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OF

THE AUDITOR-GENERAL

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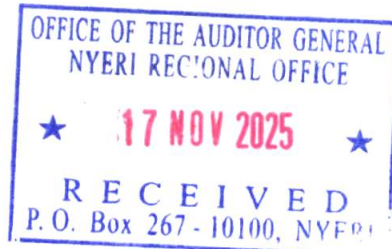
COUNTY ASSEMBLY OF NYANDARUA

FOR THE YEAR ENDED  
30 JUNE, 2025

| PAPERS LAID        |            |
|--------------------|------------|
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*Nyandarua County Assembly*

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE, 2025

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Transitional Financial Statements /Prepared in accordance with the Accrual Basis of Accounting  
Method Under International Public Sector Accounting Standards (IPSAS)

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

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**1. Acronyms, Abbreviations and Definition of Key Terms**

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**A. Acronyms and Abbreviations**

|       |  |
|-------|--|
| ADP   | Annual Development Plan                          |
| AIE   | Authority to Incur Expenditure                   |
| CA    | County Assembly                                  |
| CARA  | County Allocation of Revenue Act                 |
| CBK   | Central Bank of Kenya                            |
| CECM  | County Executive Committee Member                |
| CPC   | Corruption Prevention Committee                  |
| CASA  | County Assemblies Service Act                    |
| CASB  | County Assembly Service Board                    |
| CE    | County Executive                                 |
| CG    | County Government                                |
| CIDP  | County Integrated Development Plan               |
| COG   | Council of Governors                             |
| CRA   | Commission on Revenue Allocation                 |
| CRF   | County Revenue Fund                              |
| CT    | County Treasury                                  |
| HOD   | Head of Department                               |
| IPSAS | International Public Sector Accounting Standards |
| KRB   | Kenya Roads Board                                |
| Kshs  | Kenya Shillings                                  |
| FY    | Financial Year                                   |
| FIF   | Facilities Improvement Financing Act             |
| MCA   | Member of County Assembly                        |
| NT    | National Treasury                                |
| OAG   | Office of the Auditor General                    |
| OCOB  | Office of the Controller of Budget               |
| OSR   | Own Source Revenue                               |
| PFM   | Public Finance Management                        |
| PSASB | Public Sector Accounting Standards Board         |
| SO    | Standing Orders                                  |
| WB    | World Bank                                       |

**B. Definition of Key Terms**

|                       |   |
|-----------------------|---|
| Assembly/Bunge        | Nyandarua County Assembly   |
| Board                 | The Nyandarua County Assembly Service Board   |
| Bunge                 | Nyandarua County Assembly   |
| Bunge Mashinani       | Assembly official sittings outside the chambers   |
| Budget allocation     | The specific amount of money set aside for different programs or expenses within a financial period         |
| Clerk                 | The Accounting officer of the County Assembly   |
| County                | Nyandarua County Assembly   |
| Depreciation          | The reduction in the value of an asset over time, particularly due to wear and tear                         |
| Fiduciary Management  | The key management personnel who had financial responsibility   |
| Financial performance | An assessment of how well an organization is managing its financial resources including income and expenses |
| Member                | Elected or Nominated Members of Nyandarua County Assembly   |
| Standing orders       | Rules made by the County Assembly for the orderly conduct of its proceedings.                               |

**2. Key Entity Information and Management**

**a) Background information**




Nyandarua County Assembly was established under Article 176(1) of the *Constitution of Kenya, 2010*, which provides that "There shall be a county government for each county, consisting of a county assembly and a county executive." The Assembly serves as the legislative arm of the Nyandarua County Government.




Nyandarua County, formerly part of the larger Central Province, became a fully-fledged devolved unit following the promulgation of the 2010 Constitution and the 2013 general elections, which ushered in devolution. The County Assembly is located in Ol Kalou, the county headquarters.

**b) Key Management team**

The County Assembly's day-to-day management is under the following key departments:

**i. Nyandarua County Assembly Service Board**

| No. | Designation                    | Name                            |   |
|-----|--------------------------------|---------------------------------|---|
| 1.  | Speaker of the County Assembly | <b>Stephen Wachira Waiganjo</b> |  |
| 2.  | CASB Member                    | <b>Samuel Mathu Wainaina</b>    |  |
| 3.  | CASB Member                    | <b>James Kiiru Gachomba</b>     |  |

| No. | Designation                  | Name                         |  |
|-----|------------------------------|------------------------------|--|
| 4.  | CASB Member                  | <b>Emma Mwhihaki Kibiro</b>  |   |
| 5.  | CASB Member                  | <b>Paul Mwangi Wanjora</b>   |   |
| 6.  | Clerk of the County Assembly | <b>Gideon Mukiri Muchiri</b> |  |

**ii. Heads of Departments.**

| No. | Designation  | Name                                |
|-----|--|-------------------------------------|
| 1.  | Director Finance & Accounting  | <b>Mr. Charles Wahinya Wambui</b>   |
| 2.  | Deputy Clerk and Director Procedural & Legislative, and Committee Services | <b>Mr. Stephen Muriithi Wairimu</b> |
| 3.  | Director Human Resources and Administration                                | <b>Mr. Simon Njogu Mwaura</b>       |
| 4.  | Director Information and Corporate Communication services                  | <b>Ms. Aurelia Wanjiru</b>          |
| 5.  | Principal Internal Auditor   | <b>Mr. Charles Kimani Kahari</b>    |
| 6.  | Principal Procurement Officer  | <b>Mr. John Mathenge Lektari</b>    |
| 7.  | Principal Legal Counsel  | <b>Mr. Kennedy Mwaniki Wainaina</b> |
| 8.  | Principal Budget and Economic Planning                                     | <b>Mr. Bernard Kiboi</b>            |
| 9.  | Chief Sergeant-at-Arms   | <b>Mr. Stanley Kimeria</b>          |

**c) Fiduciary Management**

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

| No. | Designation                     | Name                               |
|-----|---------------------------------|------------------------------------|
| 1.  | The Clerk/ Accounting Officer   | <b>Mr. Gideon Mukiri Muchiri</b>   |
| 2.  | Director Finance and Accounting | <b>Mr. Charles Wahinya Wambui</b>  |
| 3.  | Principal Finance Officer       | <b>Ms. Salome Wangechi Muriuki</b> |
| 4.  | Principal Procurement Officer   | <b>Mr. John Mathenge Lektari</b>   |

**d) Fiduciary Oversight Arrangements**

**Audit committee activities**

The committee consists of a chairperson and two members. Its functions include;

- Oversee financial reporting & disclosures
- Review internal controls & risk management systems
- Monitor compliance with laws & regulations
- Evaluate internal & external audit findings
- Ensure implementation of audit recommendations
- Review Auditor-General's reports & responses
- Promote transparency & accountability in resource use
- Advise the County Assembly on audit matters
- Liaise with external auditors & oversight bodies
- Assess fraud prevention mechanisms

**Finance committee activities**

The Committee on Finance and Economic Planning assumes jurisdiction over a spectrum of critical domains, including:

- Review and approve county budgets before adoption
- Monitor budget implementation and expenditure
- Oversee revenue collection and utilization
- Evaluate financial reports and audit recommendations
- Scrutinize county borrowing and debt management
- Ensure compliance with public finance laws and regulations

**Public Accounts and Investment committee**

The Public Accounts and Investments Committee comprises eleven members and is tasked with the following responsibilities:

- Examine Auditor-General's reports on county finances
- Summon accounting officers to respond to audit queries
- Investigate financial mismanagement and misuse of public funds
- Monitor implementation of audit recommendations
- Review county investment projects for value for money
- Evaluate compliance with procurement and financial laws
- Recommend corrective actions on financial irregularities

**County Budget and Appropriations Committee**

The County Budget and Appropriations Committee consists of a chairperson, and not more than eight other Members. The functions of the Committee are-

- Review and approve the County Fiscal Strategy Paper (CFSP)
- Scrutinize county budget proposals before adoption
- Monitor budget implementation and expenditure reports
- Evaluate supplementary budgets and reallocations
- Assess public debt and borrowing proposals
- Ensure budget compliance with PFM laws and policies

**e) County Assembly Headquarters**

P.O. Box 720-20303  
County Assembly Chambers Building  
Ol' Kalou- Gilgil Highway  
Kenya.

**f) County Assembly Contacts**

Telephone: (254)743 079 333  
P.O Box 720-20303 Ol' Kalou  
E-mail: [clerk@nyandaruaassembly.go.ke](mailto:clerk@nyandaruaassembly.go.ke)  
Website: [www.nyandaruaassembly.go.ke](http://www.nyandaruaassembly.go.ke)

**g) County Assembly Bankers**

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

**h) Independent Auditor**

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

**i) Principal Legal Adviser**

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

### 3. Governance Statement

#### The County Assembly.

##### a) Background and roles




Nyandarua County Assembly is an integral component of the county government structure. It comprises elected Members of the County Assembly (MCAs), the Speaker- elected by the MCAs, who serves as the presiding officer and concurrently, chairs the County Assembly Service Board. The County Assembly Clerk holds the office of Secretary.


##### ▪ Order of Precedence

Pursuant to Section 10(4) of the County Governments Act (2012), the county assembly shall observe the following order of precedence:

- a) The Speaker of the County Assembly;
- b) The Leader of the Majority Party;
- c) The Leader of the Minority Party.

##### b) Profiles

| No. | Designation                      | Name                             | Inset  | Qualification   |
|-----|----------------------------------|----------------------------------|--|---|
| 1.  | Speaker of the County Assembly   | <b>Stephen Wachira Waiganjo.</b> |  | <ul style="list-style-type: none"> <li>▪ Advocate of the High Court of Kenya</li> <li>▪ LL.B (UON) - Bachelor of Laws, University of Nairobi</li> <li>▪ Dip. Law (KSL) - Diploma in Law, Kenya School of Law</li> </ul> |
| 2.  | The Leader of the Majority Party | <b>Elijah Mwangi Nyaga</b>       |  | <ul style="list-style-type: none"> <li>▪ Former Chair, Olkalou Town Council (2008–2012)</li> <li>▪ B. Com (Kenyatta Univ.) - Banking &amp; Accounts</li> <li>▪ MSc Finance-Ongoing</li> </ul>                           |
| 3.  | The Leader of the Minority Party | <b>Mwangi Gichuki</b>            |  | <ul style="list-style-type: none"> <li>▪ Former MCA Engineer Ward (2013-2017)</li> <li>▪ BA Community Development- Laikipia University</li> </ul>   |

| No. | Designation                  | Name                         | Inset   | Qualification   |
|-----|------------------------------|------------------------------|---|---|
| 4.  | Clerk of the County Assembly | <b>Gideon Mukiri Muchiri</b> |  | <ul style="list-style-type: none"> <li>• MBA- Laikipia University</li> <li>• BSc in Computer Information Systems- Kenya Methodist Uni.</li> <li>• Senior Deputy Clerk- Nyandarua Assembly</li> <li>• Former County ICT Manager at Makueni County Govt.</li> </ul> |

• **Constitutional Mandate of the County Assembly**

Under Article 185 of the Constitution:

- The legislative authority of a county is vested in, and exercised by, its county assembly.
- A county assembly may make any laws that are necessary for, or incidental to, the effective performance of the functions and exercise of the powers of the county government under the Fourth Schedule.
- A county assembly, while respecting the principle of the separation of powers, may exercise oversight over the county executive committee and any other county executive organs.
- A county assembly may receive and approve plans and policies for:
  - The management and exploitation of the county’s resources; and
  - The development and management of its infrastructure and institutions

• **The Nyandarua County Assembly Governance and Structure**

The Nyandarua County Assembly is governed through a structured system comprising Twenty-Five (25) elected and Sixteen (16) nominated Members of County Assembly (MCAs).

This are supported administratively by the County Assembly Service Board (CASB) which is established under Section 12(1) of the County Governments Act (CGA), 2012:

- **Key Functions of the CASB under the Act:**

(1) The Board shall:

(a) Direct and supervise the administration of the services and facilities provided by, and exercise budgetary control over, the Service;

(b) Determine and review the terms and conditions of service of persons holding or acting in the offices of the Service;

(c) Initiate, co-ordinate and harmonize policies and strategies relating to the development of the Service;

(d) Initiate programmes: -

- For training and capacity building of members and staff of the county assembly and other persons;
- That promote ideals of parliamentary democracy as set out in Article 127(6)(d) of the Constitution; and
- That promote public awareness and participation in the activities of the county assembly; and

(e) Do such other things as may be necessary for the well-being of the members and staff of the county Assembly.

(2) In the performance of its functions under this Act, the Board shall apply: -

(a) The national values and principles of governance set out in Article 10 of the Constitution; and

(b) The values and principles of public service set out in Article 232(1) of the Constitution.

- **Execution of Mandate**

The County Assembly discharges its functions through a structured committee system, which is categorized into two distinct types.

**c) Sectoral Committees**

The mandate of Sectoral Committees is in respect to the subject matter assigned by the Standing Orders and is exercised within the limits contemplated under Part 2 of the Fourth Schedule to the Constitution.

The County Assembly has the following sectoral committees:

- i. Legal Affairs, Labour and Intergovernmental relations

- ii. Agriculture, Agribusiness, Livestock and Fisheries
- iii. Health Services
- iv. Roads, Transport, Energy and Public works
- v. Lands, Physical planning, Housing and Urban Development
- vi. Education, Vocational Training, culture, Gender and Social protection
- vii. Trade, Industrialization, Cooperatives Development and Partnership
- viii. Water, Sanitation; Environment, Tourism, Natural resources and Climate change
- ix. Youth Affairs, Sports and innovation
- x. Finance, Economic Planning, ICT and Revenue
- xi. Public Service, Administration and Devolution.

**d) Select Committees**

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

- i. House Business Committee (S.O 157.)
- ii. County Public Accounts and Investment Committee (S.O 190);
- iii. County Budget and Appropriation Committee (S.O 191);
- iv. Committee on Implementation (192);
- v. Committee on Delegated County Legislation (193);
- vi. Committee on Members Welfare, Catering and library (94);
- vii. Liaison committee (195);
- viii. Power and privileges (196); and
- ix. Special funds Committee (197);

**i. Committee of Powers and Privileges**

There is established a committee known as the Committee of Powers and Privileges, constituted as follows:

- The Speaker, who shall serve as the Chairperson;
- Other members of the county assembly, as designated in accordance with the Standing Orders of the county assembly.

The Committee of Powers and Privileges is mandated to:

1. Investigate any alleged breach of the privileges of county assembly members, as conferred by legislation or the Standing Orders;
2. Perform such other functions as may be prescribed by the relevant enabling laws.

The members who served on the Committee during the year were:

| <b>Member</b>                    | <b>Designation</b> | <b>Ward</b>                    |
|----------------------------------|--------------------|--------------------------------|
| 1. Hon. Stephen Wachira Waiganjo | Chair              | Speaker to the County Assembly |
| 2. Hon. Samuel Chege Gathirimu   | V/Chair            | Geta                           |
| 3. Hon. Samuel Mathu Wainaina    | Member             | Mirangine                      |
| 4. Hon. Mary Wanjiku Kabiru      | Member             | Nominated Member               |
| 5. Hon. Ebrahim Mwangi Maina     | Member             | Murungaru                      |
| 6. Hon. Milka Wanjiru Ndirangu   | Member             | Kiriita                        |
| 7. Hon. Waruiru Kamwana Geoffrey | Member             | Gathara                        |

**ii. Public Accounts/Investment Committee**

The Committee was established with the primary objective of exercising oversight over the County's financial affairs. The members who served on the Committee during the year were:

| <b>Member</b>                    | <b>Designation</b> | <b>Ward</b>      |
|----------------------------------|--------------------|------------------|
| 1. Hon. Chege Duncan Githinji    | Chairperson        | Gatimu           |
| 2. Hon. Babu Juliana Mugure      | v/Chair            | Nominated Member |
| 3. Hon. Wambugu King'ori Edinald | Member             | North Kinangop   |
| 4. Hon. Mwangi James Gichuki     | Member             | Engineer         |
| 5. Hon. Rimui Kaiyani Samuel     | Member             | Githabai         |
| 6. Hon. Samuel Wainaina Mathu    | Member             | Mirangine        |
| 7. Hon. Wangari Esther Waithera  | Member             | Nominated Member |
| 8. Hon. Kithinji Lucy Kageni     | Member             | Nominated Member |
| 9. Hon. Ngatia Naomi Muthoni     | Member             | Nominated Member |
| 10. Hon. Patrick Muhindi Kariuki | Member             | Magumu           |
| 11. Hon. Benson Kiarie Njoki     | Member             | Magumu           |

**iii. Budget and Appropriations Committee**

The Budget and Appropriations Committee is mandated to:

1. Provide essential guidance and oversight over the budgetary process;
2. Oversee the formulation of the County Budget;
3. Ensure meaningful public participation is integrated into the budgetary proceedings.

