


REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	DATE: 14 APR 2026
	DAY: Tuesday
TABLED BY:	Hon. Naomi Wago, CBS MP (Deputy Majority Whip)
OF	
BRK-AT THE-TABLE:	Inzafu Mwale, Hsc

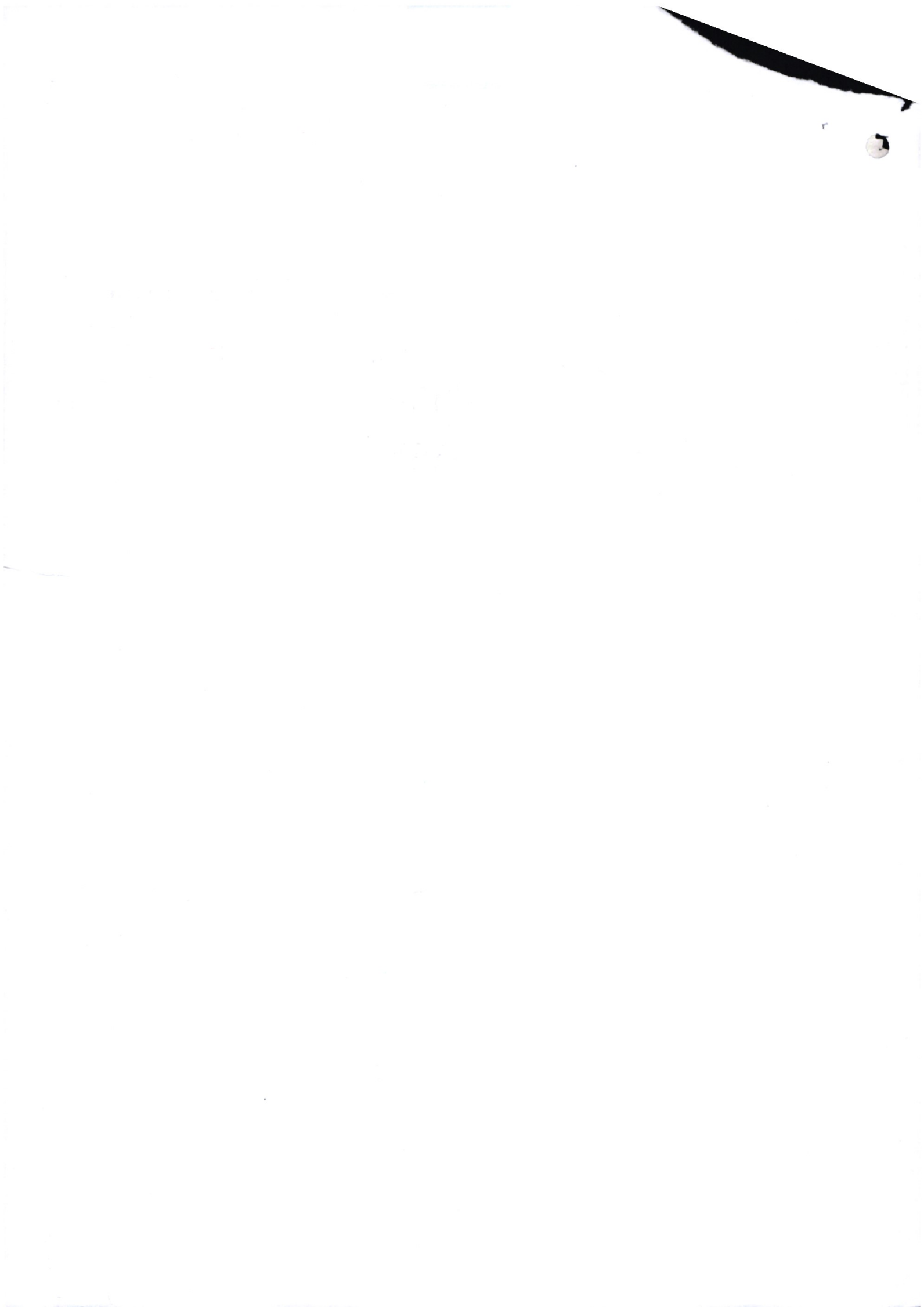
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ON

**INTERGOVERNMENTAL RELATIONS
TECHNICAL COMMITTEE**

**FOR THE YEAR ENDED
30 JUNE, 2025**





INTERGOVERNMENTAL RELATIONS TECHNICAL COMMITTEE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

**Intergovernmental Relations Technical Committee
Annual Report and Financial Statements
for the year ended June 30, 2025.**

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1. Acronyms and Definition of Key Terms

A: Acronyms

BETA	Bottom-Up Economic Transformation Agenda
CEO	Chief Executive Officer
CBK	Central Bank of Kenya
CoG	Council of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
ICTA	Information Communication Technology Authority
IGRA	Intergovernmental Relations Act, CAP 265F
IGRTC	Intergovernmental Relations Technical Committee
IPSAS	International Public Sector Accounting Standards
KRA	Key Result Areas
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PPIP	Public Procurement Information Portal
PSASB	Public Sector Accounting Standards Board
RDA	Regional Development Authorities
SAGAs	Semi-Autonomous Government Agencies
SMC	Senior Management Course
SLDP	Strategic Leadership Development Program
SPAS	Staff Performance Appraisal System
SRC	Salaries and Remuneration Commission

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.

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2. Key Entity Information and Management

(a) Background information

The Intergovernmental Relations Technical Committee (IGRTC) was established under the Intergovernmental Relations Act, CAP 265F. The IGRTC 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.

(b) Principal Activities

Section 12 of the Intergovernmental Relations Act, CAP 265F 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.

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.

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(c) Key Management

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

No.	Designation	Name
	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
1.	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
	Principal Secretary	Mr. Michael Lenasalon
	Secretariat	
	Secretary/ CEO	Dr. Kipkurui S. Chepkwony, MBS
	Director	CHRP Monicah M. Wambua, HSC
2.	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 2025 and who had direct fiduciary responsibility were:

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

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Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

1. Audit and Risk Committee

This internal oversight committee is tasked with reviewing organizational systems and expenditures, and providing management with guidance on essential internal controls to ensure the security and protection of the organization's assets.

2. Finance and Institutional Development Committee

This committee oversees the day to day internal financial and administrative operations, ensuring that programs and activities are executed as planned and remain within the allocated budget.

(f) Entity Headquarters

Parklands Plaza,
Mezzanine, 3rd and 4th Floor,
Chiromo Lane, Muthithi Road,
Nairobi, Kenya.

(g) Entity Contacts

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.

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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

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3. The Technical Committee

Ref	Technical Committee	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.</p> <p>A Certified Public Accountant (Kenya), Mr. Kiragu practiced accounting and auditing, later lecturing on these subjects at the University of Nairobi for three years.</p> <p>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.</p> <p>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. Vice Chairperson. 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.</p> <p>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).</p> <p>Currently, she is the Vice Chairperson of the IGRTC and serves as the Chairperson of the Sub-committee on Alternative Dispute Resolution (ADR) committee</p>


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	Bachelor of Education in Early Childhood Development (ECD) from Kenyatta University (KU)	of the Technical Committee. 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 Technical Committee.
3.	 <p>Mr. John N. Burugu. Member. 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 in 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 27 years of public service experience to the Technical Committee.</p> <p>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.</p> <p>Currently, Mr. Burugu chairs the thematic area (Sub-Committee) on Summit and Council of Governors (COG) Affairs, showcasing his leadership and administrative skills.</p>
4.	 <p>Mrs. Angeline Hongo, MBS.</p>	<p>Mrs. Angeline Hongo, MBS, born in 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 31 years of experience,</p>

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	<p>Member.</p> <p>Master of Business Administration in Finance from the University of Nairobi (UoN).</p> <p>Bachelor of Commerce in Accounting from the University of Nairobi (UoN).</p>	<p>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).</p> <p>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.</p> <p>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>
5.	 <p>Mr. Wilson Pere</p> <p>Member.</p> <p>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 21 years of experience in the water sector and institutional development, he has demonstrated a commendable career trajectory.</p> <p>His career journey includes roles such as Assistant Secretary with the Public Service Commission, Fund Manager, National Constituency Development Fund, and eventually rising to the position of Managing Director of Narok Water and Sewerage Co.</p> <p>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.</p>


