY and KShs. 15,659,010 that was transferred from deferred income as shown in Note 18.

7. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Electricity	1,307,283.60	1,319,960.80
Subscriptions	604,815.60	283,049.00
Advertising	3,635,730.75	2,258,902.00
Admin Fees		-
Audit Fees	300,000.00	300,000.00
Conferences and Delegations	14,658,569.10	25,013,976.80
Consulting Fees	3,000,000.00	-
Consumables	15,693,476.00	6,886,577.00
Fuel and Oil	10,652,282.18	6,475,069.25
Insurance	16,768,481.06	17,123,605.80
Legal Expenses	-	-
Licenses and Permits		-
Postage	1,811,982.00	626,714.00
Printing and Stationery	10,848,900.00	3,462,245.00
Hire Charges		-

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Description	2023-2024	2022-2023
	Kshs	Kshs
Rent expenses	49,366,938.85	49,366,938.85
Skills Development Levies		-
Inventory Scrapping		-
Telecommunication	5,201,109.80	8,633,699.60
Training	5,898,985.00	2,843,544.00
Travel, Subsistence & Other Allowances	177,263,675.60	124,540,201.30
Other General Expenses	50,410.00	110,000.00
Total good and services	317,062,639.54	249,244,483.40

8. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages	91,133,016.85	56,899,178.80
Employer contribution to health insurance schemes		-
Employer contribution to pension schemes	4,724,776.80	1,977,427.40
Travel, accommodation, subsistence, & other allowances		-
Housing benefits and allowances		12,365,250.00
Overtime payments		-
Performance and other bonuses		-
Social contributions		-
Gratuity	17,822,438.16	23,541,633.12
Other employee related costs - Leave Allowance	689,000.00	
Employee costs	114,369,231.81	94,783,489.32

9. Board Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries for Full-time Board members	71,582,256.00	71,582,256.00
Sitting Allowances		
Medical Insurance	4,429,069.74	
Induction and Training		
Travel and Accommodation		
Other Allowances - Commuter Allowance	2,880,000.00	2,880,000.00
Total	78,891,325.74	74,462,256.00

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Notes to the Financial Statements (Continued)

10. Depreciation and Amortization Expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	8,276,082.62	5,723,402.90
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	8,276,082.62	5,723,402.90

11. Repairs and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Property and equipment	908,500.00	2,140,691.25
Investment Property		0.00
Equipment and Machinery		0.00
Vehicles	10,179,195.00	1,552,108.00
Furniture and Fittings	174,904.00	0.00
Computers and Accessories	136,644.80	0.00
Others (specify)		0.00
Total Repairs and Maintenance	11,399,243.80	3,692,799.25

12. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	108,042,339.75	245,833,222.85
Savings Account		
On - Call Deposits		
Fixed Deposits Account		
Others (Specify)		
Total Cash and Cash Equivalents	108,042,339.75	245,833,222.85

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Current Account			
Central Bank of Kenya	1000304863	108,042,339.75	245,833,222.85
Sub- Total		108,042,339.75	245,833,222.85
Grand Total		108,042,339.75	245,833,222.85

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Notes to the Financial Statements (Continued)

13. Inventories

Description	2023-2024	2022-2023
	Kshs	Kshs
Consumable stores	6,811,416.00	5,949,365.30
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	6,811,416.00	5,949,365.30

