


REPUBLIC OF KENYA



**REPORT**

|                                                                                                                                    |              |
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| <br><b>THE NATIONAL ASSEMBLY</b><br>PAPERS LAID |              |
| DATE: 03 MAR 2026                                                                                                                  | DAY: Tuesday |
| OF ABLED BY: Hon. Naomi Wago<br>Deputy Majority Whip                                                                               |              |
| CLERK-AT-TABLE: Mado Atabo                                                                                                         |              |

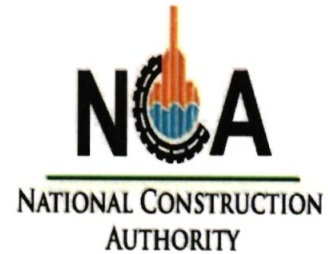
PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL CONSTRUCTION AUTHORITY**

**FOR YEAR ENDED  
30 JUNE, 2025**



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**NATIONAL CONSTRUCTION AUTHORITY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2025**

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

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## **1. Acronyms, Abbreviations and Glossary of Terms**

### **A: Acronyms and Abbreviations**

|       |                                                    |
|-------|----------------------------------------------------|
| Arch. | Architect                                          |
| CBK   | Central Bank of Kenya                              |
| CEO   | Chief Executive Officer                            |
| CPA   | Certified Public Accountant                        |
| DOB   | Date of Birth                                      |
| ED    | Executive Director                                 |
| Eng.  | Engineer                                           |
| FA    | Financial Analyst                                  |
| ICPAK | Institute of Certified Public Accountants of Kenya |
| IPSAS | International Public Sector Accounting Standards   |
| NBV   | Net Book Value                                     |
| NT    | National Treasury                                  |
| OAG   | Office of the Auditor General                      |
| OCOB  | Office of the Controller of Budget                 |
| OSHA  | Occupational Safety and Health Act of 2007         |
| PFM   | Public Finance Management                          |
| PPE   | Property Plant & Equipment                         |
| PSASB | Public Sector Accounting Standards Board           |
| Qs.   | Quantity surveyor                                  |
| SAGAs | Semi-Autonomous Government Agencies                |
| SC    | State Corporations                                 |
| SCAC  | State Corporations Advisory Committee              |
| US    | United States                                      |
| WB    | World Bank                                         |
| WIP   | Work in progress                                   |
| YOB   | Year of Birth                                      |

### **B: Glossary of Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organisation

**Comparative Year-** Means the prior period.

## 2. Key Entity Information and Management

### (a) Background information

The National Construction Authority was established under the National Construction Authority (NCA) Act No. 41 of 2011. The Entity is domiciled in Kenya and has branches as tabulated in Table 1.

*Table 1 Regional Offices*

| <b>No.</b> | <b>Region</b>  | <b>Physical Location</b>             | <b>Contacts</b>                                     |
|------------|----------------|--------------------------------------|-----------------------------------------------------|
| 1.         | Coast          | Directorate of Public Works Mombasa  | P. O. Box 80343-801000, Mombasa<br>Tel. 0707 351398 |
| 2.         | Lower Eastern  | Directorate of Public Works Kitui    | P. O. Box 375 – 90200 Kitui<br>Tel. 0770 662469     |
| 3.         | Upper Eastern  | Directorate of Public Works Isiolo   | P. O. Box 774 – 603000 Isiolo<br>Tel. 0717 866955   |
| 4.         | Central Nyanza | Directorate of Public Works Kisumu   | P. O. Box 103-40100 Kisumu<br>Tel. 0704 737878      |
| 5.         | Central Rift   | Directorate of Public Works Nakuru   | P. O. Box 16786-20100 Nakuru<br>Tel. 0708 768457    |
| 6.         | North Rift     | Directorate of Public Works Eldoret  | P. O. Box 503-30100 Eldoret<br>Tel. 0775 502503     |
| 7.         | Mount Kenya    | Directorate of Public Works Nyeri    | P. O. Box 2542 – 10100 Nyeri<br>Tel. 0703 749742    |
| 8.         | Western        | Directorate of Public Works Kakamega | P. O. Box 1798-50100 Kakamega<br>Tel. 0720 342594   |
| 9.         | North Eastern  | Directorate of Public Works Garissa  | P. O. Box 1015-70100 Garissa<br>Tel. 0707 999455    |
| 10.        | South Nyanza   | Directorate of Public Works Kisii    | P. O. Box 3303-40200 Kisii<br>Tel. 0729 931866      |

|     |         |                                                    |                                                         |
|-----|---------|----------------------------------------------------|---------------------------------------------------------|
| 11. | Nairobi | 1 <sup>st</sup> Floor, Hill Plaza<br>Ngong Road    | P. O. Box 21046 – 00100,<br>Nairobi<br>Tel. 0700 021222 |
| 12  | Kiambu  | Treasury Building off<br>Kiambu Road               | P. O. Box 1734 – 00900,<br>Kiambu<br>Tel. 0704 410497   |
| 13  | Kajiado | State Department of<br>Housing off Namanga<br>Road | P. O. Box 369 – 001100,<br>Kajiado<br>Tel. 0716 673726  |

The object for which the Authority is established is to oversee the construction industry and coordinate its development.