In the discharge of its mandate, the Committee convened sixty-eight- (68) meetings to address emergent matters of concern during the year under review. The members who served in the committee during the specified period were:

| <b>Member</b>                   | <b>Designation</b> | <b>Ward</b>      |
|---------------------------------|--------------------|------------------|
| 1. Hon.Wanjiru Isaac Kung'u     | Chairperson        | Wanjohi          |
| 2. Hon.Reuben Gitau Karanja     | v/Chairperson      | Shamata          |
| 3. Hon.Kiiru Gachomba James     | Member             | Njabini/Kiburu   |
| 4. Hon.Paul Mburu Kiruka        | Member             | Charagita        |
| 5. Hon.Mburu Simon Mbogo        | Member             | Weru             |
| 6. Hon.Milka Wanjiru Ndirangu   | Member             | Kiriita          |
| 7. Hon.Gachino John Thuo        | Member             | Kanjui-ridge     |
| 8. Hon.Ndung'u Daniel Gitau     | Member             | Karau            |
| 9. Hon.Mwangi Milka Nyambura    | Member             | Nominated Member |
| 10. Hon.Manga Patience Nyambura | Member             | Nominated Member |
| 11. Hon. Isaac Mbae Kamau       | Member             | Githioro         |

**iv. Finance, Economic Planning ICT and Revenue Committee**

The Committee is vested with authority to deliberate on and oversee an array of crucial matters, including:

1. Oversight of County Plans and Investment Policies
2. Management and Supervision of County Public Debt
3. Evaluation of County Revenue Generation Strategies, including review of the annual County Finance Act
4. Deliberations on Finance and Economic Development Matters

5. Administration of Trade Licenses (excluding regulation of professions)

6. Supervision of Outdoor Advertising Policies

Additional Responsibilities

The Committee is further mandated to:

- Advise the County Government on lawful and viable channels for County revenue augmentation;
- Formulate policies governing the seizure, impoundment, and auctioning of assets.

The Committee is composed of the following members:

| <b>Member</b>                 | <b>Designation</b> | <b>Ward</b>      |
|-------------------------------|--------------------|------------------|
| Hon. Mwangi Njeru Zackary     | Chairperson        | Nyakio           |
| Hon. Benson Kiarie Njoki      | V/Chair            | Magumu           |
| Hon. Wambugu King'ori Edinald | Member             | N. Kinangop      |
| Hon. Maina Peter Mwangi       | Member             | Central          |
| Hon. Nyagah Elijah Mwangi     | Member             | Kaimbaga         |
| Hon. Kuria Joseph Thuo        | Member             | Gathanji         |
| Hon. Mathenge Cathyrn Nyawira | Member             | Nominated Member |
| Hon. Babu Juliana Mugure      | Member             | Nominated Member |
| Hon. Patrick Muhindi Kariuki  | Member             | Nominated Member |

#### **v. Audit Committee**

The Audit Committee is an independent committee established on 14th February 2017 in compliance with:

- The Public Finance Management (PFM) (County Governments) Regulations, 2015; and
- Statutory requirements for the formation of audit committees in all county governments.

The core mandate of the committee is to:

- Advise the County Assembly on matters relating to:
  - Institutional risk management; and
  - Compliance with applicable laws and regulations.

**During the Financial Year 24/25 the Committee held Eight (8) meetings in discharge of its statutory functions which included:**

| S. No. | DATE OF MEETING                               | MAIN AGENDA   |
|--------|---|---|
| 1.     | 8 <sup>th</sup> August 2024                   | Tabling and Discussion of;<br>Creditor’s Audit Report FY2023/2024<br>ICT Audit Report FY2023/2024   |
| 2.     | 17 <sup>th</sup> September 2024               | Tabling and Discussion of;<br>Internal Audit Departmental report FY 2023/2024<br>Risk Management Report FY 2023/2024  |
| 3.     | 23 <sup>th</sup> & 24 <sup>th</sup> Sept 2024 | Review of Financial Statement FY 2023/2024  |
| 4.     | 28 <sup>th</sup> – 29 <sup>th</sup> Nov 2024  | Annual Audit Committee report writing FY2023/2024   |
| 5.     | 20 <sup>th</sup> March 2025                   | Tabling and Discussion of Annual Audit Committee Report FY 2023/2024<br>Tabling and reviewing of;<br>Internal Audit Work Plan FY 2025/2026 &<br>Audit Committee Calendar of Events FY 2025/2026 |
| 6.     | 1 <sup>st</sup> April 2025                    | Tabling and Discussion of Cash Management reports FY 2022/2023  |
| 7.     | 5 <sup>th</sup> -9 <sup>th</sup> May 2025     | Review of OAG reports FY 2021/2022, 2022/2023 & 2023/2024   |
| 8.     | 26 <sup>th</sup> June 2025                    | Tabling and Discussion of Committees’ Services Audit Report FY 2023/2024  |

**Composition of the Committee**

The members who served in the Committee during FY 2024-2025 were:

| S/No | Name                        | Designation       |
|------|-----------------------------|-------------------|
| 1.   | CPA Joachim Mwangi Githinji | Chairman          |
| 2.   | CPA Damaris Wanjiku Gatongi | Vice Chair-person |
| 3.   | CS Sylvia Wanjiku Ngere     | Member            |
| 4.   | CPA Benard Kiboi Gitonga    | Member            |
| 5.   | CPA Charles Kimani Kahari   | Secretary         |

**e) Communication with all Stakeholders**

In line with its principles of accountability, the County Assembly prioritized transparent stakeholder engagement throughout the reporting period. This involved regular sharing of program updates and performance metrics, coupled with mechanisms to capture and address stakeholder input such as:

*i. Request for Memoranda*

During the reporting period, while no formal requests for memoranda were submitted directly to the plenary, the Assembly's proactive engagement framework ensured comprehensive consideration of all agenda items. Eleven (11) Memoranda were received and processed at the Committee level, where they were thoroughly reviewed and incorporated into Committee reports. These reports were subsequently tabled before the House for debate and appropriate action.

The structured stakeholder engagement process involving MCAs, County Executives, and the public combined with transparent documentation, strengthened accountability and ensured all matters received due consideration.

*ii. Public participation forums.*

The County Assembly recognizes public participation as a cornerstone of democracy and effective governance, as enshrined in Article 10 of the Constitution of Kenya (2010) and the County Governments Act, 2012 (Section 87). During the reporting period, the following public participation were undertaken:

| S/No | Description   | Date Undertaken                                |
|------|---|--|
| 1    | Public participation on the Nyandarua County Annual Budget Estimate FY 2024-2025 and Facility | 27 <sup>th</sup> May 2024                      |
| 2    | Improvement Financing (FIF) 2024-2025   | 27 <sup>th</sup> May 2024                      |
| 3    | Nyandarua County Inspection and enforcement service Bill,2024                                 | 7 <sup>th</sup> -11 <sup>th</sup> October 2024 |
| 4    | Nyandarua County Community Dams Management Bill,2024  | 7 <sup>th</sup> -11 <sup>th</sup> October 2024 |
| 5    | Annual Development Plan FY 2025-2026  | 14 <sup>th</sup> October, 2024                 |
| 6    | Finance Bill 2024   | 27 <sup>TH</sup> -28 <sup>TH</sup> March 2025  |
| 7    | Nyandarua County Annual Budget Estimate FY 2025-2026  | 25 <sup>th</sup> June,2025                     |

*iii. Outreach and Openness programme.*

As part of our outreach and openness program the County Assembly hosted students from seven schools and members of one community-based club at the Bunge premises, offering them an

immersive learning experience on legislative processes, democracy, and the role of the Assembly in county governance. Additionally, a total of 287 guests visited and followed the Bunge proceedings from the public and speakers' gallery. Below is a list of visiting schools:

| S/No | Name of the School                 | Date Visited                 | No of attendees | Ward          |
|------|------------------------------------|------------------------------|-----------------|---------------|
| 1    | Matindiri Secondary School         | 24 <sup>th</sup> June, 2024  | 50              | Charagita     |
| 2    | The Foot-Hill schools              | 10 <sup>th</sup> July, 2024  | 52              | Kipipiri Ward |
| 3    | Kalou Secondary school             | 24 <sup>th</sup> July, 2024  | 52              | Ol-Kalou      |
| 4    | Kagama Comprehensive School        | 31 <sup>st</sup> July, 2024  | 75              | Charagita     |
| 5    | Students- Nyandarua National Poly. | 23 <sup>rd</sup> July, 2025  | 11              | Gatimu        |
| 6    | Magumu Football Club               | 7 <sup>th</sup> August, 2024 | 24              | Magumu        |
| 7    | Ol-Kalou Secondary School          | 11 <sup>th</sup> June 2025   | 74              | Kaimbaga      |
| 8    | Manyatta Comprehensive School      | 1 <sup>st</sup> July, 2025   | 63              | Rurii         |

*iv. Consultative meetings with the County Executive*

The County Assembly upheld its oversight and legislative role by holding structured consultative meetings with the County Executive on all Budget Bills, ensuring alignment with public priorities, fiscal responsibility, and compliance with the Public Finance Management Act (PFMA). These engagements reinforced transparency, accountability, and collaborative governance in the county's financial planning process. These were: -

- The Nyandarua County Appropriation Act, 2024
- The Nyandarua Health Facilities Improvement Financing Act, 2024
- The Nyandarua County Bursary Fund (Amendment) Act, 2024
- The Nyandarua County Supplementary Appropriation Act, 2025
- The Nyandarua County Finance Act, 2025
- The Nyandarua County Inspectorate and Enforcement Service Act, 2025

**v. Media Briefs & Financial Transparency Engagements**

- Annual CASA Games (October 2024)- Highlighted fiscal priorities in promoting talent and cohesion across County stakeholders.
- State of the County Address (4th December 2024)- Disseminated key financial performance metrics (revenue, expenditure) and outlined upcoming budgetary priorities and project timelines.
- Courtesy Call by Kenya Law Report Stakeholders-Discussed legal frameworks for fiscal accountability (PFM Act, audit compliance) and emphasized adherence to financial regulations.
- Courtesy Call by a delegation from the SRC- (Salaries and Remuneration Commission)- Conducted sensitization on job grading, collective bargaining, performance and productivity of human resource.
- Visit by West Pokot Speaker- Shared best practices in county resource management.
- Engagement with EACC Delegates- Briefed media on anti-corruption measures in procurement/expenditure and reinforced commitment to clean financial reporting.

**vi. Annual Prayer Breakfast**

The 2024 Annual Prayer Breakfast, themed "Committed to Service and Accountability", underscored the County Assembly's dedication to ethical governance and fiscal transparency. Graced by *Prof. Kivutha Kibwana*, the event brought together Nyandarua's leaders and citizens to reflect on integrity in public resource management, aligning spiritual values with financial accountability. By linking the theme to the Assembly's budgetary discipline, audit compliance, and service delivery, the forum reinforced the moral imperative of prudent financial stewardship in achieving devolution goals.

**vii. Annual Governance Conference**

The Fifth Legislative Summit (2025) convened County Assemblies and devolution stakeholders to evaluate progress, challenges, and solutions for strengthening devolution in Kenya, aligning legislative functions with citizen expectations and national priorities. The Summit's outcomes helped to equip MCAs and County officers with skills to integrate these commitments into policies, budgets, and legislative proposals, ensuring fiscal decisions reflect both local needs and international obligations.

viii. ***Social Media Engagement***

The County Assembly live-streams all Bunge sessions on Facebook, YouTube, and X (Twitter) to enable real-time public oversight of deliberations and decisions. A weekly blog summarizes passed bills, assented laws, and key developments for citizen awareness. A dedicated digital feedback system ensures prompt responses to public inquiries via social media and email. These initiatives enhance transparency, accountability, and participatory governance in county affairs.

**f) Risk management**

Effective risk management and internal control are essential components of good governance and accountability. During the year under review, the Nyandarua County Assembly made significant strides in strengthening its risk management framework, as outlined below:

**i. Effective Risk Management and Internal Control**

The County Assembly had in place sound arrangements for risk management and internal controls, demonstrated by the following measures:

**a. Functional Audit Committee**

An established Audit Committee operated under a robust mandate to provide oversight and seek assurance from management regarding the effectiveness of internal controls and the risk management framework.

**b. Comprehensive Policy Frameworks**

The Assembly developed and implemented comprehensive policies across various operational areas. These policies provided a structured approach to risk mitigation and internal control, offering clear guidance to management, staff, and stakeholders.

**c. Adoption of Integrated Systems**

To strengthen its internal control environment, the Assembly utilized various systems including:

- IFMIS (Integrated Financial Management Information System)
- Human Resource Information System Kenya
- IFMIS e procurement system
- Biometric Registers
- E-Parliament System
- Leave Management system

- Library Management System

These tools enhanced transparency, accountability, and risk monitoring capabilities.

**d. Capacity Building and Training**

The Assembly prioritized capacity building by conducting targeted training sessions. These sessions equipped key personnel with the skills and knowledge required to effectively identify, assess, and manage risks within their areas of operation.

**ii. Structured Risk Identification and Assessment**

The County Assembly applied a Comprehensive Risk Management Policy throughout the year. This policy served as a structured framework to guide the identification, assessment, and mitigation of risks across all departments and functions.

**iii. Systematic Risk Analysis for Management**

**a. Departmental Risk Registers**

Each department maintained a risk register, which served as a crucial tool for the documentation, tracking, and continuous monitoring of identified risks.

**b. Risk-Based Internal Audit Planning**

The Internal Audit Unit developed its annual work plan based on a risk-based approach. This ensured that audit resources were focused on high-priority areas, enabling timely intervention and mitigation of potential threats to operational effectiveness.

**iv. Monitoring Internal and External Risk Influences**

In assessing potential changes in the risk environment, the County Assembly employed a range of risk parameters to evaluate both internal and external factors:

| <b>Risk Parameter</b>         | <b>Description</b>   | <b>Assessment Criteria (Score)</b>     |
|-------------------------------|--|--|
| <b>A. Financial Magnitude</b> | High-value transactions attract greater audit scrutiny, particularly in procurement.       | Large (7–10), Medium (4–6), Low (1–3)  |
| <b>B. Regulatory Changes</b>  | National-level changes (e.g., budget ceilings, SRC guidelines) impact Assembly operations. | Full (7–10), Partial (4–6), None (1–3) |

| <b>Risk Parameter</b>                   | <b>Description</b>  | <b>Assessment Criteria (Score)</b>  |
|---|---|---|
| <b>C. Strength of Internal Controls</b> | Areas with weak control environments are prioritized for audit and review.                  | Weak (7–10), Moderate (4–6), Strong (1–3)                                       |
| <b>D. Strategic Importance</b>          | Functions critical to the achievement of Assembly objectives receive greater review.        | Major (7–10), Moderate (4–6), Minor (1–3)                                       |
| <b>E. Political Sensitivity</b>         | High political visibility leads to increased scrutiny and necessitates strong controls.     | High (7–10), Medium (4–6), Low (1–3)  |
| <b>F. Public Interest and Awareness</b> | Public knowledge (e.g., public participation requirements) increases demand for compliance. | Highly Informed (7–10), Moderately Informed (4–6), Less Informed (1–3)          |
| <b>G. Changes in Accounting Systems</b> | Introduction of new systems increases risk due to learning curves and system errors.        | Full Change (7–10), Partial Change (4–6), No Change (1–3)                       |
| <b>H. Computerization of Functions</b>  | Manual or partially computerized functions are more prone to errors and inefficiencies.     | Non-Computerized (7–10), Partially Computerized (4–6), Fully Computerized (1–3) |

**Risk Scoring Scale:**

- 1–3 – Low Risk
- 4–6 – Moderate Risk
- 7–10 – High Risk

These parameters helped guide the internal audit team and management in focusing attention on high-risk areas that could impact service delivery, financial integrity, and compliance.

**v. Risk Identification, Analysis, and Mitigation During the Period**

Throughout the reporting period, the risk management and internal audit processes facilitated the identification and analysis of various risk categories, including:

- a. Financial Risks – Arising from procurement, expenditure, and revenue management

- b. Policy and Legal Risks – Linked to changes in national legislation and regulatory frameworks
- c. Human Resource Risks – Related to staffing levels, capacity gaps, and succession planning
- d. Disaster and Operational Risks – Encompassing natural disasters, ICT failures, and service disruptions

All identified risks were documented in risk registers and audit reports, which included detailed mitigation recommendations. These reports were submitted to management for review, and appropriate action plans were developed and implemented to address the highlighted issues.

**vi. Establishment of the Corruption Prevention Committee (CPC)**

The Corruption Prevention Committees, established under the guidance of the Ethics and Anti-Corruption Commission (EACC), serve as the County Assembly's primary mechanism for institutional integrity oversight. Their mandate includes developing and implementing anti-corruption policies, conducting regular corruption risk assessments, and promoting ethics compliance across county departments.

The Assembly CPC has so far trained all heads of Departments (HODs) alongside EACC representatives on bribery and risk management as well sensitization of the roles and mandate of the CPC. In addition, the CPC committee has developed a gift register and a risk assessment working policy as part of compliance mechanism.

**g) Compliance**

**Compliance with Legal and Regulatory Frameworks**

The Nyandarua County Assembly has taken deliberate steps to ensure full compliance with all relevant laws, regulations, and policies governing its operations. These include, but are not limited to:

- The Constitution of Kenya, 2010
- The County Governments Act, 2012
- The Public Finance Management Act, 2012
- The Public Audit Act, 2015
- The Leadership and Integrity Act, 2012
- The Public Procurement and Asset Disposal Act, 2015
- Guidelines from the Salaries and Remuneration Commission (SRC)
- Regulations and circulars from the Controller of Budget and other oversight agencies

The Assembly maintains an internal compliance framework that ensures its activities are aligned with the above legal instruments. Periodic compliance assessments are conducted by both internal and external auditors.

Additionally, the County Assembly prepares and submits various statutory reports as required, including:

- Quarterly and annual financial reports
- Procurement reports
- Internal audit reports
- Reports on implementation of Assembly resolutions
- Budget implementation and monitoring reports

These reports are regularly discussed at the appropriate internal levels, including the Board, Audit Committee, and Management meetings. Where applicable, the reports are also shared with external oversight institutions such as the Office of the Auditor-General, Controller of Budget, and the County Assembly Service Board.