14. Property, Plant and Equipment

Cost	Office Equipment, Furniture and Fittings	Computers	Other Assets (UPS and Power Adopters)	Total
	Kshs	Kshs	Kshs	Kshs
As At 1 July 2022	19,103,499.00	7,805,594.00	-	26,909,093.00
Additions	555,000.00	2,091,650.00	-	2,646,650.00
Disposals	-	-	-	-
Transfers/Adjustments	-	-	-	-
As at 30th June 2023	19,658,499.00	9,897,244.00	-	29,555,743.00
Additions	3,220,000.00	30,611,215.00	1,440,000.00	35,271,215.00
Disposals	-	-	-	-
Transfer/Adjustments	-	-	-	-
As at 30th June 2024	22,878,499.00	40,508,459.00	1,440,000.00	64,826,958.00
Depreciation And Impairment				
At 1 July 2022	2,387,937.38	2,049,491.02	-	4,437,428.40
Depreciation	2,457,312.38	3,266,090.52	-	5,723,402.90
Impairment	-	-	-	-
Transfers/ Adjustments	-	-	-	-
As at 30th June 2023	4,845,249.75	5,315,581.54	-	10,160,831.29
Depreciation	2,859,812.38	5,272,270.25	144,000.00	8,276,082.62
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer/Adjustment	-	-	-	-
As at 30th June 2024	7,705,062.13	10,587,851.79	144,000.00	18,436,913.91
Net Book Values				
As at 30th June 2023	14,813,249.25	4,581,662.46	-	19,394,911.71
As at 30th June 2024	15,173,436.88	29,920,607.22	1,296,000.00	46,390,044.09

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Notes to the Financial Statements (Continued)

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Computers and Related Equipment	40,508,459.00	10,587,851.79
Office Equipment, Furniture and Fittings	22,878,499.00	7,415,062.13
Other Assets	1,440,000.00	376,000.00
Total	64,826,958.00	18,378,913.91

15. Trade and Other Payables

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade payables	14,732,567.05		2,910,220.00	
Payments received in advance				
Employee payables	-			
Third-party payments				
Other payables	-			
Total trade and other payables	14,732,567.05		2,910,220.00	
Ageing analysis: (Trade and other payables)		% of the Total	Comparative FY	% of the Total
Under one year	11,822,347.05	80%	232,360.00	8%
1-2 years	2,910,220.00	20%	2,677,860.00	92%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	14,732,567.05	100%	2,910,220.00	100%

16. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	23,541,633.12	0.00	23,541,633.12
Additional provisions	-	-	54,889,571.85	300,000.00	55,189,571.85
Provision utilised	-	-	(23,541,633.12)	0.00	(23,541,633.12)
Change due to discount and time value for money	-	-	0.00	0.00	0.00
Transfers from non-current provisions	-	-	0.00	0.00	0.00
Total provisions year end	-	-	54,889,571.85	300,000.00	55,189,571.85

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Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

17. Deferred Income

Description	2023-2024	2022-2023
	Kshs	Kshs
National Government	100,000,000.00	195,659,010.00
International Funders		
Public Contributions and Donations		
Total Deferred Income	100,000,000.00	195,659,010.00

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	195,659,010.00	-	-	195,659,010.00
Additions	100,000,000.00	-	-	100,000,000.00
Transfers To Capital Fund	-	-	-	-
Transfers To Income Statement	-15,659,010.00	-	-	-15,659,010.00
Other Transfers	-180,000,000.00	-	-	-180,000,000.00
Balance Carried Forward	100,000,000.00	-	-	100,000,000.00

Other transfers relate to transfer of funds to the State Department for Devolution. The Inter-Entity Confirmation Letter has been provided under Appendix III.

18. Cash Generated from Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Surplus for the year before tax	- 17,779,513.51	18,387,919.14
Adjusted for:		
Depreciation	8,276,082.62	5,723,402.90
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working capital adjustments		
Increase in inventory	- 862,050.70	- 5,949,365.30
Increase in receivables	-	-
Increase in deferred income	- 95,659,010.00	195,659,010.00

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Description	2023-2024	2022-2023
	Kshs	Kshs
Increase in payables	3,504,823.49	21,313,024.12
Increase in payments received in advance	-	-
Net cash flow from operating activities	- 102,519,668.10	235,133,990.85

19. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-

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Bank balances	108,042,339.75	99,380,048.75	-	-
Total	108,042,339.75	99,380,048.75	-	-
As at 30 June 2023				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	245,833,222.85	245,833,222.85	-	-
Total	245,833,222.85	245,833,222.85	-	-

Notes to the Financial Statements (Continued)

Financial Risk Management

ii) Market risk

IGRTC has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

Notes to the Financial Statements (Continued)

20. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

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Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.

21. Events after the Reporting Period

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

22. Ultimate And Holding Entity

The Entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Executive Office of the Deputy President. Its ultimate parent is the Government of Kenya.