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		<p>Mr. Pere is currently a member of the IGRTC, where he chairs the sub-committee on Finance, Human Resource, and Institutional Development.</p>
6.	 <p>Mrs. Alice K. Mayaka, CBS, OGW, Member. Master of Science (Human Resource Development) from the University of Manchester, UK. Postgraduate Diploma in curriculum Development from Kenyatta University. University of Nairobi and obtained a bachelor of Education (Science) degree.</p>	<p>Mrs. Alice K. Mayaka, CBS, OGW, born in 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-fledged university. Mrs. Mayaka is a member of the first Council of the University of Eldoret and has served as an Independent Director on</p>

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		<p>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 (KGGGA) and holds full membership in the Institute of Human Resource Management (IHRM).</p> <p>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. Member.</p> <p>Master of Business Administration in Strategic Management from the University of Nairobi (UoN).</p> <p>Bachelor of Arts in Education from Kenyatta University.</p> <p>Diploma in Public Relations Management from Kenya Institute of Management.</p>	<p>Mrs. Linet M. Mavu, born in 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.</p> <p>A member of the Kenya Institute of Management (KIM), she brings a diverse professional background to the Technical Committee. 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, stationed in Mombasa Municipal Council.</p> <p>Her career also includes roles as a Graduate Teacher in Allidina Visram (Mombasa), Kenyatta High School (Mwatate), and Murray Girls High School in Taita</p>

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		<p>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. Member. 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 in 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. Member. Bachelor of Science in Mathematics Degree from Catholic University of Eastern Africa.</p>	<p>Mr. John Kimwela, born in 1976, is a versatile professional with a Bachelor of Science in Mathematics Degree from the Catholic University of Eastern Africa. With over 16 years of experience in both the public and private sectors, Mr. Kimwela has demonstrated a diverse career.</p> <p>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.</p> <p>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>Mr. Michael Lenasalon Principal Secretary, State Department for Devolution Master's Degree in Forensic Computing and Cybercrime</p>	<p>Mr. Michael Lenasalon is the Principal Secretary in the State Department for Devolution. He brings to the role a wealth of experience in public service, financial investigations and digital forensics, gained over a decade in both government and non-governmental organizations.</p> <p>Prior to his appointment, Mr. Lenasalon served as a Senior Investigations Officer at the Kenya Revenue Authority (KRA), where he was instrumental in the detection and investigation of tax fraud and financial crimes.</p>

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	<p>Investigations from University College Dublin, Ireland. Bachelor's degree in Software Engineering from Kenyatta University</p>	<p>He holds a Master's Degree in Forensic Computing and Cybercrime Investigations from University College Dublin, Ireland, graduating with First Class Honours. He also holds a Bachelor's Degree in Software Engineering from Kenyatta University. Mr. Lenasalon is a member of the Kenya Cybersecurity and Forensics Association and an Associate Certified Fraud Examiner.</p> <p>Beyond his professional expertise, Mr. Lenasalon has demonstrated a strong commitment to community development and governance.</p>
11.	 <p>Dr. Kipkurui S. Chepkwony, MBS Secretary/CEO</p> <p>Master's degree in Development Studies, from Kisii University. 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>Dr. Kipkurui S. Chepkwony, MBS. was born in 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).</p> <p>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 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</p>

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		<p>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.</p> <p>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.</p> <p>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, MBS. Chief Executive Officer Master's Degree in Development Studies, from Kisii University Master Certificate in Business Management and Leadership from London Graduate School Bachelor's Degree in Biochemistry and Molecular Biology from Jomo Kenyatta University.</p>	<p>Main Area of Responsibility Strategic Management: Provide strategic management in the implementation of decisions made by the Summit and the Technical Committee. Strategic Planning and Policy Implementation: Design and manage the implementation of IGRTC's strategies and policies for effective programs and activities. Establishment of Procedures and Guidelines: Facilitate the establishment of procedures and guidelines for committee functions to meet the requirements of the Committee. Development of Key Policies: Ensure the development of key policies and strategies for respective support divisions. 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. Organization and Staff Management: Organize, control, and manage the staff of the Secretariat. Advisory Role: Advise the Committee on reforms and change initiatives in support services. Implement government circulars. Summit Advisory and Reporting: Support the Committee in advising the Summit on the progress of devolution and matters of national interest.</p>

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		Communication Forums: Organize forums to communicate with county secretaries on the progress of devolution and matters of intergovernmental issues.
2.	 <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</p> <p>Strategic Planning and Policy Oversight: Designing and implementing strategies and policies for the Committee's programs and activities.</p> <p>Establishing Procedures and Guidelines: Facilitating the creation of operational procedures and guidelines for all functions in consultation with the CEO.</p> <p>Development of Divisional Policies: Creating key policies and strategies for respective support divisions.</p> <p>Financial Management: Managing the budgeting process and ensuring compliance with approved plans and timelines.</p> <p>Performance Management: Setting targets, evaluating staff performance, and ensuring accountability measures are in place for the Secretariat.</p> <p>Advisory Role: Providing advice on reforms and change initiatives in support services to the Committee.</p> <p>Corporate Services Management: Planning, managing, and overseeing the day-to-day corporate services functions.</p>
3.	 <p>Ms. Sophie Amutavy.</p>	<p>Main Area of Responsibility</p> <p>Constitutional Mandate Oversight: Ensure the implementation of the organization's mandate in accordance with the Constitution of Kenya 2010 and relevant provisions.</p>

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	<p>Director Legislative Services and Disputes Resolution</p> <p>Master of Arts Degree in International Relations from the United States International University (USIU)</p> <p>Post-Graduate Diploma in Law from the Kenya School of Law (KSL)</p> <p>Bachelor of Laws Degree (LL.B.) from Moi University</p>	<p>Compliance and Legal Advisory: Oversee compliance with statutory and regulatory requirements.</p> <p>Provide legal advisories on intergovernmental relations and governance matters to the Technical Committee.</p> <p>Legal Research and Instrument Preparation: Conduct legal research on issues related to IGRTC's mandate. Spearhead the review and interpretation of devolution and 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>
4.	 <p>Ms. Fatuma Mohamed. Director Intergovernmental Relations and Sector Forums</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, CAP 265F, and the strategic plan.</p>

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<p>Masters of Arts in Advanced Disaster Management from the University of Nairobi.</p> <p>Bachelor of Development Studies (Specialised In Rural Development And Natural Resource Management) - Islamic University of Uganda</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</p>
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		performance in terms of achieving its program strategic objectives.
5.	 <p>Mr. Victor Odanga. Director Programs Master of Public Policy and Management (MPPM) - Strathmore University School of Business Post Graduate Diploma in Revenue Administration, Kenya School of Revenue Administration (KESRA) Bachelor of Commerce University of Nairobi, 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> <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>
6.		<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, CAP 265F.</p>

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<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>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> <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

On behalf of the Intergovernmental Relations Technical Committee, I am pleased to present the financial statements for the financial year 2024/2025. This financial year has been marked by continued commitment to our mandate of fostering effective coordination and collaboration between the two levels of government and amongst various government entities.

The Constitution established a devolved system of governance comprising national and county governments, where powers, functions, and resources are decentralized to these units. Articles 6(2) and 189 of the Constitution outline a cooperative and interdependent governance model, while recognizing the unique roles of each government level. This distinct but interdependent structure fosters the need for harmonious and sustainable intergovernmental relations. The Intergovernmental Relations Act, CAP 265F, specifically Section 11, establishes the Intergovernmental Relations Technical Committee (IGRTC). Section 12 of the Act, assigns IGRTC the task of being the Secretariat of the National and County Governments Coordinating Summit (The Summit) and the Council of County Governors (COG), while providing platforms for consultation and cooperation between national and county governments, as well as resolving intergovernmental disputes through alternative dispute resolution mechanisms.

The Bottom-up Economic Transformation Agenda (BETA) plan significantly shapes the implementation and success of devolution in Kenya by prioritizing the empowerment of grassroots communities. By focusing on enhancing productivity, entrepreneurship, innovation, and inclusivity in key sectors, BETA aligns closely with the objectives of devolution to bring services and development closer to the people. The Plan reinforces devolution as the optimal framework for delivering essential services and implementing projects at the county level, ensuring that resources and decision-making powers are decentralized effectively. Through this synergy, BETA drives sustainable economic growth and equitable development by strengthening county governments and enabling them to better serve their populations.