This structured approach to compliance promotes transparency, accountability, and continuous improvement in governance

**4. Foreword by the Clerk of The Assembly**

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Pursuant to Section 164(1) of the Public Finance Management Act, and in full compliance with the prescribed formats of the Accounting Standards Board, I hereby formally present the Nyandarua County Assembly's audited financial statements for the year ended 30th June 2025. These statements have been meticulously prepared to provide an accurate, comprehensive, and transparent account of the Assembly's financial performance and position during the reporting period.

In discharging this statutory obligation, the County Assembly affirms its unwavering commitment to fiscal integrity, accountability, and excellence in public financial management. The statements will be promptly submitted to all mandated oversight institutions, including:

- The Office of the Auditor General
- The Office of the Controller of Budget
- The National Treasury
- The Commission on Revenue Allocation

This submission underscores our dedication to upholding the highest standards of governance, ensuring that every public resource is accounted for with precision, responsibility, and unwavering transparency. We remain steadfast in our pledge to deliver value to the citizens of Nyandarua County while maintaining full compliance with all legal and regulatory frameworks governing public finance.



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**MUKIRI MUCHIRI(MR.)**

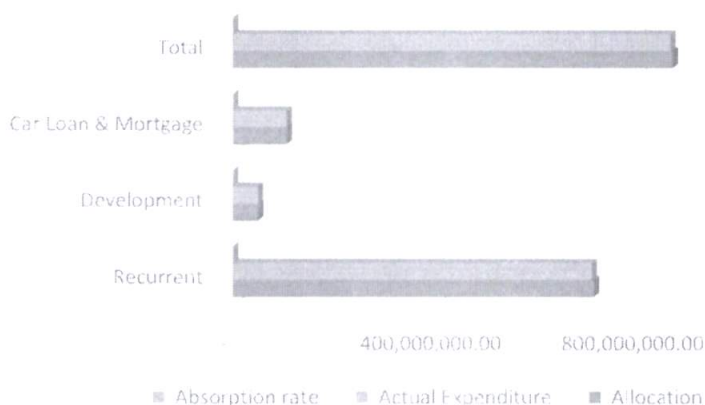
**Clerk- Nyandarua County Assembly.**

(i) Budget performance

In the FY 2024/2025, the Nyandarua County Assembly had a budget of Ksh.872,918,248 this included Kshs.716,850,674 earmarked for recurrent purposes, Ksh.49, 900,000 being set aside for development budget and Ksh.106,167,574 for Staff Car Loan and Mortgage Scheme. The total expenditure amounted to Ksh.868,058,779 which represents an absorption rate of 99% of the total budget.

The recurrent expenditure amounted to Ksh.712,163,577 representing 99% of the recurrent budget, development expenditure amounted to Ksh.49, 727,628 representing an absorption rate of 99% of the development budget, and Ksh.106,167,574 was transferred to the Staff Car Loan and Mortgage Scheme. The Assembly’s budget performance for the financial year2024/25 is summarized in the table below:

Budget Performance for the FY 2024/25



| Expenditure           | Allocation (Kshs.) | Actual Expenditure (Kshs.) | Absorption rate (%) |
|-----------------------|--------------------|----------------------------|---------------------|
| Recurrent             | 716,850,674        | 712,163,577                | 99%                 |
| Development           | 49, 900,000        | 49, 727,628                | 99%                 |
| Car loan and Mortgage | 106,167,574        | 106,167,574                | 100%                |
| <b>Total</b>          | <b>872,918,248</b> | <b>868,058,779</b>         | <b>99%</b>          |

**(ii) Operational Performance**

The County Assembly has demonstrated a strong commitment to legislation, transparency, and accountability by processing 32 Notice Papers, holding 115 Bunge sittings, and deliberating on 133 Order Papers and supplementary order paper. These efforts have culminated in the passage of key laws, policies, reports, statements, and resolutions aimed at enhancing the efficiency of operations at the County Government and improving service delivery for the benefit of the residents. Through these legislative measures, the Assembly has strengthened governance, promoted public participation, and ensured that resources are utilized effectively to meet the needs of the people.

Below is a summary of the Bills enacted upon during the reporting period.

| S/N0 | BILL  | SPONSOR   | DATED                                 | 1 <sup>ST</sup> READ                  | 2 <sup>ND</sup> READ                   | 3 <sup>RD</sup> READ                  | REMARKS |
|------|---|---|---------------------------------------|---------------------------------------|--|---------------------------------------|---------|
| 1.   | The Nyandarua County Health Facility Improvement Financing Bill, 2024 | Hon. Paul Ngeche Wambaire (Chairperson, Health Services Committee)                        | Wednesday 8th May, 2024<br>2.30p.m.   | 19th June, 2024                       | Wednesday 24th July, 2024<br>9.30a.m   | Wednesday 24th July, 2024<br>9.30a.m. | Enacted |
| 2.   | Nyandarua County Appropriation Bill, 2024                             | Hon. Isaac Kung'u Wanjiru (Chairperson, Budget and Appropriations Committee)              | Tuesday 2nd July, 2024<br>9.30a.m     | 2nd July, 2024<br>9.30a.m             | 3rd July, 2024<br>9.30a.m.             | 3rd July, 2024<br>9.30a.m.            | Enacted |
| 3.   | Nyandarua County Community Dams Management Bill, 2024                 | Hon. Carolyn Wangu Njarara (County Member for Weru Ward)                                  | Wednesday 31st July, 2024<br>2.30p.m. | Wednesday 31st July, 2024<br>2.30p.m. | 13th November 2024                     | 19 <sup>th</sup> November, 2024       | Enacted |
| 4.   | Nyandarua County Inspectorate and Compliance Enforcement Bill, 2024   | Hon. Edinald Wambugu King'ori (Chairperson - Committee on Public Service, Administration) | Wednesday 31st July, 2024<br>2.30p.m. | Wednesday 31st July, 2024<br>2.30p.m. | Wednesday 30th April, 2025<br>2.30p.m. | Wednesday 7th May, 2025<br>2.30p.m    | Enacted |

| S/N0 | BILL  | SPONSOR  | DATED  | 1 <sup>ST</sup> READ                            | 2 <sup>ND</sup> READ                            | 3 <sup>rd</sup> READ                         | REMARKS |
|------|---|--|--|---|---|--|---------|
|      |   | and<br>Devolution)   |  |   |   |  |         |
| 5.   | The<br>Nyandarua<br>County<br>Finance Bill,<br>2024                 | Hon. Zachary<br>Mwangi Njeru<br>(Chairperson,<br>Finance,<br>Economic<br>Planning and<br>ICT<br>Committee) | Wednesday<br>6th<br>November<br>2024<br>2.30p.m. | Wednesday<br>6th<br>November<br>2024<br>2.30p.m | Wednesday<br>7th May<br>2025<br>9.30a.m.        | Wednesday 7th<br>May, 2025<br>2.30p.m        | Enacted |
| 6.   | Nyandarua<br>County<br>Supplementary<br>Appropriation<br>Bill, 2025 | Hon. Isaac<br>Kung'u<br>Wanjiru<br>(Chairperson,<br>Budget and<br>Appropriations<br>Committee)             | Wednesday,<br>9th April<br>2025 at<br>10.00 A.M  | Wednesday,<br>9th April<br>2025 at<br>10.00 A.M | Wednesday,<br>9th April<br>2025 at<br>10.00 A.M | Wednesday, 9th<br>April 2025 at<br>10.00 A.M | Enacted |

The laws and policies passed during the reporting period have significantly strengthened the County Government's operational efficiency and service delivery, ultimately benefiting its residents. Enhanced revenue collection, streamlined enforcement procedures, and improved budget and procurement processes have fostered greater accountability and financial sustainability. Collectively, these legislative measures not only optimize governance but also empower citizens by creating a more transparent, responsive, and inclusive administration that drives socio-economic progress across the county.

**a) Names of the Assembly committees, their mandates and highlight successes over the period.**

The mandate of the committee is guided by Standing order 200 which stipulates committees mandate as:

- a) investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned County departments;
- b) study the programme and policy objectives of departments and the effectiveness of the implementation;
- c) study and review all county legislation referred to it;

- d) study, assess and analyse the relative success of the departments as measured by the results obtained as compared with their stated objectives;
- e) investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the Assembly;
- f) to vet and report on appointments where the Constitution or any law requires the Assembly to approve; and
- g) Make reports and recommendations to the Assembly as often as possible, including recommendation of proposed legislation.

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

The template below tabulates the summary of the activities undertaken by the select committees in the reporting period:

| S/No | Name of the Committee  | No of Meetings Held | Statutory documents considered (include name of the document/report)  | Memorandum/petition received and considered | Public Participation & Vetting (include name of the bill/statutory document) |
|------|------------------------|---------------------|---|---|--|
| 1    | Special Funds Accounts | 38                  | <ul style="list-style-type: none"> <li>▪ Financial Statement County Emergency Fund for the period ended 31st December 2023</li> <li>▪ Financial Statements of the County Executive Car Loan and Mortgage Fund for the period ended 31st December 2023</li> <li>▪ Financial Statements of the County Emergency Fund for the financial year 2023/2024</li> <li>▪ Annual Financial Statements of the County Executive Car Loan and Mortgage Fund for Financial Year 2023/2024</li> <li>▪ Approval request for utilization of Nyandarua county emergency fund expenditure for the period from 1<sup>st</sup> April 2023 to 30th June 2023</li> <li>▪ Report on the approval request for utilization of Nyandarua county emergency fund expenditure for the period from 1st July 2023 to 30th September 2023.</li> </ul> | N/A   | N/A  |

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

| S/No | Name of the Committee                     | No of Meetings Held | Statutory documents considered (include name of the document/report)  | Memorandum/petition received and considered   | Public Participation & Vetting (include name of the bill/statutory document)   |
|------|---|---------------------|---|---|--|
| 2    | Youth Affairs, Sports and Innovation      | 46                  | <ul style="list-style-type: none"> <li>▪ Report on the response to statement sought regarding the roll out of the governor's tournament</li> <li>▪ Report on budget implementation for financial year 2023/2024</li> </ul>  | None  | None   |
| 3.   | Finance, Economic Planning, ICT & Revenue | 45                  | <ul style="list-style-type: none"> <li>▪ Nyandarua County Finance Bill, 2024</li> <li>▪ Nyandarua County Annual Development Plan (ADP)</li> <li>▪ Nyandarua County Fiscal strategy paper.</li> <li>▪ Nyandarua County Annual Budget Estimates for the Financial year 2025/26.</li> <li>▪</li> </ul> | <ul style="list-style-type: none"> <li>▪ Nyandarua County Business Nyandarua Budget Champions</li> <li>▪ Olkalou wines and spirits traders Association</li> </ul> | <ul style="list-style-type: none"> <li>▪ Nyandarua County report on Receiver of Revenue Fund for the year ended 31st June, 2024</li> <li>▪ Nyandarua County report on Receiver of Revenue Fund for the period ended 31st December, 2024</li> <li>▪ Report on the suitability for Mr Fredrick Irungu as Chief Officer Finance</li> <li>▪ Nyandarua County report on County Revenue Fund for the period ended 31st March, 2024</li> <li>▪ Nyandarua County report on Receiver of Revenue Fund for the period ended 31st March, 2024</li> <li>▪ Statement Response on Status of Access of Youth, Women and persons with Disability to Government procurement opportunities.</li> <li>▪ Statement response on Contracting of Environment Impact Assessment within the County.</li> </ul> |

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

| S/No | Name of the Committee   | No of Meetings Held | Statutory documents considered (include name of the document/report)   | Memorandum/petition received and considered   | Public Participation & Vetting (include name of the bill/statutory document)   |
|------|---|---------------------|--|---|--|
| 4    | Water, Sanitation, Tourism, Environment, Natural Resources and Climate Change | 50                  | <ul style="list-style-type: none"> <li>▪ Nyandarua County Annual Development Plan (ADP)</li> <li>▪ Nyandarua County Fiscal strategy paper.</li> <li>▪ Nyandarua County Annual Budget Estimates for the Financial year 2025/26.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Karau ward climate change committee;</li> <li>▪ Association of persons with Disability</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Report on Nyandarua County Dam management Bill, 2024</li> <li>▪ Report on Annual Climate Change for the period ended 31st June, 2024.</li> <li>▪ Statement response on Water tariffs in Olkalou municipality</li> </ul> |
| 5    | Budget and Appropriations Committee   | 68                  | <ul style="list-style-type: none"> <li>▪ Appropriation Bill, 2024</li> <li>▪ Annual Development FY2025/26</li> <li>▪ County Budget Review and Outlook Paper, 2024</li> <li>▪ County Fiscal Strategy Paper 2025</li> <li>▪ 1st Supplementary Budget FY2024/25</li> <li>▪ Nyandarua County Sup. Appropriation Bill, 2025</li> <li>▪ Annual Budget Estimates FY 2025/26</li> <li>▪ Budget Adjustment advisory report</li> </ul> | None  | <ul style="list-style-type: none"> <li>▪ PP- ADP FY 2025/26</li> <li>▪ PP-Budget-Estimates FY2025/26</li> </ul>  |
| 6    | Special select committee  | 38                  | <ul style="list-style-type: none"> <li>▪ Report of the Special Committee on Human Resource in the Department of Health Services</li> <li>▪ Report of the Special Committee on the Status of Insurance of the County Vehicles</li> </ul>  | None  | None   |
| 7    | Members Welfare, Catering & Library   | 60                  | None   | None  | None   |
| 8    | Education, Vocational Training Gender, Culture and Social Protection          | 53                  | <ul style="list-style-type: none"> <li>▪ County Annual Development Plan 2025/2026</li> <li>▪ County Fiscal strategy Paper 2025/26.</li> <li>▪ Sector plans for Human resource.</li> <li>▪ County Budget Estimates 2025/26</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Memoranda on the Nyandarua County Alcoholic Drinks Control Act 2024; From subcounty bar owners associations and EABL.</li> <li>▪ Memoranda on the Nyandarua County Bursary Fund</li> </ul> | <ul style="list-style-type: none"> <li>▪ Public participation on the Nyandarua County Alcoholics Drink Control Act,2024.</li> <li>▪ Vetting of the Nyandarua County Subcounty Committees on liquor</li> </ul>  |

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

| S/No | Name of the Committee                                   | No of Meetings Held | Statutory documents considered (include name of the document/report)  | Memorandum/petition received and considered  | Public Participation & Vetting (include name of the bill/statutory document)  |
|------|---|---------------------|---|--|---|
|      |   |                     |   | Ammendment,2024; County Attorney, L'arche Kenya, Chairperson PWDs association, County depart on Education<br>Petition on the integrated internally displaced persons | licensing and management committee.<br>Considered Nyandarua county pre-primary capitation policy,2024<br>Nyandarua County Heroes and Heroines 2024.   |
| 9    | Health Services Committee                               | 70                  | <ul style="list-style-type: none"> <li>▪ Report on Facility Improvement Financing Bill, 2024</li> <li>▪ Report on the status of postings of staff in the Health Services Department</li> <li>▪ Report on JM Hospital Annual Report and Financial statements for the period ended 30th June 2024</li> </ul>  | None   | <ul style="list-style-type: none"> <li>▪ Statement response on the status of Mortuary operations at JM Hospital and Engineer County Hospital</li> <li>▪ Statement response on the status of County health</li> <li>▪ statement response on the status of Mukindu dispensary.</li> </ul>   |
| 10   | Lands, Physical Planning, Housing and Urban Development | 150                 | <ul style="list-style-type: none"> <li>▪ Report on the Ol'Kalou Municipality Integrated Development Plan (IDeP). December 2024.</li> <li>▪ On Additional Information On the Status of Title Deeds For The Miharati Colonial Village. August 2024.</li> <li>▪ Report on the Nyandarua County Spatial Plan 2020-2030. July 2024</li> <li>▪ The Report on the County Public Service Board's Annual Report for the Year Ended 31<sup>st</sup> December, 2024. 6/1/2025</li> <li>▪ Report on the suitability of the nominees for appointment to the positions of Chairpersons and members of Ol-Kalou and Engineer Municipality Boards. Feb to March 2025</li> </ul> | None   | <ul style="list-style-type: none"> <li>▪ Response to the statement on the Status of titling And Survey Of Public Land Meant for Public Amenities Including Roads and Their Reserves. April 2025</li> <li>▪ Response to the Statement Response on the Status of the Mburugwa Dam. 5/1/2025</li> </ul> <p>Statement Response on The Status of Implementation of Physical and Land-Use Development Plans for Mairo-Inya and Engineer Municipalities and Surveying of</p> |

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

| S/No | Name of the Committee                         | No of Meetings Held | Statutory documents considered (include name of the document/report)   | Memorandum/petition received and considered | Public Participation & Vetting (include name of the bill/statutory document)   |
|------|---|---------------------|--|---|--|
|      |   |                     | <ul style="list-style-type: none"> <li>▪ Report On Ol' Kalou Municipality's Annual Report and Financial Statements for the Financial Year Ended 30<sup>th</sup> June 2024. November 2024.</li> <li>▪ Motion On Garbage Collection and Dumping Sites Across the County November 2024</li> <li>▪ The Annual Report on the department's Budget Implementation for the Financial Year 2023/2024</li> <li>▪ The County Public Service Board's Annual Report for the Year Ended 31<sup>st</sup> December 2023.</li> </ul>  |   | <p>the Colonial Dams in Nyandarua County. May 2025</p> <ul style="list-style-type: none"> <li>▪ Statement Response on the Status of the Mburugwa Dam. August 2024</li> <li>▪ Statement Response on the Status of employment in Ol'Kalou, Mairo-Inya and Engineer Municipalities in the Nyandarua County</li> </ul>                 |
| 11   | Public Service, Administration and Devolution | 155                 | <ul style="list-style-type: none"> <li>▪ The County Public Service Board's Annual Report for the Year Ended 31<sup>st</sup> December 2024</li> <li>▪ Report on the Nyandarua County Inspectorate and Enforcement Bill, 2024</li> <li>▪ Statement Response on The</li> <li>▪ The Status of Persons with Disabilities in Employment in the Nyandarua County Government</li> <li>▪ Report on The County Public Service Board's Annual Report for the Year Ended 31<sup>st</sup> December, 2023. 7/1/2024</li> <li>▪ Report on the annual report on the department's budget implementation for the financial year 2023-2024</li> </ul> |   | <ul style="list-style-type: none"> <li>▪ Response to the statement on the status of payment of facilitative and remunerative allowances to staff in the county executive for the financial year 2023/2024.</li> <li>▪ Status Of Employment In Olkalou, Mairo- Inya and Engineer Municipalities In the Nyandarua County.</li> </ul> |