23. Currency

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

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20. Appendices

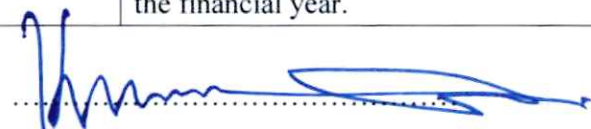
Appendix 1: Implementation Status of Auditor-General's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Unsupported Expenditure in the Bank Statement	The bank reconciliation statement for the month of June, 2023 reflects payments in bank not in cashbook amounting to Kshs.8,662,291 as shown on Appendix I. The payments relate to the period July, 2022 to January, 2023. The Management has not explained how the payments were made and the measures taken to resolve the matter.	The amount pertains to irregular payments made by one of our retired officers. It is important to note that this is an ongoing case currently under investigation by the Ethics and Anti-Corruption Commission and other relevant investigative agencies. In response to the severity of the situation, we have also reported the matter to the Assets Recovery Agency with the objective of reclaiming the misappropriated funds from the officer's retirement benefits. We are actively monitoring the developments of this case and will take appropriate actions based on the outcomes of the investigations.	Not Resolved	Timeframe cannot be defined since the matter is under investigation by the relevant authorities.
Unresolved Prior Year Matters	In the audit report of the previous year, issues were raised under the Qualified Opinion and Report of Lawfulness and Effectiveness in Use of Public Resources. However, the management has not resolved the issues nor given any explanation for not preparing accurate	We recognize the importance of adhering to the provisions of the Public Finance Management Act and Public Procurement and Asset Disposal Act and Regulations. Management is actively working to rectify these issues, implementing corrective measures, and enhancing internal controls to ensure the accurate preparation of financial statements.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	financial statements, failure to adhere to provisions of the Public Finance Management Act and Public Procurement and Asset Disposal Act and Regulations.			
Late submission of Financial Statements	The Intergovernmental Relations Technical Committee annual report and financial statements for the financial year ending 30 June, 2023 was submitted to the Auditor General for Audit on 13 October, 2023. This is contrary to Section 81(4) of the Public Finance Management Act, 2012 which require the financial statements to be submitted three months after the close of the financial year.	We acknowledge the delay in submitting the financial statements and recognize that this is not in compliance with the statutory requirement. The delay in submission was primarily due to unforeseen challenges in the consolidation and verification process of the financial data.	Resolved	



Dr. Kipkurui S. Chepkwony

C.E.O

Date: 27/12/2024

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Appendix II: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
State Department for Devolution	07/08/2023	Recurrent	85,882,500.00	85,882,500.00		-			85,882,500.00
State Department for Devolution	02/11/2023	Recurrent	42,941,250.00	42,941,250.00		-			42,941,250.00
State Department for Devolution	06/12/2023	Recurrent	42,941,250.00	42,941,250.00		-			42,941,250.00
State Department for Devolution	31/01/2024	Recurrent	195,941,250.00	195,941,250.00		-			195,941,250.00
State Department for Devolution	05/03/2024	Recurrent	42,941,250.00	42,941,250.00		-			42,941,250.00
State Department for Devolution	02/05/2024	Recurrent	42,941,250.00	42,941,250.00		-			42,941,250.00
State Department for Devolution	10/06/2024	Recurrent	42,971,250.00	42,971,250.00		-			42,971,250.00

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State Department for Devolution	28/06/2024	Recurrent	100,000,000.00	-		100,000,000.00			100,000,000.00
Total			596,560,000.00	496,560,000.00	-	100,000,000.00			596,560,000.00

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Appendix III- Inter-Entity Confirmation Letter

Name of Transferring entity... Intergovernmental Relations Technical Committee....
 Name of Beneficiary entity.....State Department for Devolution.....

Confirmation of amounts received by State Department for Devolution as at 30 th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
FT23205YTFVL	24/07/2023	180,000,000.00	-	180,000,000.00	
Total					

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:

Name ... PETER OCHIELENGE Sign Date 19/12/2024.

Head of Accounts Department - Beneficiary Entity:

Name STANLEY Mwanza Sign Date 19/12/2024.