Despite the evolving challenges in the intergovernmental landscape, the Committee has maintained its focus on delivering value and ensuring transparency and accountability in all its operations. During the reporting period, the Committee fulfilled its mandate as assigned by the IGRA, as well as implementing presidential directives, emerging issues from the Summit, IBEC and Parliament. In particular, IGRTC successfully facilitated the first ever E-Summit, gazetted the delineated devolved functions vide a special Gazette Notices No. 16472- 16483, Intergovernmental Sector working Groups were also established to coordinate and enhance consultations between the two levels of government, on issues of mutual interest for effective function delivery. Additionally, IGRTC played a critical role in resolving intergovernmental disputes, fostering harmonious cooperation and reducing litigation costs.

During the reporting period IGRTC also implemented two presidential directives which included the functional and resources analysis of Regional Development Authorities (RDAs), to ensure that they are aligned with the constitutional devolution framework and broader fiscal reforms. This included transferring all the assets, liabilities, and staff of RDA's to either county or national government as appropriate. The Committee was also charged with the responsibility of managing the transfer of Amboseli National Park to Kajiado County through a Presidential Directive, with

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the intention of enabling local communities and administration to benefit directly from the park's revenue and manage it locally.

The success of intergovernmental mechanisms requires not only legal frameworks but also strong political goodwill. Unfortunately, such support has been inconsistent, impacting the agency's ability to drive coordinated implementation of devolution-related initiatives. Despite these achievements, progress has been hindered by several key challenges, including limited legal authority of the institution to fully execute its functions particularly, in resolving disputes through alternative dispute resolution mechanisms as well as inadequate funding.

The nation's success hinges on effective devolution, which in turn depends on strong intergovernmental relations. This report, therefore, highlights the key accomplishments made during the period as IGRTC continues to implement its mandate in support of robust intergovernmental relations and effective devolution across the country.

I extend my gratitude to the members of the Committee, management, and staff whose dedication and professionalism have been essential in achieving these results. The financial statements presented herein have been prepared in accordance with applicable standards and reflect a true and fair view of the Committee's financial position.



CPA Kithinji Kiragu, MBS, OGW

Chairman

Intergovernmental Relations Technical Committee (IGRTC)

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6. Report of the Chief Executive Officer

I am pleased to present the financial statements of the Intergovernmental Relations Technical Committee (IGRTC) for the Financial Year 2024/2025 for audit. These statements have been prepared in accordance with International Public Sector Accounting Standards (Accrual basis) and compliance with the Public Finance Management Act, 2012. They reflect our commitment to transparency, prudent financial stewardship, and the effective delivery of our mandate under the Intergovernmental Relations Act, CAP 265F. The period under review was one of significant progress in strengthening intergovernmental coordination and promoting the objects of devolution.

IGRTC successfully convened the 11th National and County Government Coordinating Summit at State House, Nairobi, on 16th December 2024, which provided a platform for high-level dialogue on intergovernmental priorities. The Technical Committee undertook monitoring and follow-up on the implementation of the Summit resolutions, ensuring that agreed actions were translated into meaningful outcomes for both the national and county governments. By the end of the financial year 90% of the resolutions have been implemented.

IGRTC coordinated extensive sectoral consultations and technical analysis of devolved functions that culminated in the delineation and gazetting of the functions on 16th December 2024. Twelve (12) comprehensive sector reports were developed on unbundling of functions and performance by the two levels of government. In the next financial year IGRTC plans to cost the functions to enable transfer of attendant resources in adherence with the principles of “Resources follow functions”.

IGRTC prepared and presented 11 legislative memoranda to inform legal and policy alignment for effective intergovernmental coordination. Notable memoranda include a legislative memorandum on the Intergovernmental Relations (Amendment) Bill, 2024 (Senate Bill No. 12 of 2024) to the National Assembly Committee on Regional Development. The amendments proposed in the Bill aim to strengthen IGRTC’s ability to fulfil its mandate, particularly in relation to the National and County Governments Coordinating Summit, strengthening of intergovernmental structures and in its dispute resolution mandate. Additionally, a legislative memorandum on the County Attorney (Amendment) Bill, 2024 was submitted to the Senate Standing Committee on Devolution and Intergovernmental Relations seeking to revise the qualifications and tenure of office for County Attorneys and County Solicitors.

Five intergovernmental disputes declared to IGRTC were successfully resolved, affirming our role in promoting structured dispute resolution mechanisms. The nature of some of the disputes was in relation to revenue sharing between the two levels of government, performance of functions, sharing of resources among others.

Financially, IGRTC was allocated Ksh 511,700,000, the total expenditures amounted to Ksh 547,580,431 the balance brought forward was Ksh 108,042,340. These funds were deployed to support our planned activities across programmatic and operational areas. We are proud to report an absorption rate of 88%, demonstrating effective and disciplined use of public resources.

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These financial statements are hereby submitted to the Office of the Auditor-General for review and audit, in line with statutory requirements. We welcome the audit process as a critical part of ensuring accountability, strengthening internal controls, and enhancing institutional performance.

In conclusion, I wish to acknowledge the invaluable support of the National Treasury, the Office of the Auditor-General, the Summit Secretariat, Technical Committee members, our partners, and the dedicated IGRTC staff. Together, we remain committed to deepening devolution and delivering on our mandate with integrity, efficiency, and impact.



Dr. Chepkwony S. Kipkurui, MBS
Chief Executive Officer
Intergovernmental Relations Technical Committee (IGRTC)

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7. Statement of Performance against Predetermined Objectives for FY 2024/2025

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 Technical Committee’s performance against its annual work plan is done on a quarterly basis. The IGRTC achieved its performance targets set for the FY 2024/2025 period for its 6 KRAs, as indicated in the table below:

Strategic Pillar/Theme/ Issues	Objective	Key Performance Indicators	Activities	Achievements
KRA1: The Summit and shared national strategic agenda	To facilitate strategic and efficient administration of the mandate and functions of the Summit	Resolutions of the Summit meeting	Summit meetings held	One Summit meeting was held successfully on 16th December 2024
		Implemented Resolutions	Summit resolutions implemented and monitored	90% of the total resolutions have been implemented
	To establish and operationalize sectorial working groups or committees on issues of common interest to the national and county governments	Published manual	Manual on establishment and operationalization of intergovernmental sector forums developed	The manual was published in December 2024, in partnership with ACT!

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Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
KRA 2. Support coordinated sustainable socio-economic planning to achieve objects and principles of devolution	To coordinate monitoring and reporting of implementation of the national and county government development plans;	Performance assessment tool	Develop performance assessment tools	<ul style="list-style-type: none"> i. Concept note developed ii. Implementation Road-map developed Sector indicators have been drafted.
		Report on recommendations from stakeholder engagements	Engage National and County governments stakeholders	2 stakeholder engagements were undertaken. <ul style="list-style-type: none"> i. The National Coordination Committee consultative engagements Consultative meeting with the SDD
KRA3: Effective performance of functions by the two levels of government	Facilitate the transfer of functions, powers or competences and attendant resources	Gazette notices	Pending Fourth Schedule Devolved Functions Transferred	Gazetted the delineated and agreed components of the devolved functions on 16 th December 2024 through Gazette notice no. 16472 to 16483.
		Sector reports	Transfer of functions sector reports developed, published and disseminated.	12 sector reports have been developed.
		Legal notice	RDAs Programmes, Projects and resources Transferred	RDAs report and legal instruments (legal notice and omnibus bill) developed and submitted to HOPS for further action. An implementation plan has been developed to guide the next steps.

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Strategic Pillar/Theme/ Issues	Objective	Key Performance Indicators	Activities	Achievements
		Copy of the framework	Joint utilization framework of assets related to primary schools and ECDEs developed.	1 framework developed and tailored to specific counties.
KRA4: 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	Omnibus bill	Omnibus Bill to align to laws relating to devolved functions with the Constitution	Legislative gap analysis undertaken on 94 pieces of legislation. Draft Omnibus bill developed
		Memoranda	Develop and present legislative memoranda	11 legislative memoranda developed and presented.
		Developed legal instruments	Legal instruments to support IGRTC activities developed	Sixteen (16) instruments developed to support IGRTC
KRA5: Intergovernmental dispute prevention and resolution	To facilitate prevention and resolution of intergovernmental disputes	Resolved disputes	Intergovernmental disputes prevented and resolved	Five (5) Intergovernmental dispute were declared in IGRTC where three (4) were resolved
		ADR Manual	ADR Manual developed	An ADR Manual developed
		Sensitization workshop	National and county governments legal officers sensitized on intergovernmental dispute resolution	Judiciary officers were sensitized on Intergovernmental dispute resolution
		Intergovernmental partnership Agreement	Implementation of Intergovernmental Agreements on the resolved	Intergovernmental Agreements on the resolved disputes implemented