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

| S/No | Name of the Committee  | No of Meetings Held | Statutory documents considered (include name of the document/report)   | Memorandum/petition received and considered | Public Participation & Vetting (include name of the bill/statutory document)  |
|------|--|---------------------|--|---|---|
| 12   | Committee on Trade, industrialization, Cooperatives Development and Partnership  | 43                  | <ul style="list-style-type: none"> <li>▪ A Report on the status of the Mau Mau caves and other Tourism Attraction sites within the County</li> <li>▪ Preliminary Report on the Lake Ol Bollossat Sports Tourism Half marathon for the year ended 30th June 2024</li> <li>▪ Consideration of the County Annual Development Plan for the FY 25/26</li> <li>▪ Consideration of the County Budget Estimates of the Financial Year 25/26</li> <li>▪ Consideration of the County Fiscal Strategy Paper for FY 25/26</li> </ul> | None  | <ul style="list-style-type: none"> <li>▪ Statement Response on the status of the County Aggregated Industrial Park at Njabini</li> <li>▪ Statement Response on the status of implementation of the Trade Fund and the Nyandarua County Trade Development and Investment Authority.</li> <li>▪ Statement response on the status of the Mau Mau caves and other Tourist attraction sites within the County</li> </ul> |
| 13   | Committee on Legal Affairs, Labour, Intergovernmental Relations and Coordination | 35                  | <ul style="list-style-type: none"> <li>▪ Consideration of the County Annual Development Plan for the FY 25/26</li> <li>▪ Consideration of the County Budget Estimates of the Financial Year 25/26</li> <li>▪ Consideration of the County Fiscal Strategy Paper for FY 25/26</li> </ul>   | None  | None  |
| 14   | The Committee on Agriculture, Livestock and Fisheries.                           | 48                  | <ul style="list-style-type: none"> <li>▪ Report on the budget implementation for the FY 2023/24</li> <li>▪ Report of the committee on the sector plan</li> </ul>   | None  | None  |
| 15   | The Committee on Delegated County Legislation                                    | 56                  | <ul style="list-style-type: none"> <li>▪ Report on Tax Waiver Given Through Gazette Notice No. 9775</li> <li>▪ Gazette notice 4698 on transfer of functions to municipalities</li> <li>▪ Report on Gazette Notice No. 15331 - Waiver on interest and penalties on land rates</li> </ul>  | None  | <ul style="list-style-type: none"> <li>▪ Response to statement on gazettelement of orders</li> <li>▪</li> </ul>   |

*Nyandarua County Assembly*  
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| S/No | Name of the Committee                     | No of Meetings Held | Statutory documents considered (include name of the document/report)   | Memorandum/petition and considered received | Public Participation & Vetting (include name of the bill/statutory document) |
|------|---|---------------------|--|---|--|
| 16   | Public Accounts and Investments Committee | 68                  | <ul style="list-style-type: none"> <li>▪ Report of the Committee on County Public Accounts and Investments on the Reports of the Auditor General for the Nyandarua County Bursary Fund for the Years Ended 30th June 2019; 30th June 2020; 30th June 2021 and 30th June 2022</li> <li>▪ Report of The Committee on County Public Accounts and Investments on The Report of Public Procurement Regulatory Authority's Contract Audit Report for Nyandarua County Government for The Period 2020-2021</li> </ul> | None  | None   |
| 17   | Roads, Transport, Energy and Public works | 50                  | <ul style="list-style-type: none"> <li>▪ Annual development plan FY 2025/2026</li> <li>▪ Annual development plan FY 2025/2026</li> <li>▪ supplementary Budget estimates FY 2024/2025</li> <li>▪ Budget estimates FY 2025/2026</li> <li>▪ Budget implementation Report FY 2023/2024</li> <li>▪ Budget implementation report 1st and 2nd quarters FY 2024/2025</li> </ul>  | None  | None   |

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**b) Highlights on the oversight role of the County Assembly.**

The County Assembly has effectively executed its oversight mandate through its sectoral committees, ensuring accountability, transparency, and efficient service delivery across the County Government. Committees such as Finance and Budget, Public Accounts, Health, and Lands have diligently scrutinized departmental operations, conducted inspections, and summoned officials to address implementation gaps. Notably, the timely approval of the County Budget and supplementary budgets including the main budget passed by July 2024 and supplementary budgets by April 2025 ensured uninterrupted service delivery and fiscal discipline.

During the reporting period, the County Assembly received notifications from the Governor regarding nominees for various positions, including County Executive Committee Members for Finance and Economic Planning and Nyandarua County Subcounty Committees on liquor licensing and management committee. Pursuant to statutory requirements under the Public Appointments (County Assemblies Approval) Act, 2017, some notifications were deemed inadmissible due to incomplete documentation, while others were admitted and referred to the relevant committees for consideration. Through rigorous oversight, the Assembly identified inefficiencies such as irregular land allocations and pushed for corrective measures. It also monitored the impact of key policies, including the Revenue Collection Bill, which significantly boosted county income. Public participation forums and committee reports further strengthened governance by integrating citizen feedback into legislative processes.

Overall, the Assembly's proactive oversight has enhanced departmental performance, safeguarded public resources, and reinforced trust between the government and the people.

**(iii) Performance of key development project.**

**1. Repairs of the Official Speaker's Residence**

The County Assembly undertook comprehensive repairs and refurbishment of the Official Speaker's Residence, including plumbing and drainage works, biodigester system, repair of cracked walls, and landscaping to enhance functionality and aesthetics. These works were completed within the 2024-2025 financial year, ensuring compliance with maintenance schedules and improving the residence's operational efficiency. The project has positively impacted the Speaker's working environment while upholding institutional dignity. By addressing structural and utility concerns, the Assembly has

demonstrated prudent resource management and commitment to maintaining high standards in its facilities.

**2. Furnishing and completion of Block B (MCA Office Block)**

To improve the working conditions of Members of the County Assembly (MCAs), the County Assembly furnished Block B with modern workstations, ergonomic chairs, storage cabinets, and coat hangers. It also completed all pending constructions internally and externally. This initiative, completed within the financial year, has enhanced office organization, efficiency, and service delivery for MCAs and their staff. The project aligns with the Assembly's strategic plan to provide a conducive legislative working environment. The upgrade has also contributed to better record-keeping and professionalism in office operations, reinforcing institutional effectiveness.

**3. Completion of construction of the perimeter wall at the speaker's residence**

The construction of the perimeter wall at the speaker's residence was finalized in the 2024-2025 financial year, enhancing security and privacy for the facility. This project was part of the Assembly's broader infrastructure development agenda to safeguard key installations. The completed wall ensures controlled access, mitigating risks associated with unauthorized entry. The timely execution of this project reflects the Assembly's commitment to risk mitigation and asset protection while adhering to budgetary discipline.

**4. Purchase of an ICT Broadcasting Unit.**

To promote transparency and public engagement, the County Assembly procured a modern ICT broadcasting unit, enabling automated, high-quality livestreaming of plenary sessions and committee meetings. This investment aligns with the Assembly's digital transformation strategy, ensuring real-time access to legislative proceedings for citizens and stakeholders. The upgraded system has enhanced the clarity, reliability, and accessibility of broadcasts, fostering greater accountability. This initiative underscores the Assembly's commitment to leveraging technology for open governance and civic participation.

**5. Risk Management Policy**

The County Assembly finalized and published its Risk Management Policy within the reporting period, institutionalizing structured risk assessment and mitigation frameworks. This policy provides guidelines for identifying, evaluating, and addressing operational, financial, and reputational risks. Its implementation strengthens governance, ensures compliance, and safeguards public resources. By formalizing risk management practices, the Assembly demonstrates its commitment to accountability,

prudent decision-making, and sustainable service delivery. The policy also aligns with national anti-corruption and good governance standards.

**6. Implementation E procurement system.**

The County Assembly has implemented an e-procurement system to enhance transparency and efficiency in line with the Public Procurement and Asset Disposal (PPAD) Act, streamlining workflows while ensuring fair competition among suppliers. This digital platform promotes responsible competition practices by automating tender processes, preventing corruption through audit trails, and enabling objective competitor analysis to select qualified bidders. The system also safeguards supplier rights by ensuring timely contract awards and adherence to payment schedules, fostering trust in public procurement. By digitizing procurement, the Assembly demonstrates its commitment to anti-corruption measures, equitable political involvement in tenders, and respect for all competitors' products and services.

**(iv) Challenges and recommended way forward**

▪ **Financial Constraints**

Nyandarua County Assembly faces financial constraints due to reduced funding allocation by the National Parliament coupled with delayed disbursements from the national government. This disrupts budget execution and leads to stalled projects and unmet development goals. To mitigate this, the Assembly actively engages in intergovernmental discussions to advocate for timely fund releases while also exploring alternative financing options such as public-private partnerships. Additionally, the county's heavy reliance on National Treasury allocations limits its financial autonomy, making it vulnerable to funding gaps. To strengthen its revenue base, Nyandarua County should enhance local revenue collection by digitizing systems, conducting taxpayer education, and sealing loopholes that lead to revenue leakage. By adopting these measures, the Assembly can improve fiscal stability and better deliver on its mandate to residents.

▪ **Political interference and governance issues.**

Nyandarua County Assembly faces governance challenges, including partisan politics that sometimes lead MCAs to prioritize political interests over the county's development agenda. To address this, the Assembly should strictly adhere to the County Governments Act while fostering greater public participation in decision-making to ensure accountability. Additionally, corruption and mismanagement of funds remain key concerns, often derailing critical projects and service delivery. Strengthening transparency through open budgeting, regular audits, and strict enforcement of anti-

corruption laws would help restore public trust. By tackling these governance issues head-on, Nyandarua County Assembly can enhance efficiency and better serve its residents.

▪ **Poor Public Participation & Stakeholder Engagement in Assembly's legislation mandate**

Nyandarua County Assembly's strategic plan prioritizes strengthening legislation and oversight through public participation, yet poor citizen engagement has undermined this goal, leaving key processes ineffective. With residents disillusioned by tokenistic forums, the Assembly struggles to gather meaningful input, weakening its ability to pass inclusive laws and conduct robust oversight. This disconnects risks perpetuating poorly aligned policies and unchecked implementation gaps, despite institutional commitments to participatory governance. To realign with its own objectives, the Assembly must revitalize engagement through transparent feedback loops and demonstrable policy adjustments proving public input directly shapes outcomes.

▪ **Inflation and rising cost of projects**

Nyandarua County Assembly faces persistent economic constraints, as national budget allocations fail to keep pace with rising inflation, leaving development projects underfunded and stalled. The shrinking purchasing power has not only delayed critical infrastructure but also forced cuts in essential functions such as public engagement initiatives like *Bunge Mashinani* and staff capacity-building programs undermining both oversight and legislative effectiveness. Despite its strategic plan prioritizing robust representation and governance, limited funds have left these key result areas unmet, with fiscal realities outpacing planned expenditures. To adapt, the Assembly must push for inflation-adjusted funding while adopting leaner procurement models and contingency reserves to safeguard core mandates amid economic pressures. Without such measures, its ability to legislate, oversee, and represent constituents will remain severely compromised.

▪ **Conditional & Rigid Budgeting**

Nyandarua County Assembly faces a major constraint due to conditional and rigid budgeting, where funds especially from donors or national grants come with strict spending conditions that limit financial flexibility. This rigidity prevents the county from reallocating resources to address urgent or emerging priorities identified through public participation, even when communities highlight pressing needs. As a result, development plans often remain misaligned with real-time demands, undermining the Assembly's oversight and legislative role. To mitigate this, the Assembly should advocate for more discretionary funding while strengthening its budget advocacy to ensure conditional grants align

with locally identified priorities. Without greater fiscal autonomy, the county's ability to respond dynamically to its residents' needs will remain severely restricted.

▪ **Limited Financial Autonomy**

Nyandarua County Assembly's ability to implement its Strategic Plan KRAs and objectives is severely hampered by its limited financial autonomy. The Assembly's heavy dependence on delayed and insufficient National Treasury transfers regularly disrupts budget execution, forcing postponement of key legislative and oversight activities outlined in its strategic plan.

**Conclusion**

Despite facing significant financial and operational constraints, the Nyandarua County Assembly has proactively implemented robust policies to enhance employee welfare and institutional efficiency. Through its Human Resource Policy, the Assembly ensures merit-based recruitment, gender equity, and structured career growth, while the Staff Integrity Pact reinforces ethical standards and accountability. Workplace safety is prioritized via rigorous risk assessments and OSH compliance, and staff development is sustained through internship programs and targeted training. Regular departmental engagements foster transparency, and retention strategies such as competitive remuneration and succession planning help mitigate turnover. These measures collectively demonstrate the Assembly's commitment to maintaining a professional, motivated workforce and achieving its strategic objectives, even amid challenging fiscal conditions. By institutionalizing these frameworks, the Assembly not only safeguards employee well-being but also strengthens its capacity to deliver on its mandate effectively.



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**Name: Mukiri Muchiri (Mr.)**

**Clerk of the County Assembly**

**5. Statement of Performance against Predetermined Objectives****County Assembly****Strategic development objectives**

The key mandate of Nyandarua County Assembly is legislation, oversight, and representation. The Assembly strategic framework is aligned to the institutions vision and mandate as derived from article 185 of the Constitution of Kenya. The framework outlines three interrelated key result areas which will be pursued in the next 5 years. The Key result areas are:

- Representation, legislation and Oversight
- Public Finance Management
- Institutional Capacity

To achieve this, the Assembly's program was documented in terms of objective, key performance indicators, and output. This institutionalization of the framework will revitalize the Assembly's performance Below is the performance of the Assembly in FY 2024/2025

| Strategies                         | Activities  | Output   | Indicator   | Performance  | Remarks (Explain the reasons underperformance / Overperformance)  |
|------------------------------------|---|--|---|--|---|
| Strengthen the legislation process | Develop and drafting of legislative proposal and legislations | Increased number of well-researched, legally sound legislative proposals           | 7 bills passed in the County Assembly and 100+ statements sought      | Improved relevance and impact of county laws, measured by public feedback and implementation success | Great performance due to the availability of expert legal drafting and research dept. support as well as strong collaboration with the Office of the County Attorney. |
|                                    | Review of Bunge standing orders                               | Revised and modernized Standing Orders adopted.                                    | Number of outdated clauses amended and new provisions incorporated    | Progressive and amendments ongoing   | Increased efficiency across all stakeholder departments- Legal, Clerks, and dispute resolution on the floor of the House.   |
|                                    | Enhanced professional development of MCAs                     | Increased number of MCAs participating in structured training programs (workshops, | All MCA undertook professional trainings/seminar on Assembly mandates | Improved quality of legislative proposals and oversight reports due to enhanced skills.              | Existence of a strong political goodwill/strategic negotiation resulted to additional funding/allocation from development   |

| Strategies                              | Activities  | Output  | Indicator   | Performance  | Remarks (Explain the reasons underperformance / Overperformance)  |
|---|---|---|---|--|---|
|   |   | seminars, mentorship).  |   |  | partners and Executive  |
|   | Translate of Standing orders into Swahili           | Accurately translated and officially adopted Kiswahili version of Standing Orders for County Assembly use | Number of clauses translated and approved   | Delayed adoption of final translated version beyond projected timeline | The draft remains work-in-progress due to complexities in legal terminology alignment and extended stakeholder consultation process |
|   | Committee Reports and Minutes                       | Standardized templates for committee reports/minutes adopted across all committees                        | Over 80 reports of committees' reports were tabled  | Increased reference to committee reports in plenary debates            | Existence of strong capacity building resulted to improved quality of reports tabled and adopted.                                   |
|   | Adopted order papers and supplementary order papers | Digitally integrated Order Papers published hours before all sittings                                     | Increased sittings and access to Order Papers which meet quality standards (complete, error-free, timely) | 15% reduction in procedural interruptions due to Order Paper clarity   | Existence of an E Parliament system for real time access to documents and reference   |
|   | Archived Bunge proceedings                          | Fully digitized archive of Bunge proceedings (2013-present) accessible through secure portal              | Continuous records digitization and indexing  | Reduction in information requests processing time/increased decision   | Successful as a result of the use of modern technologies-Scanners. Databases and trained tech staff                                 |
|   | Formulation of a Hansard and Audio Policy           | Approved Hansard & Audio Policy document with implementation guidelines                                   | 100% of compliance with policy standards  | Improvement in record accuracy and dispute resolution efficiency       | Facilitation of Stakeholder workshops and consultations ensuring policy meets all user needs  |
| <b>Enhance Oversight mandate of the</b> | Vetting of Persons nominated into various           | Comprehensive vetting reports for all nominees submitted to   | vetting processes completed within  | Capacity built stakeholders enhanced effectiveness                     | Enhanced inter-agency collaboration (EACC, KRA,   |

| Strategies   | Activities  | Output   | Indicator   | Performance  | Remarks (Explain the reasons underperformance / Overperformance)   |
|--|---|--|---|--|--|
| County Assembly  | county offices  | County Assembly  | statutory timelines   | and efficiency of the process  | DCI) for faster clearance/ capacity-built staff for performance.   |
|  | Consideration of Auditor General's Report                     | County Assembly oversight report on AG findings with implementation plan                         | AG audit queries addressed timely                                 | 70% improvement in Assembly audit compliance ratings                       | Pre-audit internal controls reduced query volume by 70%  |
|  | Consideration of CBIRR  | Quarterly CBIRR oversight reports with actionable recommendation                                 | CBIRRs debated within 30 days of receipt                          | Improvement in budget absorption rates linked to oversight actions         | Reports received on timely and deliberated upon to enhance decision making.  |
| <b>Entrench participation of the Assembly in the budget making process</b> | Scrutiny of Economic Planning documents and Budgets           | Approved County Fiscal Strategy Papers (CFSP) and Budget Review Reports with Assembly amendments | 60% of scrutiny recommendations incorporated into final documents | 75% improvement in budget credibility (approved vs. executed expenditures) | Early stakeholder engagement in pre-budget conferences through public participation and memorandums  |
|  | Review the implementation of the strategic plan III 2022-2027 | Approved Mid-Term Review Report with revised targets/resource allocation                         | 70% of strategic plan activities: Completed and others on-track   | Flagship projects underway   | Effective departmental quarterly performance reviews   |
| <b>Enhance internal control systems</b>                                    | Risk assessment of Assembly's operations and process          | Approved Risk Register with mitigation plans for all high-priority risks                         | Mitigation measures and Contingency plans for identified risks    | Efficiency of work outputs   | Pro-active risk monitoring system with early warning alerts  |
|  | Enhancement of Assembly controls                              | Approved Internal Control Framework with updated policies/procedures                             | Reduction in control weaknesses                                   | 75 % of critical processes achieve and compliance standards                | Cross-functional control improvement taskforce helped to strengthen policies, processes, and systems to reduce risks, errors, or inefficiencies. |

| Strategies  | Activities  | Output  | Indicator   | Performance  | Remarks (Explain the reasons underperformance / Overperformance)  |
|---|---|---|---|--|---|
| <b>Facilitate prudent budget implementation and reporting</b>                   | Updating Asset register across all depts  | To have a fully digitized asset register  | Current completion status 60%                             | Will help in Accountability and tracking.                            | Lack of an approved guiding policy document.  |
|   | Requisitioning of funds   | Automated requisition tracking system   | Un-timely processing of requisitions                      | Delayed requisition due to IFMIS downtimes                           | Multi-layer approvals causing 40% of delays and system failure/downtimes                                      |
|   | Prepare and submission of financial statements to OAG, CoB and National Treasury. | Audited financial statements submitted to OAG, CoB & National Treasury by statutory deadlines | Having a dedicated reporting taskforce                    | Improved audit opinions with lesser queries on submission timeliness | Reconciliation done on time and effectively.  |
| <b>Ensure continuity of operations by availing goods and services and works</b> | Supplier registration and contractors   | Approved prequalified suppliers/contractors list  | Procurement contracts awarded to prequalified firms       | 70% reduction in procurement delays and disputes                     | Availability of a Digital vendor portal streamlining applications/evaluations<br>E procurement systems        |
|   | Procurement planning  | Approved Annual Procurement Plan (APP) aligned with CIDP and budget                           | planned procurements initiated within scheduled timelines | Reduction in emergency procurements through proactive planning       | Early stakeholder consultations during budget process and timely uploading of the budget and procurement plan |
|   | Inventory and store management  | Real time inventory system with real-time tracking for all stores                             | 80% Inventory accuracy rate                               | Planned stock outs/over stock  | Departmental scorecards linking budget approvals to inventory compliance                                      |
|   | Asset tagging   | Fully tagged asset inventory with unique digital identifiers                                  | 40% of assets tagged and recorded in central database     | Asset loss incidents and accountability                              | Lack of Barcode/RFID tagging system to accelerate physical verification<br>Lack of budget allocation          |

| Strategies   | Activities   | Output  | Indicator   | Performance  | Remarks (Explain the reasons underperformance / Overperformance)   |
|--|--|---|---|--|--|
| <b>Enhance training and development of staff</b>                     | Assessment of training Needs TNA                               | Approved TNA Report with prioritized training interventions         | 70% of departments/s taff with completed competency assessments report        | Improvement in staff performance metrics post-training             | Availability of budget allocation for career advancement and capacity building. Approval and attendance of trainings by the management |
|  | Conducting training programs for staff based on identified TNA | 100% of TNA-identified trainings conducted within fiscal year       | Improved performances   | 60% improvement in departmental KPIs linked to training objectives | Attendance of trainings and professional courses<br>A capacity-built staff establishment   |
| <b>Institutionalization of employee welfare and support programs</b> | Implementation of monthly prayers and counselling sessions     | Monthly interfaith prayer sessions                                  | 80% participation rate  | Well-rounded staff establishment                                   | Availability of sound leadership roles-modeling through executive participation  |
|  | Facilitation of staff and MCA end of year retreat              | 100% participation rate   | 4.5/5 score rate post retreat   | Improvement in interdepartmental collaboration metrics             | Customized programs for MCAs/staff ensuring relevance<br>Availability of a budget for the programs.                                    |
|  | Sustenance of MCA/Staff Car loan mortgage scheme               | Fully operational mortgage scheme with updated eligibility criteria | 100% of beneficiaries achieving full home ownership within 5 yrs and personal | No default rates   | Automated payroll-linked repayment system<br>Availability of an allocated budget for the mortgage schemes.                             |
| <b>Efficient use of ICT in service delivery</b>                      | Leverage ICT solutions to streamline office operations         | Fully operational digital service delivery platform                 | Administrative services available online- leave application, biometric        | Better service output  | Phased ICT implementation strategies<br>Implementation of approved workplans.  |
| <b>Enhance Corporate communication</b>                               | Strengthen internal and external communication                 | Approved Corporate Communication Policy with                        | Increase in engagement metric- Facebook /                                     | 60% reduction in misinformation incidents                          | Availability of a multi-channel communication strategy.  |

| Strategies | Activities                          | Output                    | Indicator           | Performance | Remarks (Explain the reasons underperformance / Overperformance) |
|------------|-------------------------------------|---------------------------|---------------------|-------------|--|
|            | ion systems to improve transparency | implementation guidelines | Whats app responses |             |  |

## **6. Environmental and Sustainability Reporting**

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The Nyandarua County Assembly is mandated to legislate, oversee county governance, and represent the public interest, ensuring sustainable service delivery to its citizens. As part of its long-term sustainability strategy, the Assembly aligns with local and international Environmental, Social, and Governance (ESG) frameworks, adhering to laws and policies that promote responsible operations. Environmentally, the Assembly complies with biodiversity management, waste reduction, and climate action policies, minimizing its ecological footprint. Employee welfare is upheld through structured HR policies and national labor standards, fostering safe workspaces and career development. Procurement transparency is ensured via digital tendering systems, a Corruption Prevention Committee, and open advertisements, promoting ethical supplier relations. While the Assembly did not run direct CSR program during the reporting period, it engaged communities through open plenary sessions accessible physically and online and annual public forums like the prayer breakfast. These efforts collectively reinforce the Assembly's commitment to institutional sustainability and public accountability.

### **a) Sustainability strategy and profile**

The Nyandarua County Assembly has integrated sustainability into its strategic planning, ensuring alignment with both local and international frameworks such as Kenya's Climate Change Act (2016), Vision 2030, and the United Nations Sustainable Development Goals (SDGs). The Assembly's leadership remains cognizant of broader political and macroeconomic trends, adapting its priorities to mitigate challenges such as inflationary pressures and delayed exchequer releases. During the reporting period, notable achievements included the adoption of paperless plenary sessions, which reduced stationery costs by 30%, and the successful awareness programs of all staff on Environmental, Social, and Governance (ESG) principles. However, fiscal constraints, particularly reduced budgetary allocation by the Senate and delayed disbursement from the National Treasury, hindered the full implementation of planned green infrastructure projects, underscoring the need for enhanced financial flexibility in future sustainability efforts.

### **b) Environmental performance**

Guided by the Environmental Management and Coordination Act (EMCA, 1999) and its internal Waste Management Policy (2022), Nyandarua County Assembly has made measurable strides in reducing its environmental footprint. The Assembly partnered with the Kenya Forest Service (KFS) (Nyandarua office) to plant trees across its Bunge premises and the Speakers compound, contributing

to local biodiversity conservation. Waste management initiatives, including the installation of segregated bins in all offices and the adoption of digital archiving, have yielded a 40% reduction in paper usage, with 60% of office waste now being recycled. Despite these successes, challenges such as inconsistent adherence to carbon-neutral commuting policies among staff highlight areas for improvement in fostering a culture of environmental responsibility.

**e) Employee welfare**

The Assembly's Human Resource Policy ensures a fair and inclusive workplace, with merit-based recruitment processes achieving a 45% female representation in leadership roles. Stakeholder engagement is prioritized through quarterly staff forums and bi-annual policy reviews conducted in collaboration with the Public Service Commission (PSC). To enhance skills and career growth, the Assembly facilitate 20 employees for professional courses such as CPA and ICPAK, IFMIS, KISM while annual Training Needs Assessments (TNA) ensure targeted development programs. Compliance with the Occupational Safety and Health Act (OSHA, 2007) is rigorously upheld, contributing to a zero-workplace injury record for the fiscal year.

**d) Marketplace practices**

In its commitment to ethical business practices, the Assembly has maintained a transparent and responsible supply chain, processing all tenders through the Integrated Financial Management Information System (IFMIS) to ensure competitive and fair contract awards. Payment practices have improved significantly, with 60% of supplier invoices settled within 30 days, up from 45% in the previous fiscal year. The Corruption Prevention Committee has played a pivotal role in upholding integrity and awareness of reporting mechanism and compliance. Furthermore, the Assembly has safeguarded public interests through robust asset management, including an updated asset register and enhanced public participation to align projects with citizens priorities.

**e) Community Engagements**

While the Assembly did not implement direct corporate social responsibility (CSR) programs due to budgetary limitations, it has fostered community engagement through alternative avenues. Educational outreach efforts included hosting 15 student groups for plenary sessions, accessible both physically and virtually, to promote civic awareness. The annual Prayer Breakfast brought together over 200 community leaders for dialogues on governance and development. Looking ahead, the Assembly plans to explore structured partnerships to expand its community initiatives in the coming fiscal year.

## **Conclusion**

Nyandarua County Assembly has demonstrated a steadfast commitment to sustainability across its operations, from environmental stewardship and employee welfare to ethical marketplace practices and community engagement. Despite fiscal and operational challenges especially reduced budgetary allocation by the Senate, the Assembly has achieved significant milestones, including waste reduction, staff development, and enhanced procurement transparency. These efforts reflect a broader dedication to governance that prioritizes long-term resilience and public trust. Moving forward, the Assembly will focus on strengthening partnerships, optimizing resource allocation, and deepening community involvement to ensure continued progress toward its sustainability goals.

## **7. Management Discussion and Analysis**

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Entity's key Programs/projects or investment decisions implemented or ongoing.

Over the past five years, the organization has undertaken key projects to enhance operational efficiency, security, and service delivery. These include the landscaping and beautification of the Speaker's residence and Bunge premises, promoting an eco-friendly and professional environment. Investments in ICT software, such as ERP, asset management, and leave management systems which are underway, will streamline workflows and reduce manual processes. A modern data center is budgeted for to securely archive proceedings and improve cybersecurity, while the upgraded Broadcasting Unit has expanded live coverage and civic education, increasing public engagement. Infrastructure improvements, such as the plans to construct a modern automated gate and a conference center, will bolster delivery of services. Additionally, continuous staff development and welfare programs, including training and wellness initiatives, have boosted productivity and morale. These strategic initiatives, supported by prudent financial management, have significantly improved institutional performance, transparency, and stakeholder satisfaction. Future focus will remain on sustainability, digitization, and further enhancing service delivery in line with best practices.

Entity's compliance with statutory requirements.

The County Assembly has consistently adhered to internal policies, operational manuals, and relevant government legislation, including devolution laws, policy directives, and circulars, ensuring lawful and standardized operations across all functions. In line with environmental regulations, the Assembly has complied with building codes, vehicle emission standards, and occupational health

and safety requirements for staffing, maintaining sustainable and responsible practices. Regular internal and external audits have been conducted in accordance with statutory financial reporting standards, ensuring accountability and transparency in resource utilization. Furthermore, the institution has implemented all necessary measures to align with labour laws, procurement regulations, and public sector guidelines, mitigating legal and operational risks. These compliance efforts have strengthened governance, enhanced service delivery, and upheld the Assembly's commitment to regulatory excellence.

- ***Major risks facing the organisation.***

The organization faces several operational and financial risks, including political interference that delays budget approvals and development projects, as well as strained working relations with the County Executive, hindering effective oversight. Frequent IFMIS system downtimes disrupt budget uploads and delay payments, exacerbating cash flow constraints, while reduced budgetary allocation by the Senate further strain financial planning. Additionally, the accumulation of pending bills threatens service delivery and supplier relations, compounded by inadequate staffing in critical departments like HR and Finance, which affects efficiency and compliance. Proactive measures, including stakeholder engagement, system upgrades, and targeted recruitment, are being implemented to mitigate these risks and ensure operational continuity.

- ***Material arrears in statutory and other financial obligations.***

The Assembly has consistently fulfilled its statutory obligations, ensuring timely remittance of legally mandated payments including payroll taxes, employee pension contributions, and other statutory deductions without fail. Additionally, the organization has diligently met its other financial commitments such as loan repayments, interest settlements, supplier payments, and lease rentals of MCA ward offices, maintaining strong compliance and creditor confidence. To address pending bills, the Assembly has implemented strategic budget prioritization, allocating sufficient funds to clear arrears and achieving a notable reduction of approximately 40% annually. These measures have enhanced financial discipline, improved supplier relations, and ensured sustained operational stability. The Assembly remains committed to further optimizing its fiscal management to eliminate outstanding liabilities and strengthen its financial position.

- ***Review of the economy and sector.***

Kenya's macroeconomic environment, marked by fluctuating GDP growth (averaging 4.5–5.5%), high inflation (peaking at 9.2% in 2022), and rising interest rates, has strained the County Assembly's operational budgets and service delivery. Tight fiscal policies and delayed exchequer releases driven by national debt pressures have disrupted project implementation, while inflationary costs eroded purchasing power for goods and services. These economic headwinds necessitated stricter budget controls and reprioritization of expenditures to maintain the Assembly's core functions amid disbursement shortfalls.

- ***Future developments***

Looking ahead, the organization is focused on strategic growth and operational enhancements, including infrastructure upgrades such as a proposed conference center, restaurant, and ICT modernization to improve service delivery and employee well-being. Efforts will also be directed toward strengthening legislative and oversight frameworks to ensure robust governance and compliance with regulatory mandates. Additionally, proactive risk mitigation measures, spanning cybersecurity, financial controls, and operational safeguards will be prioritized to minimize vulnerabilities and ensure long-term stability. Together, these initiatives reflect a forward-thinking approach aimed at driving efficiency, accountability, and sustainable progress in line with the organization's broader objectives.

### **8. Statement of Management Responsibilities**

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly financial statements, which give a true and fair view of the state of affairs of the Assembly for and as at the end of the financial year ended on June 30, 2025. This responsibility includes:

(i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county Assembly; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the county Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

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

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

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

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

**Approval of the financial statements**

The Nyandarua County Assembly financial statements were approved and signed by the Clerk for finance on 14/11 2025.



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**MUKIRI MUCHIRI (MR.)**

**Clerk of County Assembly**

# REPUBLIC OF KENYA



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## REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF NYANDARUA FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying transitional IPSAS financial statements of County Assembly of Nyandarua set out on pages 1 to 46, which comprise of the statement of

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

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

### **Basis for Qualified Opinion**

#### **1. Inaccuracies of Disclosures and Balances in the Financial Statements**

The statement of financial position reflects a negative net asset balance of Kshs.14,208,670 and as reflected on the statement of changes in net assets. The statement of net assets under accumulated surplus includes an adjustment of Kshs.11,277,361 described as a decrease in opening payables PPE. However, the balance has been included in the liabilities of Kshs.168,489,008 recognized as adjustment of opening balance of accumulated surplus. As a result, the reported negative closing balance of Kshs.14,208,670 is overstated by an unexplained amount of Kshs.11,277,361. In addition, the balance of Kshs.11,277,361 has not been recognized as opening balance of assets in the property, plant and equipment.

Furthermore, the statement of financial position reflects Nil balance of intangible assets while Note 27 to the financial statements reflects intangible assets balance of Kshs.13,477,756 as opening and closing balance. However, the balance has not been disclosed in the statement of financial position. In addition, the description and documentary evidence supporting the intangible assets balance was not provided for audit.

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

#### **2. Unsupported Surrender of Long Outstanding Government Imprest**

The statement of financial position and as disclosed in Note 23 to the financial statement reflects receivables from the non-exchange transaction balance of Kshs.74,935,870. The balance includes Government imprest amount of Kshs.600,000 which has long been outstanding for more than two (2) years. In addition, supporting documents for the surrender of Government imprest was not provided for audit.