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Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
			disputes monitored.	
KRA6: Organisational effectiveness and efficiency	To strengthen organizational institutional capacity	HR Instruments	HR and Administration Instruments Reviewed	The following were reviewed a) Organizational Structure b) Staff establishment & grading structure Salary structure
		Capacity Development programs	Capacity Development Programs Implemented	Thirty-Three (33) officers trained on 2 officers - HRIS Ke, 12 officers - Risk Champions, 17 officers- Mediation Training & 2 officers – Supervisory skills development course. Several officers attended Continuous Professional Development, 2 officers- KASNEB, 3 Officers- LSK, 1 officer-KISM, 3 officers -ICPAK, 8 officers-ICPAK (Audit committee masterclass and 2 officers-IIA(K).
		Staff welfare	Implementation of Welfare Management	Welfare Management Implemented
		Motor vehicles	Procurement of motor vehicles	Two (2) vehicles procured
		Quality of ICT Service	ICT Management and Solutions Implemented	90% of the ICT management solution implemented

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8. Corporate Governance Statement

IGRTC's Board Charter outlines the duties, responsibilities, structure, and operational functions of the Technical Committee. It is designed to empower Members in fulfilling their strategic oversight role. Additionally, the Charter encourages Members to engage in thoughtful and innovative reflection on how their strategic and operational planning aligns with the organization's overall direction and governance expectations. Ultimately, the Charter serves to uphold and promote exemplary standards of governance within IGRTC.

The appointment process for Members of the Technical Committee is governed by the Intergovernmental Relations Act, CAP 265F, which sets out the framework for the composition of the Technical Committee 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 Secretary/CEO 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 Technical Committee Members elect one (1) 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, Committee members and the Chief Executive Officer are appointed for a non-renewal term of six (6) years, and remunerated as per the SRC guidelines.

The principal responsibility of the Technical Committee 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 Relations Act, CAP 265F.

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- 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.
- 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 performance, the Chairman annually reviews the effectiveness of the Technical Committee, including its committees, individual Technical Committee members and the CEO.

Among the Technical Committee's tools of Governance is the IGRTC Board Charter which outlines the tenets, best practices, systems and processes by which the organization is directed, controlled and steered, ensuring utmost responsibility and accountability at all times. Particularly, the charter is meant to promote high standards of governance and to;

- i. To ensure that all Technical Committee members are aware of their duties and responsibilities and that they act in the best interests of the Committee and its stakeholders.
- ii. To ensure that Technical Committee members apply the principles of good governance in their dealings by embracing the following principles
 - a. To observe high standards of ethical and moral behavior
 - b. To act in the best interest of IGRTC
 - c. To ensure that IGRTC acts as a good Intergovernmental institution.
- iii. Outline the policies and practices of the Technical Committee in respect to matters such as conflict of interests and conveying of Technical Committee meetings.
- iv. Define the specific duties and responsibilities of the Technical Committee, in order to enhance coordination and communication between Chief Executive and the Technical

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Committee and more specifically to clarify both Technical Committee and Management accountability.

It further outlines the conduct, roles and responsibilities of Members and CEO in the discharge of their mandate; respecting the constitution and complying with the requirements of the Intergovernmental Relations Act, CAP 265F; the Leadership and Integrity Act, 2012 and all other relevant laws.

Finally, the charter addresses the matter of conflict of interest with regards to holding of office, possession of property in respect of which a member has, or may have, an interest or duty that may create (directly or indirectly) a conflict with the members duties.

IGRTC's Technical Committee convenes its regular meetings on a quarterly basis to review and provide policy guidance on matters submitted by management. The meeting agenda is developed by the Chairperson, in collaboration with the Secretary/CEO, and reflects the organization's strategic priorities, emerging issues, and operational challenges. During the reporting period, the Committee held four (4) ordinary meetings and one special meeting, as detailed below:

Technical Committee Meetings 2024/2025

No	Name	18th July, 2024	23rd Sep, 2024 (Special)	14th Nov, 2024	7th March, 2025	26th June 2025
1.	Mr. Kithinji Kiragu, OGW, MBS - Chairman	✓	✓	✓	✓	✓
2.	Ms. Saadia A. Kontoma, OGW - V. Chair	✓	✓	✓	✓	✓
3.	Mr. John N. Burugu - Member	✓	✓	✓	x	x
4.	Mrs. Angeline Hongo, MBS - Member	✓	✓	✓	✓	✓
5.	Mrs. Linet M. Mavu - Member	✓	x	✓	✓	x
6.	Dr. Perminus N. Ndimitu - Member	✓	x	✓	✓	✓
7.	Mr. Wilson L. Ole Pere - Member	✓	✓	✓	✓	✓
8.	Mr. John N. Kimwela - Member		✓	✓	✓	✓
9.	Mrs. Alice K. Mayaka, CBS, OGW - Member	✓	✓	✓	✓	✓
10.	Dr. Sylvia Vundi - Rep. PS. State Dept. for Devolution	x	✓	✓	✓	✓
11.	Dr. Kipkurui S. Chepkwony, MBS - CEO	✓	✓	✓	✓	✓

9. Management Discussion and Analysis

IGRTC Major Achievements for the Last Three Years

- i. Successful holding of three Summit meetings 9th, 10th and 11th Summit.
- ii. Implementation of the resolutions of the 9th and 10th Summit meetings. The resolutions were implemented in full and reported back to the 10th and 11th Summit respectively.
- iii. Implementation of the resolution of the 11th Summit Meeting, which was held at State House, Nairobi, on 16th December 2024. The key resolutions implemented included:
 - Gazettement of unbundled and mutually agreed functions on 16th December 2024;
 - Harmonization of technical proposals on the amendment of IGRA forwarded to the National Assembly;
 - Transition to accrual accounting by national and county governments through facilitation by the National Treasury.
 - Disbursement of the pending equitable share for November 2024 to the 47 counties
 - Pending stipend owed to the Community Health Promoters paid.
- iv. IGRTC convened the Second Bi-annual Intergovernmental Relations Symposium during 2023/2024 financial year, which provided a platform to reflect on the status of intergovernmental relations in Kenya.
- v. IGRTC facilitated transfer of the library and museums functions to the county government and all the attendant resources.
- vi. IGRTC coordinated transfer of the 8186 movable assets from the defunct local authorities to the county governments and the relevant copies of ownership documents.
- vii. Unbundling of the functions of the Regional Development Authorities (RDAs) as per the Cabinet resolution. A report was developed and submitted to Cabinet for further action.
- viii. IGRTC facilitated transfer of management function of Amboseli National Park to the county of government of Kajiado.
- ix. Gazettement for transfer of devolved functions on 16th December, 2024
- x. Stakeholders' sensitizations on transfer of functions as per the gazette notices of 16th December 2024.
- xi. Successful resolution of five intergovernmental disputes

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- xii. Review of legislation impeding the transfer and implementation of devolved functions by the county governments and made amendments proposals to the legislation through an Omnibus Bill which has been submitted to Parliament.
- xiii. Staff capacity development on various courses based on the Training Needs Analysis.
- xiv. Developed and launched the new Strategic Plan 2023/2027 in line with the 5th generation guidelines from the State Department for Economic Planning.
- xv. Developed and operationalized digital systems including the E-Summit, E-board system and procured iPads to facilitate paperless Summit and Technical Committee meetings.
- xvi. Held continuous engagement with the stakeholders in the sectors including mining, tourism and wildlife and public service to facilitate the establishment of sector forums.
- xvii. 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.
- xviii. IGRTC facilitated handing over of the construction of county headquarters for the county governments of Isiolo, Tharaka-Nithi, Nyandarua, Lamu and Tana River.

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	Sector forums established and operationalized.
Facilitation of intergovernmental disputes resolution through the alternative dispute resolution mechanisms	All registered intergovernmental disputes resolved

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Coordinating the conduct of Summit meetings	Summit meetings convened and resolutions implemented
Reporting to the legislative bodies	Development of Annual Summit Report
Framework for developing Summit reports	Framework developed
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.

Aligned with the governments agenda to prioritize digital platforms for data management and preservation, IGRTC has embraced sustainable, paperless technologies through its Innovation and Technology initiatives. These efforts aim to enhance organizational efficiency while minimizing environmental impact. The digital platforms include:

- a) Revamping the e-Summit system to facilitate the conduct of paperless Summit meetings and improve efficiency.
- b) Enhancement of e-IGR system through the development and operationalization of the leave management module and Tasks/Activities Module for reporting purposes and task-assignments to employees generally improving operational efficiency.
- c) Development of Records Management System; a digital solution designed to manage the creation, use, storage, retrieval, of institutional records and file movements in a secure and efficient manner within IGRTC. The system serves as central repository in storage and preservation of the institutional memory.

These best practices have contributed to better decision-making through timely access to accurate records and significantly led to the reduction in the use of files, papers and tonners therefore improving efficiency and service delivery.

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) Adoption of Paperless Technologies:** IGRTC has significantly improved its environmental performance through the adoption of digital platforms for data management, communication, and record-keeping. By embracing the use of online e-Board meetings and the use of online attendance register, the organization has reduced paper consumption,

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printing costs, and physical storage need thus conserving trees and lowering its carbon footprint.

- b) **Electronic waste disposal:** To minimize e-waste, IGRTC partnered with Information Communication Technology Authority (ICTA) to dispose e-waste according to the government guidelines on e-waste management.
- c) **Natural Resource Conservation:** Employees took the mandate to conserve energy by using a centralized printer thus optimizing the use of natural resources.

iii) *Employee welfare*

IGRTC is committed to being an equal opportunity employer, upholding the principles of meritocracy, fairness, and competitive recruitment. The organization selects candidates based on job-related qualifications, including education, training, and experience, without any form of discrimination based on race, gender, pregnancy, marital status, health condition, ethnicity, social origin, skin color, age, disability, religion, culture, or language. In addition, IGRTC actively promotes compliance with the two-thirds gender rule as stipulated in the Constitution of Kenya (2010), embraces national diversity, and advances national policies on disability inclusion.

IGRTC is dedicated to fostering continuous learning and professional development by enhancing the core competencies, knowledge, skills, and attitudes of its human resources. This includes equipping staff with the capacity to integrate and apply technology in fulfilling the organization's mandate. All employees qualify for training based on periodic Training Needs Assessments, which serve as performance audits to identify knowledge and skill gaps that hinder achievement of organizational goals.

To address these gaps, IGRTC designs both short-term and long-term training programmes tailored to specific professional fields, as well as in-house training initiatives that directly respond to identified needs—ensuring staff are empowered to perform effectively

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 mechanism for rewarding exemplary performance and administering

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sanctions for poor performance. The mechanism aims to motivate employees to have positive attitude to work and to enhance productivity in the organization.

IGRTC upholds a strong commitment to staff occupational health and safety, as outlined in its Organizational Policies and Procedures Operational Manual. The organization prioritizes the creation and maintenance of a safe and healthy work environment and strives to meet the highest standards in workplace health and safety. To this end, IGRTC implements robust policies and programs designed to safeguard employees from occupational hazards and potential disasters. These initiatives are fully aligned with the provisions of the Occupational Safety and Health Act, 2007, as well as other applicable labor laws. The organization also conducts regular consultations on health and safety matters—engaging with staff, their representatives, and, when necessary, contractors and suppliers—to ensure that occupational safety and health practices consistently meet exemplary standards.

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.

In accordance with the Public Procurement and Asset Disposal Act of 2015 and the Public Procurement and Asset Disposal Regulations of 2020, IGRTC chooses suppliers in a competitive manner for the supply of products, works, and services.

b) Responsible Supply chain and supplier relations

In accordance with the Public Procurement and Asset Disposal Act of 2015 and the Public Procurement and Asset Disposal Regulations of 2020, IGRTC upholds ethical business practices by hiring local Kenyans to provide goods, labor, and services. IGRTC honors agreements and pays suppliers on schedule as part of its responsible supplier treatment policy.

c) Responsible marketing and advertisement

In addition to giving all suppliers equal opportunities and encouraging young people, women, and those with disabilities to apply for tenders, IGRTC advertises in the My Gov newspapers, on the IGRTC website, and on the Public Procurement Information Portal (PIIP).

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v) ***Corporate Social Responsibility / Community Engagements***

- i. IGRTC staff attending the Senior Management Course (SMC) and Strategic Leadership Development Program (SLDP) participated in Tree Planting exercises held at the end of the courses.
- ii. IGRTC participated in tree planting sessions across several counties during the Heritage Trails and Barngetuny Mountain Run, an activity which was coordinated by the Kenya Tourism Board (KTB) held from 13th to 18th January 2025. The event was launched and flagged off at the Thomson Falls in Laikipia County and traversed Baringo, Elgeyo Marakwet, Uasin Gishu and Nandi counties.

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11. Report of the Technical Committee

The management submit their report together with the audited financial statements for the year ended June 30th 2025, 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 IGRTC for the year ended June 30, 2025, are set out on page 1.

iii) Technical Committee

The members of the Technical Committee who served during the year are shown on page 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 Technical Committee



Name: Dr. Kipkurui S. Chepkwony, MBS

Chief Executive Officer

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12. Statement of Management Responsibilities

Section 81 of the Public Finance Management Act, 2012 require the Accounting Officer 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 Accounting Officer is also required to ensure that the IGRTC keeps proper accounting records which disclose with reasonable accuracy the financial position of the IGRTC. The Accounting Officer is also responsible for safeguarding the assets of the IGRTC

The Accounting Officer is 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, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the IGRTC; (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 Accounting Officer accepts 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 Accounting Officer is 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, 2025, 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.

**Intergovernmental Relations Technical Committee
Annual Report and Financial Statements
for the year ended June 30, 2025.**

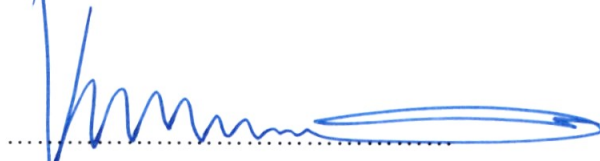
Nothing has come to the attention of the management to indicate that the IGRTC will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The IGRTC's financial statements were approved by the Technical Committee on 21/08/ 2025 and signed on its behalf by:



Name: CPA Kithinji Kiragu, MBS, OGW
Chairperson of the Technical Committee



Name: Dr. Kipkurui S. Chepkwony, MBS
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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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, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Intergovernmental Relations Technical Committee set out on pages 1 to 33 which comprise of the statement of

Report of the Auditor-General on Intergovernmental Relations Technical Committee for the year ended 30 June, 2025

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

In my opinion, except for the 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 the Intergovernmental Relations Technical Committee at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of financial performance reflects an expenditure of Kshs.11,815,387 under repairs and maintenance which is at variance with the amount of Kshs.8,286,096 reflected in the statement of cash flows resulting to an unexplained variance of Kshs.3,529,291. Further, the statement of cash flows reflects net cash flows from operating activities negative balance of Kshs. 20,117,185 which, as disclosed in Note 19 to the financial statements, includes an amount of Kshs.4,225,146 in respect of non-cash grants received. However, the non-cash grants received amount of Kshs.4,225,146 was not supported or explained.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unsupported Payment of Parking Charges

The statement of financial performance reflects an amount of Kshs.273,618,940 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 in respect of rent expenses. Review of the lease agreement for the Committee's offices and analysis of payment records revealed that the Technical Committee has been making monthly payments of Kshs.7,500 per parking bay for 28 parking bays, totalling Kshs.2,520,000 annually. 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.

3. Inaccuracies in Cash and Cash Equivalents Balance

The statement of financial position reflects a balance of Kshs.42,023,952 in respect of cash and cash equivalents as disclosed in Note 12 to the financial statements. As previously reported, the bank reconciliation for the month of June 2025 includes payments in bank not recorded in the cashbook amounting to Kshs.8,662,291 relating to the period 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 Authority and was being investigated by the Ethics and Anti-Corruption Commission. However, progress on the status of the investigations was not disclosed.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.42,023,952 could not be confirmed.

The audit was conducted in accordance with International Standards of 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 matter described in the Basis for Qualified Opinion section, there were no other key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the Technical Committee in 2024/2025 revealed that the following six (6) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2022/2023	Unsupported expenditure in the bank statement
2	2023/2024	Inaccuracies in cash and cash equivalents balance
3	2023/2024	Unsupported prior year adjustment
4	2023/2024	Inaccuracy of property, plant and equipment balance
5	2023/2024	Unsupported payment of parking charges
6	2023/2024	Irregular acquisition of furniture

Other Information

The Management is responsible for the Other Information set out on page iii to xlii which comprise of Key Entity Information and Management, The Technical Committee, 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 Technical Committee, and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the 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.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non-Compliance with Capacity Building Levy Requirements

During the year under review, the Committee Management deducted capacity building levy amounting to Kshs.13,099 from various suppliers. However, Management did not remit the deducted amount to the Public Procurement Regulatory Authority as required. This was contrary to Paragraph 3(1) of the Public Procurement Capacity Building Levy Order, 2023 (The Levy Order, 2023) which requires all procuring entities to deduct and remit to the Authority a levy of 0.03% of the value of the signed contracts between the supplier and procuring entity exclusive of all applicable taxes.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Adequate Staffing in the Internal Audit Function

Review of personnel records revealed that the Internal Audit Department is staffed with one (1) officer, who is serving in an acting capacity without a substantive appointment of a Chief Internal Auditor. This level of staffing is insufficient to ensure effective and comprehensive internal audit coverage across the organization.