In the circumstances, the accuracy and completeness of receivables from the non-exchange transaction balance of Kshs.74,935,870 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Nyandarua 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 effects of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

#### **Unresolved Prior Year Audit Matters**

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during the audit of the Assembly in 2024/2025 revealed that the following seven (7) matters remained unresolved.

| <b>No.</b> | <b>Financial Year</b> | <b>Audit Issue</b>  |
|------------|-----------------------|---|
| 1          | 2023/2024             | Irregular Payments to Society of Clerks At -The Table                 |
| 2          | 2023/2024             | Non-Compliance with SRC Guidelines on County Assembly Speaker's House |
| 3          | 2023/2024             | Long Outstanding Pending Bills  |
| 4          | 2023/2024             | Direct Procurement on Rent and Rates                                  |
| 5          | 2023/2024             | Non-Compliance to One Third of Basic Salary Rule                      |
| 6          | 2023/2024             | Lack of an Approved Fraud Management Policy                           |
| 7          | 2023/2024             | Lack of Business Continuity and Disaster Recovery Plans               |

### **Other Information**

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

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

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to Submit Quarterly Report and Financial Statements.**

The County Assembly has to date not submitted for audit, the quarterly reports and financial statement for the period ended 30 September, 2024, 31 December, 2024 and 31 March 2025. This was contrary to Section 166 (1) of the Public Finance Management Act, 2012 which provides that an accounting officer for a County Government entity shall prepare a report for each quarter of the financial year in respect of the entity.

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

#### **2. Employees Costs and Other Staff Matters**

##### **2.1 Non- remittance of Staff Pension**

Audit of the payroll and the human resource records revealed that during the year under review, Management did not remit pension contribution for three (3) permanent and pensionable staff contrary to Section 53 and 53A of the Retirement Benefits Act, No.3 of 1997 which provides for general penalty and proceedings for recovery of deductions from employers respectively.

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

##### **2.2 Non-Compliance to the Law on Affirmative Action**

Review of Human Resource records revealed that during the year under review, the County Assembly had eighty-nine (89) members of staff out of whom, eighty- two (82) or 92% are from the dominant ethnic community of the County. This was contrary to Section

7(1) and (2) of the National Cohesion and Integration Act, 2008 which requires that all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community.

Further, the County Assembly did not reserve five percent of employment opportunities to persons with disability contrary to the requirements of Section 21(2) of the Persons with Disability Act, 2025 which provides that every employer shall-(a) where an employer has at least twenty employees, reserve at least five per cent direct employment opportunities for persons with disabilities to secure employment.

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

### **3. Direct Payment of Subsistence Allowances**

Examination of records and inquiry from Management revealed that the Assembly spent a total of Kshs.112,247,557 on domestic travel and subsistence allowance and Kshs.11,752,687 on foreign travel and subsistence allowance as reflected in Note 10 to the financial statements. However, the expenditure was incurred and paid as claims to the Officers' bank accounts instead of issuance of imprest contrary to Regulation 93 (4d) of the Public Finance Management (County Government) Regulations, 2015 which provides that before issuing temporary imprests, the Accounting Officer shall ensure that adequate funds are available against the relevant items of expenditure to meet the proposed expenditure.

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

### **4. Irregular Payments of Subscriptions**

During the year under review, the Assembly incurred Kshs.750,000 on subscription to Society of Clerks At-The-Table (SOCCAT) and Kshs.1,000,000 on annual subscription to County Assemblies Forum (CAF). However, there is no existing law or policy to support the payments of subscription fees to the two (2) organizations from public funds. The propriety of expenditure could not be confirmed as required by Section 149(1) of the Public Finance Management Act, 2012 which provides that an accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is-(a) lawful and authorised; and (b) effective, efficient, economical and transparent.

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

### **5. Non-Compliance with SRC Guidelines on Housing Benefits for County Assembly Speaker.**

As reported earlier, review of the implementation of Housing Benefits for the County Assembly Speaker revealed that the Assembly purchased land of approximately 1.666 hectares(4.1acreas) at Kshs.10,000,000 contrary to the SRC circular Ref.SRC/TS/COG/6/61/48 Vol. II (64) dated 20 May 2019 which provided that the

Speaker's residence should be built on public land owned by the County Government and should be on a one (1) acre of land.

In addition, the total contracts executed for infrastructure development of the County Assembly Speaker's residence which includes; Construction of the proposed speaker's official residence, construction of the proposed speaker's official residence (External Works), proposed borehole drilling, pump and water tanks Installation, Proposed fencing and pump house, proposed construction and completion of boundary walls and guard house and proposed improvement of the foul drainage, construction of bio-digester and storm water drainage amounted to Kshs.106,811,605 exceeding the approved infrastructure ceiling of Kshs.45,406,294. This was contrary to the reviewed amount as per Salaries and Remuneration Commission (SRC) Ref. SRC/TS/29/35(15) dated 27 June, 2022. No evidence of approval from SRC was provided for exceeding the approved ceiling.

In the circumstances, Management was in breach of the SRC guidelines and value for money on the expenditure could be confirmed.

#### **6. Contract Implementation of Proposed Construction and Completion of Boundary Walls and Guard House for The Speaker's Residence.**

Proposed construction and completion of boundary walls and guard house was awarded to a contractor for contract sums of Kshs.18,954,330. The initial contract sum was revised by amount of Kshs.4,554,628 resulting to revised contract sums of Kshs.23,508,958. Review of contract implementation and financial appraisal documents revealed the following unsatisfactory observations.

- i. According to financial appraisal No. 1 dated 7 November, 2023 on re-measurements of works the Project Manager from Department of Public Works, Roads, Transport, Housing and Energy recommended additions of contract sum by Kshs.4,554,628 composed of Kshs.4,324,878 relating to boundary wall substructures and Kshs.229,750 in respect of Guard house (resulting to increased excavations, carting away, imported murram filling, concrete works and associated reinforcements and foundation walling). However, the priced Bill of Quantities already provided contingency sums of Kshs.800,000 which was not considered to offset the additional re-measurement costs.
- ii. Further, the total amount as per priced Bill of Quantities included Kshs.4,330,000 for prime costs and provisional sums which included Kshs.2,900,000 for electrical works. However, the electrical works were quoted at Kshs.2,660,750 resulting to savings of Kshs.239,250 which was not considered in the financial appraisal of re-measurements of works. Also, as at the time of audit, the electrical installation works were incomplete.
- iii. In addition, the price costs and provisional sums included Kshs.230,000 for mechanical installations. However, the mechanical works were quoted at Kshs.197,627 resulting to contract savings of Kshs.32,373 which was not considered in the financial appraisal of re-measurements of works and the works were incomplete.

In the circumstances, value for money on the project expenditure could not be confirmed.

## **7. Non-Compliance with the Reporting Template.**

The financial statements presented for audit did not comply with the disclosure requirement prescribed by IPSAS 33 on first-time adoption of accrual Basis International Public Sector Accounting Standards (IPSAS) in the following sections;

- i. The financial statements on the cover page discloses framework of financial reporting as transitional financial statement/prepared in accordance with the accrual basis of accounting method under International Public Sector Accounting Standards (IPSAS) instead of transitional IPSAS financial Statement.
- ii. The financial statements on the statement of management responsibility discloses "The Clerk accept responsibility for the County Assembly financial statements which have been prepared in accordance with accrual basis of method of financial reporting, using, appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) instead of disclosing the fact that the financial statement are transitional IPSAS financial statements.
- iii. The financial statements in Note 17(2) on the statement of compliance and basis of preparation the County Assembly did not disclose as a first-time adopter of accrual basis of accounting under the International Public Sector Accounting Standards (IPSAS) the fact the financial statements are not fully in compliance with IPSAS Accrual. In addition, the County Assembly did not disclose the extent to which it has taken advantage of transition exemptions that affect and do not affect the fair presentation of financial statements and its ability to assert compliance with accrual basis IPSAS.

In the circumstances, the financial statements did not comply with the reporting template as prescribed by the Public Sector Accounting Standards Board.

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 Approved Staff Establishment**

Audit of the Human Resource records revealed that the County Assembly did not have an approved staff establishment to show in post positions required, in-post and deficiency. Further, the un-approved staff establishment provided for audit revealed that the optimal staffing levels of the County Assembly was one hundred (100) staff while the in-post staff were eighty-nine (89) leading to a significant staff shortage of eleven (11) staff. In addition, most critical directorates which include; Administrative, Legal, Research, Internal Audit and Procurement were headed by principal officers instead of directors.

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

### **2. Lack of Disaster Recovery and Business Continuity Plan**

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

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

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

### **Responsibilities of the Management and those Charged with Governance**

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

comply with the authorities which govern them and that public resources are applied in an effective way.

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**11 December, 2025**

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

| Description                                   | Notes | Period ended<br>June 2025 |
|---|-------|---------------------------|
|   |       | Kshs                      |
| <b>Revenue from non-exchange transactions</b> |       |                           |
| Transfers from CRF                            | 6     | 868,102,738               |
| Miscellaneous Revenue                         |       | -                         |
| <b>Revenue from exchange transactions</b>     |       |                           |
| Other income                                  |       | -                         |
| <b>Total revenue</b>                          |       | <b>868,102,738</b>        |
| <b>Expenses</b>                               |       |                           |
| Employee costs                                | 9     | 393,023,822               |
| Use of goods and services                     | 10    | 275,588,379               |
| Transfers to other Government Entities        | 11    | 106,167,574               |
| Depreciation and amortization expense         | 12    | 1,663,052                 |
| Other Grants and Subsidies                    |       | -                         |
| Finance costs                                 |       | -                         |
| Social Benefits                               |       | -                         |
| <b>Total expenses</b>                         |       | <b>776,442,827</b>        |
| Gain/(loss) on sale of assets                 |       | -                         |
| Gain/Loss on Foreign Exchange                 |       | -                         |
| Gain/Loss on fair value of investments        |       | -                         |
| Impairment loss                               |       | -                         |
| <b>Surplus/Deficit for the year</b>           |       | <b>91,659,911</b>         |
| Taxation                                      |       | -                         |
| <b>Net Surplus/Deficit</b>                    |       | <b>91,659,911</b>         |

The Financial Statements set out on pages 1-8 were signed by:



Name: Mukiri Muchiri (Mr.)

Clerk of The County Assembly.



Name: Mr. Charles Wahinya  
Director Finance & Accounting.  
ICPAK M/No 8772

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

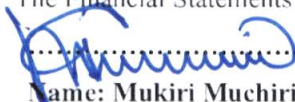
**11. Statement of Financial Position as at 30 June 2025**

| Description                                | Notes | <i>Period ended<br/>June 2025</i> | <i>Opening<br/>Statement<br/>1<sup>st</sup> July 2024</i> |
|--|-------|-----------------------------------|---|
|  |       | Kshs                              | Kshs  |
| <b>Assets</b>                              |       |                                   |   |
| <b>Current Assets</b>                      |       |                                   |   |
| Cash and Cash equivalents                  | 21    | 10,851,183                        | 33,693,110  |
| Receivables from Exchange Transactions     |       | -                                 | -   |
| Receivables from Non-Exchange Transactions | 23    | 74,935,870                        | 600,000   |
| Inventories                                | 24    | 3,900,545                         | -   |
| Current portion of investments             |       | -                                 | -   |
| Prepayment- Insurance                      | 25    | 12,539,995                        |   |
| <b>Total Current Assets</b>                |       | <b>102,227,593</b>                | <b>34,293,110</b>   |
| <b>Non-Current Assets</b>                  |       |                                   |   |
| Receivables from Exchange Transactions     |       | -                                 | -   |
| Non- Current portion of investments        |       | -                                 | -   |
| Property, Plant and Equipment              | 26    | 54,629,464                        | -   |
| Right of Use Assets                        |       | -                                 | -   |
| Intangible Assets and Goodwill             |       |                                   | -   |
| Investment Property                        |       | -                                 | -   |
| Biological Assets                          |       | -                                 | -   |
| Tangible Natural Resources                 |       | -                                 | -   |
| <b>Total Non- Current Assets</b>           |       | <b>54,629,464</b>                 | -   |
| <b>Total Assets (A)</b>                    |       | <b>156,837,056</b>                | <b>34,293,110</b>   |
| <b>Liabilities</b>                         |       |                                   |   |
| <b>Current Liabilities</b>                 |       |                                   |   |
| Trade and Other Payables                   | 32    | 164,318,549                       | 168,489,008   |
| Refundable deposits and prepayments        | 33    | 6,747,177                         | 33,289,958  |
| Current Provision                          |       |                                   |   |
| Lease Liabilities                          |       |                                   |   |
| Deferred Income                            |       |                                   |   |
| Employee Benefit Obligation                |       | -                                 | -   |


*Nyandarua County Assembly*  
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| Description                             | Notes | Period ended        | Opening              |
|---|-------|---------------------|----------------------|
|   |       | June 2025           | Statement            |
|   |       | Kshs                | Kshs                 |
| Current Portion of Borrowings           |       | -                   |                      |
| <b>Total Current Liabilities</b>        |       | <b>171,065,726</b>  | <b>201,778,966</b>   |
| <b>Non-Current Liabilities</b>          |       |                     |                      |
| Non-Current Provisions                  |       |                     |                      |
| Lease Liabilities                       |       |                     |                      |
| Deferred Income                         |       |                     |                      |
| Non-Current Employee Benefit Obligation |       | -                   | -                    |
| Borrowings – Non-Current Portion        |       | -                   | -                    |
| Service Concession Liability            |       | -                   | -                    |
| <b>Total Non- Current Liabilities</b>   |       | <b>-</b>            | <b>-</b>             |
| <b>Total Liabilities (B)</b>            |       | <b>171,065,726</b>  | <b>201,778,966</b>   |
| <b>Net Assets (A-B)</b>                 |       | <b>(14,208,670)</b> | <b>(167,485,856)</b> |
| <b>Represented by:</b>                  |       |                     |                      |
| Reserves                                |       | -                   | -                    |
| Accumulated Surplus                     |       | (14,208,670)        | (167,485,856)        |
| Capital Fund                            |       |                     | -                    |
| <b>Net Assets</b>                       |       | <b>(14,208,670)</b> | <b>(167,485,856)</b> |

The Financial Statements set out on pages 1-8 were signed by:

  
.....  
Name: Mukiri Muchiri (Mr.)

Clerk of The County Assembly.

  
.....  
Name: Mr. Charles Wahinya  
Director Finance & Accounting.  
ICPAK M/No. 8772

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

| Description   | Accumulated Surplus  | Reserves | Capital Fund | Total                |
|---|----------------------|----------|--------------|----------------------|
|   |                      |          |              |                      |
| <b>As at 30<sup>th</sup> June 2024 (cash basis)</b> | <b>1,003,152</b>     |          |              | <b>1,003,152</b>     |
| Adjustments: (to recognize assets and liabilities)  | (168,489,008)        |          |              | <b>(168,489,008)</b> |
| <b>As at July 1, 2024</b>                           | <b>(167,485,856)</b> | -        |              | <b>(167,485,856)</b> |
| Surplus/ deficit for the period                     | 91,659,911           |          |              | <b>91,659,911</b>    |
| Returns to CRF                                      | (403,152)            |          |              | <b>(403,152)</b>     |
| Payables Written Off                                | 50,743,066           |          |              | <b>50,743,066</b>    |
| Decrease in Opening Payables PPE                    | 11,277,361           | -        | -            | <b>11,277,361</b>    |
| <b>As at 30th June, 2025</b>                        | <b>(14,208,670)</b>  | -        | -            | <b>(14,208,670)</b>  |

*Note:*

1. For items that are not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.
3. Entities have liberty to add additional reserves as appropriate. For all reserves presented provide the nature and purpose.