In the circumstances, the limited capacity of the Internal Audit Function constrains its ability to provide adequate assurance on the effectiveness of internal controls and risk management, thereby increasing the risk of undetected errors, irregularities, and non-compliance.

2. Lack of Segregation of Duties

Review of stores management revealed that there was no segregation of duties in the procurement and stores functions. This was contrary to Regulation 171(1) of the Public Procurement and Asset Disposal Regulations, 2020 and Chapter 2.11 of the IGRTC Organisation Policies and Procedures Operational Manual of 2018, which require procurement activities to be handled by different officers and subject to appropriate oversight. It was noted that key functions, including initiation of procurement, receipt of stores, recording and taking goods on charge, issuance to users, and preparation of stock take reports, were all being performed by one officer.

In the circumstances, the concentration of multiple critical responsibilities in a single officer increases the risk of errors, fraud, and manipulation of records, and undermines the effectiveness of internal controls over stores and procurement management.

3. Inadequate Records Management Practices

Physical inspection of the Technical Committee's storage facility revealed poor records management practices. This was contrary to the Public Archives and Documentation Service Act, Cap 19 and the Directorate of Personnel Management Circular No. DPM.12/6A Vol. I of 12 March, 2008, which require effective management, preservation, and controlled disposal of public records. Records were found stored haphazardly in unsorted and unlabelled boxes, without classification or indexing systems, and many were lying directly on the floor, exposing them to moisture, pests, and physical damage, with visible signs of deterioration such as discoloration noted. Further, the records storage area also lacked basic security controls, including restricted access, fire suppression systems, and environmental monitoring equipment.

In the circumstances, inadequate records management practices and lack of essential controls compromised the security, integrity, and preservation of the Technical Committee's records.

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

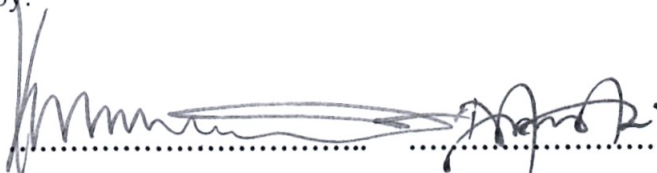
09 December, 2025

**Intergovernmental Relations Technical Committee
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for the year ended June 30, 2025**

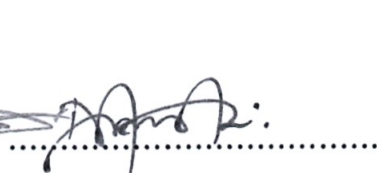
14. Statement of Financial Performance for the year ended 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	533,846,449	512,219,010
Total revenue		533,846,449	512,219,010
Expenses			
Use of goods and services	7	273,618,940	317,062,640
Employee costs	8	155,158,946	114,369,232
Technical Committee Expenses	9	76,346,568	78,891,326
Depreciation and amortization expense	10	30,640,591	8,276,083
Repairs and maintenance	11	11,815,387	11,399,244
Total expenses		547,580,431	529,998,524
Surplus/ (deficit) before tax		(13,733,983)	(17,779,514)
Surplus/ (deficit) for the period/year		(13,733,983)	(17,779,514)
Net Deficit for the year		(13,733,983)	(17,779,514)

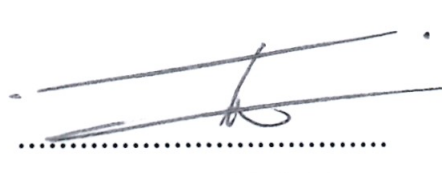
The notes set out on pages 19 to 28 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the Technical Committee by:



Name: Dr. Kipkurui S. Chepkwony, MBS
Accounting Officer



Name: CPA Mohamednoor Hassan
Head of Accounts



Name: CPA Kithinji Kiragu, MBS, OGW
Chairman of the Technical Committee

Date 26/8/2025

ICPAK M/No: 26178
Date 26/08/2025

Date 26/08/2025




**Intergovernmental Relations Technical Committee
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15 Statement of Financial Position as at 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	12	42,023,952	108,042,340
Prepayments	13	12,975,976	-
Inventories	14	2,559,758	6,811,416
Total Current Assets		57,559,686	114,853,756
Non-current assets			
Property, plant and equipment	15	76,041,156	46,390,044
Total assets		133,600,843	161,243,800
Liabilities			
Current liabilities			
Trade and other payables	16	2,738,914	14,732,567
Current Provision	17	75,136,199	55,189,572
Deferred Income	18	33,986,348	100,000,000
Total Current Liabilities		111,861,461	169,922,139
Net assets		21,739,381	(8,678,339)
Accumulated surplus/deficit		(47,362,829)	(33,628,846)
Capital Fund		69,102,210	24,950,507
Total Net Assets and Liabilities		21,739,381	(8,678,339)

The financial statements set out on pages 1 to 6 were signed on behalf of the Technical Committee

by:

		
Name: Dr. Kipkurui S. Chepkwony, MBS	Name: CPA Mohamednoor Hassan	Name: CPA Kithinji Kiragu, MBS, OGW
Accounting Officer	Head of Accounts ICPAK Member Number: 26178	Chairman of the Technical Committee
Date 26/8/2025	Date 26/08/2025	Date 26/08/2025

**Intergovernmental Relations Technical Committee
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16. Statement of Changes in Net Assets for the year ended 30 June 2025

	Retained earnings	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs
As At July 1, 2023	28,253,558	24,950,507	53,204,065
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	(44,102,891)	-	(44,102,891)
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 – 2024	-	-	-
Interim dividends paid – 2024	-	-	-
Surplus/ (deficit) for the year	(17,779,514)	-	-
Proposed final dividends	-	-	-
As At June 30, 2024	(33,628,846)	24,950,507	(8,678,339)
As At July 1, 2024	(33,628,846)	24,950,507	(8,678,339)

	Retained earnings	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs
At July 1, 2024	(33,628,846)	24,950,507	(8,678,339)
Revaluation gain	-	-	-

**Intergovernmental Relations Technical Committee
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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	-	44,151,703	44,151,703
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-
Dividends paid – 2025	-	-	-
Interim dividends paid – 2025	-	-	-
Surplus/ (deficit) for the year	(13,733,983)	-	(13,733,983)
Proposed final dividends	-	-	-
At June 30, 2025	(47,362,829)	69,102,210	21,739,381
At July 1, 2025	(47,362,829)	69,102,210	21,739,381

Notes

The addition to the Capital Fund amounting to KShs 44,151,703 for the year represents the capitalization of additions to property, plant, and equipment. These additions comprise motor vehicles valued at KShs 34,044,358, furniture and fixtures amounting to KShs 2,349,000, computers costing KShs 2,313,900, leasehold improvements totalling KShs 4,849,635, and other assets valued at KShs 594,810.

**Intergovernmental Relations Technical Committee
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for the year ended June 30, 2025**

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		489,838,051	512,219,010
Total Receipts		489,838,051	512,219,010
Payments			
Use of goods and services		(289,735,643)	(261,426,815)
Employee costs		(135,201,929)	(83,021,293)
Technical Committee Expenses		(76,731,568)	(78,891,326)
Repairs and maintenance		(8,286,096)	(11,399,244)
Grants and subsidies		-	(180,000,000)
Total Payments		(509,955,236)	(614,738,678)
Net cash flows from/(used in) operating activities	19	(20,117,185)	(102,519,668)
Cash flows from investing activities			
Purchase of PPE	15	(45,901,203)	(35,271,215)
Net cash flows used in investing activities		(45,901,203)	(35,271,215)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash and cash equivalents		(66,018,388)	(137,790,883)
Cash and cash equivalents at 1 July 2024	12	108,042,340	245,833,223
Cash and cash equivalents at 30 June 2025	12	42,023,952	108,042,340

Notes

- (i) Transfers from other governments entities of KShs. 489,838,051 includes decrease in deferred income by KShs. 66,013,652 and transfer to capital fund of KShs. 44,151,703.
- (ii) Use of goods and services of KShs. 289,735,643 includes decrease in payables by KShs. 7,777,384, decrease in inventory by KShs. 4,251,658 and increase in prepayments by KShs. 12,590,976
- (iii) Employee costs of KShs. 135,201,929 includes increase in payables by KShs. 10,389 and increase in gratuity provisions by KShs. 19,946,627.
- (iv) Technical Committee Expenses of KShs. 76,731,568 includes increase in prepayments by KShs. 385,000.
- (v) Repairs and maintenance of KShs. 8,286,096 includes decrease in payables by KShs. 2,477,158.
- (vi) Purchase of PPE figure of KShs. 45,901,203 includes decrease in payables by KShs.1,749,500.

**Intergovernmental Relations Technical Committee
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for the year ended June 30, 2025**

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs		Kshs
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year		108,042,340	108,042,340	108,042,340	-	100%
Receipts						
Transfers from Other Governments entities	411,700,000	100,000,000	511,700,000	511,700,000	-	100%
Total Receipts	411,700,000	208,042,340	619,742,340	619,742,340	-	100%
Payments						
Use of Goods and Services	189,700,000	157,692,340	347,392,340	289,735,643	57,656,697	83%
Employee costs	136,000,000	-	136,000,000	135,201,929	798,071	99%
Technical Committee Expenses	78,000,000	-	78,000,000	76,731,568	1,268,432	98%
Repairs and maintenance	8,000,000	6,200,000	14,200,000	8,286,096	5,913,904	58%
Total Payments	411,700,000	163,892,340	575,592,340	509,955,236	65,637,104	89%
Capital Expenditure Payments	-	44,150,000	44,150,000	44,151,703	(1,703)	100%
Surplus	-	-	-	65,635,401	(65,635,401)	

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	65,635,401
1	Prepayments	(12,975,976)
2	Payments in Bank not in Cashbook	(8,662,291)
3	Inventories not expensed	(1,973,182)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	42,023,952

**Intergovernmental Relations Technical Committee
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

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.

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3. Adoption of New and Revised Standards

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

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

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

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

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	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.

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	iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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iii. Early adoption of standards

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

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Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the 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 25th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the IGRTC upon receiving the respective approvals in order to conclude the final budget. Accordingly, the IGRTC recorded additional appropriations of 100,000,000 on the 19th May 2025 budget 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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

c) Property, plant and equipment

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

Leasehold Improvements – 12.5%

Equipment – 10%

Motor Vehicle – 25%

d) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the 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. The 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 the IGRTC will obtain

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the 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. 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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the 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.

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

o) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

different from those at which they were initially reported are recognized in surplus or deficit in the period.

p) Borrowing costs

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

q) Related parties

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 Technical Committee members, 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.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

For the purposes of these financial statements, cash and cash equivalents also include short term cash 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, 2025.

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.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 17. 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.

6. Transfers from Ministries, Departments and Agencies (MDAs)

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 2024-2025	2023-2024
	KShs	KShs	KShs	KShs	KShs
State Department for Devolution	533,846,449	-	-	533,846,449	512,219,010
Total	533,846,449	-	-	533,846,449	512,219,010

Amount recognized to Statement of Financial performance of KShs. 533,846,449 include transfees from the State Department for Devolution amounting to KShs. 477,998,152 and deferred income brought forward of KShs. 55,848,297 as disclosed under Note 18.

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Notes to the Financial Statements (Continued)

7. Use of Goods and Services

Description	2024-2025	2023-2024
	KShs	KShs
Electricity	1,103,260	1,307,284
Subscriptions	616,087	604,816
Advertising	1,558,645	3,635,731
Admin Fees	-	-
Audit Fees	300,000	300,000
Conferences and Delegations	14,909,728	14,658,569
Consulting Fees	45,500	3,000,000
Consumables	11,230,525	15,693,476
Fuel and Oil	9,231,344	10,652,282
Insurance	10,962,664	16,768,481
Legal Expenses	1,276,000	-
Licenses and Permits	-	-
Postage	314,600	1,811,982
Printing and Stationery	7,337,707	10,848,900
Hire Charges	-	-
Rent expenses	49,366,938	49,366,939
Skills Development Levies	-	-
Inventory Scrapping	-	-
Telecommunication	5,269,000	5,201,110
Training	3,436,154	5,898,985
Travel, Subsistence & Other Allowances	156,189,230	177,263,676
Specialized materials	471,558	50,410
Total good and services	273,618,940	317,062,640

8. Employee Costs

Description	2024-2025	2023-2024
	KShs	KShs
Salaries and wages	126,158,515	91,133,017
Employer contribution to health insurance schemes	-	-
Employer contribution to pension schemes	7,888,804	4,724,777
Travel, accommodation, subsistence, & other allowances	-	-

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Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Gratuity	19,946,627	17,822,438
Other employee related costs - Leave Allowance	1,165,000	689,000
Employee costs	155,158,946	114,369,232

9. Technical Committee Expenses

Description	2024-2025	2023-2024
	KShs	KShs
Salaries for Full-time Technical Committee members	71,582,256	71,582,256
Sitting Allowances	256,000	-
Medical Insurance	1,628,312	4,429,070
Induction and Training	-	-
Travel and Accommodation	-	-
Other Allowances - Commuter Allowance	2,880,000	2,880,000
Total	76,346,568	78,891,326

10. Depreciation and Amortization Expense

Description	2024-2025	2023-2024
	KShs	KShs
Property, plant and equipment	30,640,591	8,276,083
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	30,640,591	8,276,083

11. Repairs and Maintenance

Description	2024-2025	2023-2024
	KShs	KShs
Property and equipment	-	908,500
Investment Property	-	-
Equipment and Machinery	-	-
Vehicles	8,177,176	10,179,195
Furniture and Fittings	2,460,881	174,904
Computers and Accessories	1,177,330	136,645
Others (specify)	-	-
Total Repairs and Maintenance	11,815,387	11,399,244

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12. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	KShs	KShs
Current Account	42,023,952	108,042,340
Savings Account	-	-
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Others (Specify)	-	-
Total Cash And Cash Equivalents	42,023,952	108,042,340

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024-2025	2023-2024
		KShs	KShs
a) Current Account			
Central Bank of Kenya	1000304863	42,023,952	108,042,340
Sub- Total	-	42,023,952	108,042,340
Grand Total	-	42,023,952	108,042,340

13. Prepayments

Description	2024-2025	2023-2024
	KShs	KShs
Insurance	12,590,976	-
Rent	-	-
Water	-	-
Internet	-	-
Salary Advance	385,000	-
Total	12,975,976	-

14. Inventories

Description	2024-2025	2023-2024
	KShs	KShs
Consumable stores	2,559,758	6,811,416
Medical supplies	-	-
Spare parts and meters	-	-
Water for distribution	-	-

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Other goods held for resale	-	-
Catering	-	-
Less: allowance for impairment	-	-
Total inventories at the lower of cost and net realizable value	2,559,758	6,811,416

Detailed disclosure on inventories

	2024-2025
	KShs
Opening balance	6,811,416
Additional Inventory in the year	9,083,950
Inventory expensed in the year	13,335,608
Write-downs in the year	-
Others specify	-
Closing balance	2,559,758

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15. Property, Plant and Equipment

Cost	Motor Vehicles	Furniture and fittings	Computers	Leasehold Improvements	Other Assets	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2023	-	19,658,499	9,897,244	-	-	29,555,743
Additions	-	3,220,000	30,611,215	-	1,440,000	35,271,215
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
Revaluation Adjustments						
As at 30th June 2024	-	22,878,499	40,508,459	-	1,440,000	64,826,958
Additions	50,184,358	2,349,000	2,313,900	4,849,635	594,810	60,291,703
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
Revaluation Adjustments						
As at 30th June 2025	50,184,358	25,227,499	42,822,359	4,849,635	2,034,810	125,118,661
Depreciation And Impairment						
At 1 July 2023	-	4,845,250	5,315,582	-	-	10,160,831
Depreciation	-	2,859,812	5,272,270	-	144,000	8,276,083
Impairment	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-
As at 30th June 2024	-	7,705,062	10,587,852	-	144,000	18,436,914
Depreciation	12,546,090	3,153,437	14,131,378	606,204	203,481	30,640,591
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-
As at 30th June 2025	12,546,090	10,858,500	24,719,230	606,204	347,481	49,077,505
Net Book Values						
As at 30th June 2024	-	15,173,437	29,920,607	-	1,296,000	46,390,044
As at 30th June 2025	37,638,269	14,369,000	18,103,129	4,243,431	1,687,329	76,041,156

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Notes to the Financial Statements (Continued)

Notes

Addition to Motor Vehicle includes motor vehicles acquired during the year at KShs. 34,044,358 and Kshs.16,140,000 relating to motor vehicles that were inherited from the former Transition Authority.

16. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	2,738,914		14,732,567	
Employee payables	-		-	
Other payables	-		-	
Total trade and other payables	2,738,914		14,732,567	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	2,738,914	100%	11,822,347	80%
1-2 years	-	%	2,910,220	20%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	2,738,914	100%	14,732,567	100%

17. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	54,889,572	300,000	55,189,572
Additional provisions	-	-	19,946,627	300,000	20,246,627
Provision utilised	-	-		(300,000)	(300,000)
Change due to discount and time value for money	-	-	-	-	-
Transfers from non -current provisions	-	-	-	-	-
Total provisions year end	-	-	74,836,199	300,000	75,136,199

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The deferred income movement is as follows:

18. Deferred Income

Description	2024-2025	2023-2024
	KShs	KShs
National Government	33,986,348	100,000,000
International funders	-	-
Public contributions and donations	-	-
Total Deferred Income	33,986,348	100,000,000

Additional Details

	National Government	International funders	Public contributions and donations	Total
Balance Brought Forward	100,000,000	-	-	100,000,000
Additions	33,986,348	-	-	33,986,348
Transfers To Capital Fund	(44,151,703)	-	-	(44,151,703)
Transfers To Income Statement	(55,848,297)	-	-	(55,848,297)
Other Transfers	-	-	-	-
Balance Carried Forward	33,986,348	-	-	33,986,348

19. Cash Generated from Operations

Description	2024-2025	2023-2024
	KShs	KShs
Surplus/(Deficit) for the year before tax	(13,733,983)	(17,779,514)
Adjusted for:		
Depreciation	30,640,591	8,276,083
Non-cash grants received	(4,225,146)	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	19,946,627	-
Contribution to impairment allowance	-	-
Working capital adjustments		
Decrease in inventory	4,251,658	(862,051)
Increase in receivables	(12,975,976)	-
Decrease in deferred income	(66,013,652)	(95,659,010)
Decrease in payables	(11,993,653)	3,504,823
Increase in payments received in advance	33,986,348	-
Net cash flow from operating activities	(20,117,185)	(102,519,668)

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Notes to the Financial Statements (Continued)

20. 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:

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Notes to the Financial Statements (Continued)

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	42,023,952	42,023,952	-	-
Total	42,023,952	42,023,952	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	108,042,340	108,042,340	-	-
Total	108,042,340	108,042,340	-	-

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.

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21. 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.

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Technical Committee.

22. Events after the Reporting Period

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

23. Ultimate And Holding Entity

The IGRTC is a Semi-Autonomous Government Agency under the State Department for Devolution. Its ultimate parent is the Government of Kenya.

24. Currency

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

**Intergovernmental Relations Technical Committee
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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.

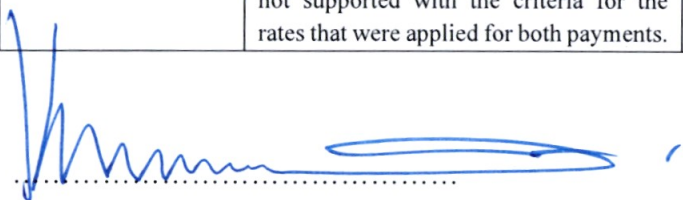
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1. Inaccuracies in Cash and Cash Equivalents Balance	The completeness and accuracy of the cash and cash equivalents balance of Ksh. 108,042,340 as at 30 June, 2024 could not be confirmed. This was due to overstatement of net cashflows from operating activities by Ksh. 39,665,462	The variance between the cash and cash equivalents relates to irregular payments made by one of our retired officers. This is an ongoing case currently under investigation by the Ethics and Anti-Corruption Commission and other relevant investigative agencies. Additionally, the variances in net cashflows from operating activities is as a result of interpretation of the cashflow using accrual basis vs cash basis.	Not resolved	Timeframe cannot be defined since the matter is under investigation by the relevant authorities
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.	Prior year adjustment of Kshs.44,102,890, includes a provision of gratuity of Kshs.37,067,134 for Technical Committee Members and top management on contract and an adjustment of Kshs. 7,035,757 in respect of accumulated depreciation of furniture and fixture and computers.	Resolved	
3. Inaccuracy of Property Plant and Equipment Balance	The accuracy of PPE net book value of Ksh. 46,390,044 could not be confirmed since the accumulated depreciation of office equipment, furniture and fittings (Ksh. 7,705,062) and computers (Ksh. 10,587,851) were not supported by depreciation schedules.	The variance arose due to re-statement of the opening balance of accumulated depreciation, specifically Kshs.2,387,937 for office equipment, furniture, and fittings, and Kshs.2,049,491 for computers. The unsupported depreciation schedule relates to the assets inherited from the Transition Authority	Not Resolved	Valuation Report is expected by 31 st August, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		including Furniture and Fixture and computers. The historical costs of these assets are not known. IGRTC has since engaged the Ministry of Lands and Physical Planning to undertake valuation of inherited assets		
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, and as disclosed in Note 7 to the financial statements, includes an amount of Kshs.49,366,938 relating to rent expenses. The rent expenses include an amount of Kshs.2,520,000 paid to the landlord towards parking charges. However, the duly executed lease agreement for the parking spaces was not provided for audit review.	Management wrote a letter to the State Department for Housing and Urban Development requesting for a review and amendment of the lease agreement to incorporate parking fees.	Not Resolved	30 th September, 2025
5. Irregular Acquisition of Furniture	The Committee incurred an expenditure of Kshs.900,000 on purchase of twenty 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 requires that Pursuant to section 73 of the Act, the head of the user department shall initiate the procurement process through a	IGRTC had 37 orthopedic chairs against the requirement of 70 chairs occasioned by the recruitment of additional staff. The procurement of additional chairs was in the procurement plan wish list and funds for the purchase of chairs was available.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	requisition as per the approved procurement plan.			
6. Irregular Payments of Allowances	The payment of special duty allowance of Kshs.282,362 that was paid beyond the prescribed limit in the Human Resource Policies and Procedures Manual, of six months. In addition, responsibility allowance and security expenses amounts of Kshs.596,000 and Kshs.2,295,500 respectively that were paid without approval by the Salaries and Remuneration Commission. Further, payment of Kshs.596,000 for opening and evaluation of quotations and a payment of Kshs.280,000 for facilitation of security officers that was not supported with the criteria for the rates that were applied for both payments.	The payment of special duty allowances has been discontinued following a recommendation by the Human Resource Advisory Committee (HRAC). We confirm that, currently the officers are not been paid the allowances. Responsibility allowances for Chairman's and CEO's secretaries, drivers and security officers were approved by the 44th Ordinary Committee meeting held on 3rd October 2018 under Minute No. 4/3/10/2018. Security allowances were approved by the Ordinary Committee meeting held on 23rd February 2023 vide minute number 4/23/2/2021 (1) (f).	Resolved	



Dr. Kipkurui S. Chepkwony, MBS

C.E.O

Date:

26/8/2025

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	01/08/2024	Recurrent	51,462,500	51,462,500	-	-	-	-	51,462,500
State Department for Devolution	09/09/2024	Recurrent	51,462,500	51,462,500	-	-	-	-	51,462,500
State Department for Devolution	04/11/2024	Recurrent	51,462,500	51,462,500	-	-	-	-	51,462,500
State Department for Devolution	27/11/2024	Recurrent	51,462,500	51,462,500	-	-	-	-	51,462,500
State Department for Devolution	27/01/2025	Recurrent	51,462,500	51,462,500	-	-	-	-	51,462,500
State Department for Devolution	06/03/2025	Recurrent	51,462,500	51,462,500	-	-	-	-	51,462,500
State Department for Devolution	28/04/2025	Recurrent	51,462,500	51,462,500	-	-	-	-	51,462,500
State Department for Devolution	19/05/2025	Recurrent	100,000,000	66,013,652	-	33,986,348	-	-	100,000,000
State Department for Devolution	30/05/2025	Recurrent	51,462,500	51,462,500	-	-	-	-	51,462,500
Total			511,700,000	477,998,152	-	33,986,348	-	-	511,700,000



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