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

| Description   | Notes | Period ended June, 2025 |
|---|-------|-------------------------|
|   |       | Kshs                    |
| <b>Cash flows from operating activities</b>                   |       |                         |
| <b>Receipts</b>   |       |                         |
| Transfers from CRF  | 6     | 793,166,868             |
| Miscellaneous Revenue   |       | -                       |
| Other income  |       |                         |
| <b>Total receipts</b>   |       | <b>793,166,868</b>      |
| <b>Payments</b>   |       |                         |
| Employee costs  | 9     | 354,578,453             |
| Use of goods and services                                     | 10    | 283,791,601             |
| Transfers to other Government Entities                        | 11    | 106,167,574             |
| Other Grants and Subsidies                                    |       | -                       |
| Finance costs   |       | -                       |
| Social Benefits   |       | -                       |
| <b>Total payments</b>   |       | <b>744,537,629</b>      |
| <b>Net cash flows from/(used in) operating activities</b>     |       | <b>48,629,239</b>       |
| <b>Adj:</b>   |       |                         |
| Decrease in Payables( Retention )                             | 33    | (26,542,781)            |
| <b>Cash flows from investing activities</b>                   |       |                         |
| Purchase of PPE   | 26    | (44,525,234)            |
| Purchase Intangible assets                                    |       |                         |
| Proceeds from sale of PPE                                     |       | -                       |
| Proceeds from sale of Biological Assets                       |       | -                       |
| Purchase of investments                                       |       | -                       |
| Sale of investments   |       | -                       |
| <b>Net cash flows from/(used in) investing activities</b>     |       | <b>(44,525,234)</b>     |
| <b>Cash flows from financing activities</b>                   |       |                         |
| Returns to CRF  |       | (403,152)               |
| Proceeds from borrowings                                      |       | -                       |
| Repayment of borrowings                                       |       | -                       |
| <b>Net cash flows from financing Activities</b>               |       | <b>(403,152)</b>        |
| <b>Net increase/(decrease) in cash &amp; Cash equivalents</b> |       | <b>(22,841,927)</b>     |

*Nyandarua County Assembly*  
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| <b>Description</b>                                | <b>Notes</b> | <b>Period ended June, 2025</b> |
|---|--------------|--------------------------------|
|   |              | <b>Kshs</b>                    |
| Cash and cash equivalents as at Period Start      | 21           | 33,693,110                     |
| <b>Cash and cash equivalents as at Period End</b> | <b>21</b>    | <b>10,851,183</b>              |

NB: Cash flow statement is prepared from the cash book with actual cash receipts and payments

*(PSASB has prescribed the use of the direct method for cash flow preparation)*

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

| Recurrent and Development Budgets Combined                |                    |                     |                    |                         |                               |                  |
|---|--------------------|---------------------|--------------------|-------------------------|-------------------------------|------------------|
| Revenue/expenditure item                                  | Original budget    | Adjustments         | Final budget       | Actual comparable basis | Budget utilization difference | % of utilization |
| A   | B                  | C=(a+b)             | D                  | E=(c-d)                 | F=d/c * 100                   |                  |
| <b>Revenues</b>   |                    |                     |                    |                         |                               |                  |
| Opening balance (Non-refundable special purpose accounts) |                    |                     | -                  |                         | -                             |                  |
| Transfers from CRF  | 954,760,000        | (81,841,752)        | 872,918,248        | 868,102,738             | 4,815,510                     | 99%              |
| Miscellaneous Revenue                                     |                    |                     | -                  |                         | -                             |                  |
| Other income  |                    |                     | -                  |                         | -                             |                  |
| Total revenues  | 954,760,000        | (81,841,752)        | 872,918,248        | 868,102,738             | 4,815,510                     | 99%              |
| <b>Expenses</b>   |                    |                     |                    |                         |                               |                  |
| Employee costs  | 436,912,394        | (41,532,946)        | 395,379,448        | 392,244,598             | 3,134,850                     | 99%              |
| Use of goods and services                                 | 327,884,412        | (12,937,806)        | 314,946,606        | 313,420,158             | 1,526,448                     | 100%             |
| Transfers to other Government Entities                    | 106,167,574        |                     | 106,167,574        | 106,167,574             | -                             | 100%             |
| Other Grants and Subsidies                                |                    |                     | -                  |                         | -                             |                  |
| Finance costs   |                    |                     | -                  |                         | -                             |                  |
| Social Benefits   |                    |                     | -                  |                         | -                             |                  |
| <b>Total</b>  | <b>870,964,380</b> | <b>(54,470,752)</b> | <b>816,493,628</b> | <b>811,832,330</b>      | <b>4,661,298</b>              | <b>99%</b>       |
| Capital items   |                    |                     |                    |                         |                               |                  |
| Acquisition of PPE  | 83,795,620         | (27,371,000)        | 56,424,620         | 56,226,449              | 198,171                       | 100%             |
| Acquisition of Intangible assets                          |                    |                     | -                  |                         | -                             |                  |
| Purchase of investments                                   |                    |                     | -                  |                         | -                             |                  |

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|                                   |             |              |             |             |           |      |
|-----------------------------------|-------------|--------------|-------------|-------------|-----------|------|
| Repayment of borrowings           |             |              |             |             |           |      |
| <b>Total expenses Development</b> | 83,795,620  | (27,371,000) | 56,424,620  | 56,226,449  | 198,171   | 100% |
| <b>Total Expenses</b>             | 954,760,000 | (81,841,752) | 872,918,248 | 868,058,779 | 4,859,469 | 99%  |
| Surplus/ deficit                  | -           | -            | -           | 43,959      |           |      |

**Reconciliation Table**

|  | Operating        | Financing | Investing         | total             |
|--|------------------|-----------|-------------------|-------------------|
| <i>Actual amounts on comparable basis presented in the budget and actual comparative statement</i> | 43,959           | -         | -                 | 43,959            |
| <i>Opening Cash and cash equivalent</i>  | 33,693,110       | -         | -                 | 33,693,110        |
| <i>Timing differences (Less receipts received in July 2025)</i>                                    | (74,935,870)     | -         | -                 | (74,935,870)      |
| <i>Entity differences (Payable made in July)</i>   | 67,294,699       | -         | 11,701,215        | 78,995,914        |
| <i>Decrease in payables- Retention</i>   | (26,542,781)     |           |                   | (26,542,781)      |
| <i>Classification differences</i>  | (403,150)        | -         | -                 | (403,150)         |
| <b>Actual in the statement of cashflows</b>  | <b>(850,032)</b> | <b>-</b>  | <b>11,701,215</b> | <b>10,851,183</b> |

- There was no significant underutilization or overutilization.
- The difference is due to reallocations

## **15. Notes to the Financial Statements**

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### **1. General Information**

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

### **2. Statement of Compliance and Basis of Preparation**

#### **Statement of compliance**

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

#### **Guiding note during the transition period:**

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

*These financial statements were authorised for issue by the accounting officer on 27<sup>th</sup> August 2025*

#### **Basis of Preparation**

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Entity. The accounting policies adopted have been consistently applied to all the years presented.

#### **Reporting period**

The reporting period for these financial statements is for the period ended 30<sup>th</sup> June, 2025.

## Notes to the financial statements

### Critical accounting judgements

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

#### Recognition of revenue

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

#### Recognition of non-exchange expenses and liabilities

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

The *entity* pursues a number of policy targets and outcomes. However, the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the *entity* is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the *entity* policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the *entity's* future actions, expenses (and other related liabilities) are recognized for that policy.

#### Purpose and nature of financial instruments

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

#### Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO<sub>2</sub>eq. Entities commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

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

**3. Adoption of New and Revised Standards**

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

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

| Standard                | Effective date and impact:  |
|-------------------------|---|
|                         | <p>infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><b>State the expected impact of the standard to the Entity if relevant</b><br/>N/A</p>   |
| IPSAS 46<br>Measurement | <p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b>State the expected impact of the standard to the Entity if relevant</b><br/>N/A</p> |

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

| Standard                          | Effective date and impact:   |
|-----------------------------------|--|
| IPSAS 47-<br>Revenue              | <p><b>Applicable 1<sup>st</sup> January 2026</b></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> <p><b>State the expected impact of the standard to the Entity if relevant</b><br/>N/A</p> |
| IPSAS 48-<br>Transfer<br>Expenses | <p><b>Applicable 1<sup>st</sup> January 2026</b></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> <p><b>State the expected impact of the standard to the Entity if relevant</b><br/>N/A</p>   |

| <b>Standard</b>   | <b>Effective date and impact:</b>   |
|---|---|
| IPSAS 49-<br>Retirement<br>Benefit Plans                                | <p><b>Applicable 1<sup>st</sup> January 2026</b></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> <p><b>State the expected impact of the standard to the Entity if relevant</b></p> <p>N/A</p>  |
| IPSAS 50:<br>Exploration For<br>& Evaluation of<br>Mineral<br>Resources | <p><b>Applicable 1<sup>st</sup> January 2027</b></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"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>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.</li> </ol> <p><b>State the expected impact of the standard to the Entity if relevant</b></p> <p>N/A</p> |

*iii) Early adoption of standards*

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

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2024/25 was approved by the County Assembly on 11<sup>th</sup> June, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of 2024 on the 2024/25 budget following the governing body's approval. The Assembly's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

**Budget information (continued)**

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

**c) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an ~~xx~~ year period. Investment properties are derecognized

either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**d) Property, plant and equipment**

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

**e) Right of use asset**

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

**f) Tangible Natural Resources**

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

transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

### **Leases**

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

### **Notes to the Financial Statements (Continued)**

#### **g) Intangible assets**

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

#### **h) Research and development costs**

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

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

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

**i) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**i. Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized

cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

#### **Notes to the Financial Statements (Continued)**

##### **Fair value through net assets/ equity**

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

##### **Trade and other receivables**

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

##### **Fair value through surplus or deficit**

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

##### **Impairment**

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

#### **ii. Financial liabilities**

##### **Classification**

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

**j) Inventories**

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

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

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

**k) Provisions**

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

**l) Contingent liabilities**

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

**m) Contingent assets**

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

**n) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

**o) Changes in accounting policies and estimates**

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

**p) Employee benefits**

**Retirement benefit plans**

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

**q) Foreign currency transactions**

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

**r) Borrowing costs**

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

**s) Related parties**

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

**t) Service concession arrangements.**

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party

contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**u) Cash and cash equivalents**

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

**Notes to the Financial Statements (Continued)**

**v) Comparative figures**

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

**w) Subsequent events**

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

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

**Provisions**

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

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

**6. Transfers from CRF**

| <b>Nature of Transfer</b> | <b>Amount recognized to Statement of financial performance.</b> | <b>Amount deferred under deferred income.</b> | <b>Total transfers for Period ended Jun-25</b> |
|---------------------------|---|---|--|
|                           | Kshs  | Kshs  | Kshs   |
| Recurrent                 | 818,332,360   |   | 750,525,427                                    |
| Development               | 49,770,378  |   | 42,641,441                                     |
| Special purpose transfers |   |   | -  |
| <b>Total</b>              | <b>868,102,738</b>  | <b>-</b>                                      | <b>793,166,868</b>                             |

**7. Miscellaneous Revenue**

N/A

**8. Other Incomes**

N/A

Notes to the Financial Statements (Continued)

9. Employee Costs

| Description  | Period ended       |
|--|--------------------|
|  | Jul-25             |
|  | Kshs               |
| Basic salaries of permanent employees                                  | 190,621,111        |
| Basic wages of temporary employees                                     | 3,932,110          |
| Personal allowances – part of salary                                   | 147,436,385        |
| Pension and other social security contributions                        | 15,942,107         |
| Employer contributions to compulsory national social security schemes  | 2,769,480          |
| Employer contributions to compulsory national health insurance schemes | -                  |
| Other social benefit schemes   | 26,768,273         |
| Other personnel costs  | 4,775,133          |
| <b>Employee costs</b>  | <b>393,023,822</b> |

\* Other personnel costs- please provide a brief explanation for these costs

**Other personnel costs relate to the employer contributions towards Housing Levy**

## 10. Use of Goods and Services

| Description  | 2024/2025          |
|--|--------------------|
|  |                    |
| Utilities, supplies and services                             | 4,504,623          |
| Communication, supplies and services                         | 6,940,888          |
| Domestic travel and subsistence                              | 112,247,557        |
| Foreign travel and subsistence                               | 11,752,687         |
| Printing, advertising, and information supplies & services   | 7,760,050          |
| Rentals of produced assets                                   | 3,000,000          |
| Training expenses  | 20,576,790         |
| Hospitality supplies and services                            | 41,774,416         |
| Insurance costs  | 20,306,631         |
| Specialized materials and services                           | 3,912,279          |
| Other operating expenses <i>including bank Charges</i>       | 24,513,129         |
| Office and general supplies and services                     | 4,421,215          |
| Fuel Oil and Lubricants                                      | 6,000,000          |
| Routine maintenance – vehicles and other transport equipment | 3,355,549          |
| Routine maintenance – other assets                           | 4,522,266          |
| Others (specify)   | -                  |
| <b>Total</b>   | <b>275,588,080</b> |

## Notes to the Financial Statements (Continued)

## 11. Transfers to Other Government Entities

| Description                                       | <i>Period ended</i> |
|---|---------------------|
|   | <i>Jun-25</i>       |
|   | <b>Kshs</b>         |
| Transfers to other County Government entities     |                     |
| Transfers to car loan and mortgage schemes- MCAs  | 60,000,000          |
| Transfers to car loan and mortgage schemes- Staff | 46,167,574          |
| Others (specify)                                  |                     |
| <b>Total</b>                                      | <b>106,167,574</b>  |

## 12. Depreciation and Amortization Expense

| Description                         | <i>Period ended</i> |
|-------------------------------------|---------------------|
|                                     | <i>Jun-25</i>       |
|                                     | <b>Kshs</b>         |
| Property, plant and equipment       | 1,663,052           |
| Intangible assets                   |                     |
| Investment property carried at cost |                     |
| <b>Total</b>                        | <b>1,663,052</b>    |

## 13. Other Grants and Subsidies

N/A

## 14. Finance Costs

N/A

## 15. Social Benefits

N/A

## 16. Gain/Loss on Sale of Assets

N/A

## 17. Gain/Loss on Foreign Exchange

N/A

## 18. Gain/Loss on Fair Value Investments

N/A

## 19. Impairment Loss

N/A

## Notes to the Financial Statements (Continued)

## 20. Taxation

N/A

## 21. Cash and Cash Equivalents

| Description  | Period ended      | Opening Statement         |
|--|-------------------|---------------------------|
|  | Jun-25            | 1 <sup>st</sup> July 2024 |
|  | Kshs              | Kshs                      |
| Recurrent Account                                      | 3,552,929         | 42                        |
| Development Account                                    | 551,077           | 403,110                   |
| Deposits Account                                       | 6,747,177         | 33,289,958                |
| Special Purpose Accounts                               |                   |                           |
| Other operating commercial accounts ( <i>Specify</i> ) |                   |                           |
| <b>Total</b>   | <b>10,851,183</b> | <b>33,693,110</b>         |

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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

| Financial Institution                                       | Account number | Period ended      | Opening Statement         |
|---|----------------|-------------------|---------------------------|
|   |                | Jun-25            | 1 <sup>st</sup> July 2025 |
|   |                | Kshs              | Kshs                      |
| <b>Recurrent Accounts</b>                                   |                |                   |                           |
| CBK00001  | 1000239743     | 3,552,929         | 42                        |
| <b>Development Accounts</b>                                 |                |                   |                           |
| CBK00002  | 1000250135     | 551,077           | 403,110                   |
| <b>Deposits Accounts</b>                                    |                |                   |                           |
| CBK00003  | 1000292978     | 6,747,177         | 33,289,958                |
| <b>Special Purpose Accounts</b>                             |                |                   |                           |
| CBK00004  | 10000xxx       |                   |                           |
| <b>Other operating commercial accounts (<i>Specify</i>)</b> |                |                   |                           |
| Cash on Hand  |                |                   |                           |
| <b>Total</b>  |                | <b>10,851,183</b> | <b>33,693,110</b>         |

Notes to the Financial Statements (Continued)

22. Receivables from Exchange Transactions

N/A

i) Ageing analysis for Receivables

N/A

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

N/A

23. Receivables from Non-Exchange Transactions

| Description  | Period ended<br>June 2025 | Opening Statement<br>1 <sup>st</sup> July 2025 |
|--|---------------------------|--|
|  | Kshs                      | Kshs   |
| Government Imprest                                       | 600,000                   | 600,000  |
| Surrendered Imprest                                      | (600,000 )                |  |
| Transfer from CRF  | 74,935,870                | -  |
| <b>Total receivables from non- exchange transactions</b> | <b>74,935,870</b>         | <b>600,000</b>                                 |

| Ageing Analysis- Receivables from non- exchange transactions | 2024/2025         | % of the total | Opening Balance | % of the total |
|--|-------------------|----------------|-----------------|----------------|
| Less than 1 year   | 74,935,870        | 100%           |                 |                |
| Between 1-2 years  |                   |                | 600,000         | 100%           |
| Over 3 years   |                   |                |                 |                |
| <b>Total</b>   | <b>74,935,870</b> |                | <b>600,000</b>  |                |

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

N/A

24. Inventories

| Description | 2024/2025 | Opening Statement<br>1 <sup>st</sup> July 2025 |
|-------------|-----------|--|
|             | Kshs      | Kshs   |
| STATIONARY  | 70,635    | -  |
| TONNERS     | 2,908,150 | -  |
| TYRES       | 921,760   | -  |

|              |           |   |
|--------------|-----------|---|
| <b>Total</b> | 3,900,545 | - |
|--------------|-----------|---|

**Detailed disclosure on inventories**

|                                  | <b>Insert Current<br/>FY</b> |
|----------------------------------|------------------------------|
| Opening balance                  | -                            |
| Additional Inventory in the year | 5,769,310                    |
| Inventory expensed in the year   | 1,868,765                    |
| Write-downs in the year          | -                            |
| Others specify                   | -                            |
| Closing balance                  | 3,900,545                    |

**25. Prepayment**

| <b>Description</b>         | <b>Period ended June<br/>2025</b> | <b>Opening<br/>Statement<br/>1<sup>st</sup> July 2024</b> |
|----------------------------|-----------------------------------|---|
|                            | <b>Kshs</b>                       | <b>Kshs</b>   |
| Prepayments<br>(Insurance) | 12,539,995                        | -   |
| <b>Total Prepayment</b>    | <b>12,539,995</b>                 | <b>-</b>  |

Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

|   | Land        | Buildings   | Motor vehicles | Infrastructure assets | Furniture and fittings | Computers & ICT Equipment | Library Assets-Books | Software    | Service concession assets | Total             |
|---|-------------|-------------|----------------|-----------------------|------------------------|---------------------------|----------------------|-------------|---------------------------|-------------------|
| <b>Depreciation Rate</b>                          |             | 2-10%       | 10-16.67%      | 2-20%                 | 12.50%                 | 33.30%                    | N/A                  | 20%         |                           |                   |
| <b>Cost</b>                                       | <b>Kshs</b> | <b>Kshs</b> | <b>Kshs</b>    | <b>Kshs</b>           | <b>Kshs</b>            | <b>Kshs</b>               | <b>Kshs</b>          | <b>Kshs</b> | <b>Kshs</b>               | <b>Kshs</b>       |
| <b>Opening Bal as 1<sup>st</sup> July 2024</b>    |             |             |                |                       |                        |                           |                      |             |                           | <b>0</b>          |
| Additions   |             | 38,496,834  |                |                       | 9,306,655              | 8,189,777                 | 299,250              |             |                           | <b>56,292,516</b> |
| Disposals   |             |             |                |                       |                        |                           |                      |             |                           | -                 |
| Transfer/Adjustments                              |             |             |                |                       |                        |                           |                      |             |                           | -                 |
| <b>As at June 2025</b>                            |             |             |                |                       |                        |                           |                      |             |                           | <b>-</b>          |
| <b>Depreciation And Impairment</b>                |             |             |                |                       |                        |                           |                      |             |                           |                   |
| Depreciation                                      |             | 64,161      |                |                       | 868,586                | 730,305                   |                      |             |                           | <b>1,663,052</b>  |
| Disposals   |             |             |                |                       |                        |                           |                      |             |                           | -                 |
| Impairment  |             |             |                |                       |                        |                           |                      |             |                           | -                 |
| Transfer/Adjustment                               |             |             |                |                       |                        |                           |                      |             |                           | -                 |
| <b>As at June 2025</b>                            |             |             |                |                       |                        |                           |                      |             |                           | <b>-</b>          |
| <b>Net Book Values</b>                            |             |             |                |                       |                        |                           |                      |             |                           |                   |
| <b>Opening Bal as at 1<sup>st</sup> July 2024</b> |             |             |                |                       |                        |                           |                      |             |                           | <b>-</b>          |

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|               | Land | Buildings  | Motor vehicles | Infrastructure assets | Furniture and fittings | Computers & ICT Equipment | Library Assets-Books | Software | Service concession assets | Total      |
|---------------|------|------------|----------------|-----------------------|------------------------|---------------------------|----------------------|----------|---------------------------|------------|
| As At June 20 |      | 38,432,673 |                |                       | 8,438,069              | 7,459,472                 | 299,250              | -        | -                         | 54,629,764 |

Property, Plant and Equipment at Cost

|   | Cost              | Accumulated Depreciation | NBV               |
|---|-------------------|--------------------------|-------------------|
|   | Kshs              | Kshs                     | Kshs              |
| Land                                      | -                 | -                        | -                 |
| Buildings                                 | 38,496,834        | 64,161                   | 38,432,673        |
| Plant And Machinery                       | -                 | -                        | -                 |
| Motor Vehicles, Including Motorcycles     | -                 | -                        | -                 |
| Computers And Related Equipment           | 8,189,777         | 730,305                  | 7,459,472         |
| Library Assets-Books                      | 299,250           | -                        | 299,250           |
| Office Equipment, Furniture, And Fittings | 9,306,655         | 868,586                  | 8,438,069         |
| <b>Total</b>                              | <b>56,292,516</b> | <b>1,663,052</b>         | <b>54,629,464</b> |

Notes to the Financial Statements (Continued)

27. Intangible Assets

| Description  | 2024/2025  |
|--|------------|
|  | Kshs       |
| <b>Cost/Opening balance at the beginning of the year</b> | 13,477,756 |
| Additions  | -          |
| Disposal   | -          |
| <b>At end of the year</b>                                | 13,477,756 |
| Additions—internal development                           | -          |
| Disposal   | -          |
| <b>At end of the year</b>                                | -          |
| <b>Amortization and impairment</b>                       |            |
| <b>At beginning of the year</b>                          | -          |
| Amortization   | -          |
| <b>At end of the year</b>                                | -          |
| Impairment loss  | -          |
| <b>At end of the year</b>                                | -          |
| <b>NBV</b>   | 13,477,756 |

28. Investment Property

N/A

29. Right-of-use assets

N/A

30. Biological Assets

N/A

31. Tangible Natural Resources

N/A

## 32. Trade and Other Payables

| Description                                    | Period ended June 2025 |       | Opening Statement<br>1 <sup>st</sup> July 2024 |                |
|--|------------------------|-------|--|----------------|
|  | Kshs                   |       | Kshs   |                |
| Trade payables                                 | 97,970,575             |       | 108,094,033                                    |                |
| Staff payables                                 | 27,902,605             |       | 60,394,975                                     |                |
| Employee payables                              | 38,445,369             |       | -  |                |
| Third-party payments                           | -                      |       | -  |                |
| Other payables                                 | -                      |       |  |                |
| <b>Total trade and other payables</b>          | <b>164,318,549</b>     |       | <b>168,489,008</b>                             |                |
|  |                        |       |  |                |
| Ageing analysis:<br>(Trade and other payables) | 2024/2025              | %     | Opening balance                                | % of the Total |
| Under one year                                 | 78,224,566             | 47.6% | 47,922,343                                     | 28.4%          |
| 1-2 years                                      | 28,242,193             | 17.2% | 13,294,300                                     | 7.9%           |
| 2-3 years                                      | 1,314,360              | 0.8%  | 47,100,175                                     | 28%            |
| Over 3 years                                   | 56,537,430             | 34.4% | 60,172,190                                     | 35.7%          |
| <b>Total (tie to above total)</b>              | <b>164,318,549</b>     |       | <b>168,489,008</b>                             |                |

Notes to the Financial Statements (Continued)

**33. Refundable Deposits and Prepayments**

| Description                             | Period ended June 2025 |  | Opening Statement<br>1 <sup>st</sup> July 2024 |  |
|---|------------------------|--|--|--|
|   | Kshs                   |  | Kshs   |  |
| Retentions                              | 6,747,177              |  | 33,289,958                                     |  |
| Prepayments (Electricity and Insurance) |                        |  |  |  |
| Other deposits                          | -                      |  | -  |  |
| <b>Total deposits</b>                   | <b>6,747,177</b>       |  | <b>33,289,958</b>                              |  |

| Ageing analysis:<br>(Refundable deposits) | 2024/2025        | % of the<br>Total | Opening<br>Balance | % of the Total |
|---|------------------|-------------------|--------------------|----------------|
| Under 1 year                              | 1,086,732        | 16%               | 2,855,920          | 9%             |
| 1-2 years                                 | 2,855,920        | 42%               | 8,198,296          | 25%            |
| 2-3 years                                 | 1,382,608        | 20%               | 8,656,068          | 26%            |
| Over 3 years                              | 1,421,917        | 21%               | 13,579,674         | 41%            |
| <b>Total</b>                              | <b>6,747,177</b> |                   | <b>33,289,958</b>  |                |

**34. Provisions**

N/A

**35. Lease Liabilities**

N/A

**36. Deferred Income**

N/A

**37. Employee Benefit Obligations**

N/A

**38. Borrowings**

N/A

**39. Service Concession Arrangements Liability**

N/A

**40. Cash Generated from Operations**

|  | Period ended June<br>2025 |
|--|---------------------------|
| <b>Surplus for the year before tax</b>         | 91,659,911                |
| <b>Adjusted for:</b>                           |                           |
| Depreciation                                   | 1,663,052                 |
| Non-cash grants received                       | -                         |
| Contributed assets                             | -                         |
| Impairment                                     | -                         |
| Gains and losses on disposal of assets         | -                         |
| Contribution to provisions                     | -                         |
| Contribution to impairment allowance           | -                         |
| <b>Working capital adjustments</b>             |                           |
| Increase in inventory                          |                           |
| increase in receivables                        | ((74,335,870))            |
| Increase in prepayments                        | (12,539,995)              |
| Increase in deferred income                    |                           |
| Increase in payables                           | 42,182,141                |
| Increase in payments received in advance       | -                         |
| <b>Net cash flow from operating activities</b> | <b>48,629,239</b>         |

**41. 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**

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.

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:

### **Financial Risk Management**

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

#### **ii) Liquidity risk management**

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

### **Financial Risk Management**

#### **iii) Market risk**

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

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

**a) Foreign currency risk**

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

**Financial Risk Management**

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

**Financial Risk Management**

N/A

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

**b) Interest rate risk**

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

### **Management of interest rate risk**

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

### **Financial Risk Management**

#### **Sensitivity analysis**

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

#### **Fair value of financial assets and liabilities**

##### **a) Financial instruments measured at fair value.**

##### **Determination of fair value and fair values hierarchy**

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

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

### **Financial Risk Management**

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

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

**iv) Capital Risk Management**

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

N/A

**42. Related Party Disclosures**

**Nature of related party relationships**

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

**Government of Kenya**

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

**Other related parties include:**

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

|   | FY 2024/2025 |
|---|--------------|
|   | Kshs         |
| <b>Transactions with related parties</b>            |              |
| <b>a) Sales to related parties</b>                  |              |
| Others (specify) e.g. interest and bank charges     | -            |
| <b>Total</b>  | -            |
| <b>B) purchases from related parties</b>            |              |
| Purchases of electricity from KPLC                  | 4,504,623    |
| Purchase of water from govt service providers       | -            |
| Rent expenses paid to govt agencies                 | -            |
| Training and conference fees paid to govt. Agencies | -            |
| Others (specify)                                    | -            |
| <b>Total</b>  | 4,504,623    |

|  | FY 2024/2025      |
|--|-------------------|
|  | Kshs              |
| <b>b) Grants /transfers from the government</b>        |                   |
| Grants from national govt                              | -                 |
| Grants from county government                          | -                 |
| Donations in kind                                      | -                 |
| <b>Total</b>   | -                 |
| <b>c) Expenses incurred on behalf of related party</b> |                   |
| Payments of salaries and wages for xxx employees       | -                 |
| Payments for goods and services for xxx                | -                 |
| <b>Total</b>   |                   |
| <b>d) Key management compensation</b>                  |                   |
| Compensation to key management                         | 25,190,910        |
| <b>Total</b>   | <b>29,695,533</b> |

#### 43. Segment Information

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

#### 44. Contingent Assets and Contingent Liabilities

##### Contingent Assets

N/A

##### Contingent Liabilities

|  | <i>Period ended June 2025</i> |
|--|-------------------------------|
|  | Kshs                          |
| <b>Contingent Liabilities</b>  |                               |
| Legal Costs Nakuru HC petition No. E002 2021 consolidated with Petition E001 of 2021-Ndegwa Wahome | 1,235,6550                    |
| Legal Costs Nakuru ELRC Petition No. 33 of 2016 & civil appeal No. 85 of 2018- Purity Kamuruci     | 959,529                       |
| Legal Costs Nakuru HC Petition No. E008 of 2021- Ndegwa Wahome                                     | 496,470                       |

|   | <i>Period ended June 2025</i> |
|---|-------------------------------|
|   | <b>Kshs</b>                   |
| Legal Damages Nakuru Elrc petition NO.E028 OF 2021; Elizabeth Wanjiku Muthui & Others-Vs-Nyandarua County Assembly & 2 Others | 1,000,000                     |
| Others (Specify)  |                               |
| <b>Total</b>  | <b>3,691,654</b>              |

**45. Capital Commitments**

N/A

**46. Program for Results (PforR) Disclosure**

N/A

**47. Events after the Reporting Period**

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

**48. Ultimate And Holding Entity**

The Entity ultimate parent is the Government of Kenya.

**49. Currency**

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

**16. Appendix**

**Appendix 1: Implementation Status of Auditor-General’s Recommendations**

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

| Reference No. on the external audit Report | Issue / Observations from Auditor     | Management comments  | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---------------------------------------|--|-----------------------------------|--|
| <b>Basis for qualified Opinion</b>         |                                       |  |                                   |  |
| 1.   | Unsupported allowances Mileage        | The purpose of the mileage vote is to cater for both staff and members transport costs. Whereby members are paid mileage allowance based on distance while the staff are refunded transport if not facilitated with official vehicle while on official duty. A report from the public works on distance is attached (Annex 16.1) | Resolved                          |  |
| 2  | Variance in pending accounts Payable  | The financial statements were amended and submitted to the Auditor on 10 <sup>th</sup> December 2024- A committee was also formed to look at the validity of the pending bills   | Resolved                          |  |
| 3  | Non-Compliance with the cut off dates | This was as a result of cash accounting basis, however the transition to accrual basis of accounting has solved the issue.   | Resolved                          |  |
| <b>Basis of conclusion</b>                 |                                       |  |                                   |  |
| 1  | Irregular payment for foreign travel  | The program, attendance registers, back to office reports were attached  | Resolved                          |  |

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| Reference No. on the external audit Report | Issue / Observations from Auditor  | Management comments   | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---|-----------------------------------|--|
| 2  | Irregular payments to Society of Clerks At-The-Table                     | The payments have since stopped   | Resolved                          |  |
| 3  | Non-Compliance with SRC-Guidelines on the County Assembly Speakers House | There was no government land allocated for the construction of the Speakers residence hence the land was bought from an individual  | Resolved                          |  |
| 4  | Long Outstanding pending bills   | The management ensured that the pending bills formed the first charge, however, most of the pending bills relates to legal charges during the political wrangles and it's therefore not possible to budget for the whole amount in one financial year | Partly Resolved                   | By the end of FY 2025/2026                                       |
| 5  | Irregular payment of house allowances for members of staff               | That all public servants who were employed by the Nyandarua County Assembly in the year 2013 were paid house allowances as per the SRC Circular ref no. SRC/TS/CGOVT/3/16 dated 29 <sup>th</sup> July, 2013   | Resolved                          |  |

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| Reference No. on the external audit Report | Issue / Observations from Auditor                | Management comments   | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---|-----------------------------------|--|
| 6  | Direct Procurement of rent and rates             | <p><i>The Assembly has 25 Wards and, in each ward, we have the Member of County Assembly facilitating the procurement of offices to suit the needs of each ward.</i></p>  | Resolved                          |  |
| 7  | None compliance with one third basic salary rule | <p><i>The government of Kenya introduced statutory deductions on the gross salary of all employees, which included Affordable Housing Levy (AHL) at 1.5% and Social Health Insurance Fund, SHIF at 2.75%.</i></p> <p><i>At the time of this implementation, the employees in question had committed their salaries to the maximum as per the provision of the one-third-rule.</i></p> | Not resolved                      |  |

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| Reference No. on the external audit Report | Issue / Observations from Auditor  | Management comments   | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---|-----------------------------------|--|
| 8  | Irregularities in the construction of boundary wall for the Speakers Residence | <i>The management confirms that the project is still on-going and the contingencies could only be considered at the final stage of financial appraisal during the practical completion where the omissions and additions would be considered.</i> | Resolved                          |  |
| <b>Internal Controls</b>                   |  |   |                                   |  |
| 1  | Non-maintenance of updated Fixed Asset Register                                | The asset register has now been updated as per the templates provided by the National treasury capturing all the details as observed by the Auditor General   | Resolved                          |  |
| 2  | Fraud Management Policy  | This is enshrined in the Anticorruption policy which is at the draft level  | Not Resolved                      | By the end of FY:2025/2026                                       |
| 3  | Lack of Business Continuity and Disaster recovery plans                        | The policy is at the draft level  | Not Resolved                      | By the end of FY:2025/2026                                       |

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;

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- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to County Treasury.



**MUKIRI MUCHIRI(MIR.)**

Accounting Officer

Date... 14/11/2025 .....

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**Appendix II: Projects implemented by Nyandarua County Assembly**

**Appendix III: Status of Projects completion**

| <b>Project</b>        | <b>Total project Cost</b> | <b>Total expended to date</b> | <b>Completion % to date</b> | <b>Budget</b> | <b>Actual</b> | <b>Sources of funds</b> |
|-----------------------|---------------------------|-------------------------------|-----------------------------|---------------|---------------|-------------------------|
| Admin Block-Retention | 26,678,360                | -                             | 100%                        | 26,678,360    | 26,678,360    | Exchequer               |

**Appendix IV: Transfers from Other Government Entities**

N/A

**Appendix VI: Reporting of Climate Relevant Expenditures**

N/A

**Appendix VII: Disaster Expenditure Reporting Template**

N/A

## Appendix VIII: Fixed Asset Register

| Asset class                                    | Historical Cost b/f<br>(Kshs)<br>Previous Year | Additions during<br>the year<br>(Kshs) | Disposals<br>during the<br>year<br>(Kshs.) | Transfers<br>in/(out)<br>during the<br>year | Historical Cost c/f<br>(Kshs)<br>Current Year |
|--|--|--|--|---|---|
| Land   | 10,000,000                                     | -                                      | -  | -   | 10,000,000                                    |
| Buildings and<br>structures                    | 794,251,686                                    | 38,496,834                             | -  | -   | 832,748,520                                   |
| Transport<br>equipment                         | 72,879,494                                     | -                                      | -  | -   | 72,879,494                                    |
| Office equipment,<br>furniture and<br>fittings | 69,164,820                                     | 9,306,655                              | -  | -   | 78,471,475                                    |
| ICT Equipment                                  | 29,532,979                                     | 8,189,777                              | -  | -   | 37,722,756                                    |
| Machinery and<br>Equipment                     | 10,496,880                                     | -                                      | -  | -   | 10,496,880                                    |
| Biological assets                              | -  | -                                      | -  | -   | -   |
| Infrastructure<br>Assets- Roads,<br>Rails      | -  | -                                      | -  | -   | -   |
| Heritage and<br>cultural assets                | -  | -                                      | -  | -   | -   |

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| Asset class       | Historical Cost b/f<br>(Kshs)<br>Previous Year | Additions during<br>the year<br>(Kshs) | Disposals<br>during the<br>year<br>(Kshs.) | Transfers<br>in/(out)<br>during the<br>year | Historical Cost c/f<br>(Kshs)<br>Current Year |
|-------------------|--|--|--|---|---|
| Intangible assets | 13,477,756                                     | -                                      | -  | -   | 13,477,756                                    |
| Work in Progress  | -  | -                                      | -  | -   | -   |
| Library Assets    | -  | 299,250                                | -  | -   | 299,250                                       |
| <b>Total</b>      | <b>999,803,615</b>                             | <b>56,292,516</b>                      | <b>-</b>                                   | <b>-</b>                                    | <b>1,056,096,131</b>                          |