**(b) Principal Activities**

The Authority is Mandated to: -

- Promote and stimulate the development, improvement and expansion of the construction industry;
- Advise and make recommendations to the Cabinet Secretary on matters affecting or connected with the construction industry;
- Undertake or commission research into any matter relating to the construction industry;
- Prescribe the qualification or other attributes required for registration;
- Assist in the exportation of construction services connected to the construction industry;
- Provide consultancy and advisory services with respect to the construction industry;
- Encourage the standardization and improvement of construction techniques and materials;
- Promote and ensure quality assurance in the construction industry;
- Enforce the prescribed Building Code in the construction industry.
- Initiate and maintain a construction industry information system;

- Provide, promote, review and co-ordinate training programs organized by public and private accredited training centers for skilled construction workers and construction site supervisors;
- Accredite and register contractors and regulate their professional undertakings;
- Accredite and certify skilled construction workers and construction site supervisors;
- Develop and publish a code of conduct for the construction industry, and
- Do all other things that may be necessary for the better carrying out of its functions under the Act.

**Vision**

“An innovative, well-coordinated and prosperous construction industry”

**Mission**

“To regulate, facilitate and build capacity in the construction industry through strategic interventions and partnerships for sustainable socio-economic development”

**Core values**

As a public sector institution, the Authority is dedicated to excellence and provision of high-quality professional service to its customers. The Authority’s core values are:

- Professionalism
- Ethics and Integrity
- Efficiency
- Innovation
- Environmental stewardship
- Team spirit

**(c) Key Management**

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

Table 2: Key Management

| No. | Designation                                                                        | Name                       |
|-----|------------------------------------------------------------------------------------|----------------------------|
| 1.  | Board of Directors                                                                 |                            |
| 2.  | Executive Director                                                                 | Eng. Maurice Akech,<br>MBS |
| 3.  | General Manager, Corporate Services                                                | CPA. James Kilonzi         |
| 4.  | General Manager, Registration and Compliance                                       | Qs. Susan Rutto            |
| 5.  | General Manager, Construction Research, Business Development and Capacity Building | Dr. Chrispus Ndinyo        |
| 6.  | Manager, Finance and Accounts                                                      | CPA. Christine Kirimi      |
| 7.  | Manager, Supply Chain                                                              | Dr. Vincensia Apopa, Phd   |
| 8.  | Manager, Human Resource                                                            | CHRP. Paul Kariuki,        |
| 9.  | Manager, Administration                                                            | Mr. Daniel Kemei,          |
| 10. | Head of Legal/Corporation Secretary                                                | Mr. Samson Lukoba          |
| 11. | Manager, Planning, Quality Assurance and Risk Management                           | Mr. Paul Gesora            |
| 12. | Manager, Internal Audit                                                            | CPA. Anthony Ochieng       |
| 13. | Manager, Registration                                                              | Eng. Raymond Karani        |
| 14. | Manager, Corporate Communications                                                  | Ms. Wangui Kabala          |
| 15. | Manager, Compliance                                                                | Arch. Stephen Mwilu        |
| 16. | Manager, Training and Capacity Building                                            | Arch. Juliet Kabere        |
| 17. | Manager, ICT                                                                       | Ms. Annette Okello         |
| 18. | Manager, Construction Research and Business Development                            | Dr. Eng. Meshack Otieno    |

**(d) 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:

*Table 3: Fiduciary Management*

| <b>No.</b> | <b>Designation</b>                                                                 | <b>Name</b>             |
|------------|------------------------------------------------------------------------------------|-------------------------|
| 1.         | Executive Director                                                                 | Eng. Maurice Akech, MBS |
| 2.         | General Manager, Corporate Services                                                | CPA. James Kilonzi      |
| 3.         | General Manager, Registration and Compliance                                       | Qs. Susan Rutto         |
| 4.         | General Manager, Construction Research, Business Development and Capacity Building | Dr. Chrispus Ndinyo     |

**(e) Fiduciary Oversight Arrangements**

The Authority has identified risk management as a priority area. This is premised on the effect the risks have on the achievement of the strategic objectives of the Authority and the industry at large. The Board Audit Committee is charged with the mandate to oversee the Authority's risk procedures, review and approval of key risk policies, risk authorities and risk tolerances, governance and internal controls.

Finance, Administration and Development Committee of the Board is charged with the responsibility of providing oversight over the financial operations of the Authority. The Committee is responsible for the following functional areas of the Authority Finance & Accounts; Supply Chain; Planning, Quality Assurance & Risk Management; Legal; ICT; Corporate Communications and Administration. The Committee ensures that the policies, procedures and internal controls for the departments are effective.

Article 95 (4) (c) states that The National Assembly exercises oversight over national revenue and its expenditure. The National Assembly exercises this oversight over the Authority through the Departmental Housing, Urban Planning and Public Works committee. In addition, the other committees of

the National Assembly under which the oversight is exercised includes the Public Accounts Committee and the Public Investments Committee.

In addition to the implementation of the ERM framework, to address the inherent operational risks, the Authority has formulated comprehensive policies and procedures which are constantly under review to address any emerging risks. The board has since approved the overarching and operational risk management policies for implementation by management. Other measures instituted to mitigate against operational risks includes: effective segregation of duties; annual risk reviews; staff education and sensitization; authorization levels; and entrenching risks management culture.

**(f) Entity Headquarters**

9th Floor, KCB Towers, Kenya Road,  
P.O Box 21046-00100,  
**NAIROBI.**

**(g) Authority Contacts**

Tel : +254 709 126 102/172/173.  
Email : [info@nca.go.ke](mailto:info@nca.go.ke)  
Website : [www.nca.go.ke](http://www.nca.go.ke)

**(h) Authority Bankers**

Kenya Commercial Bank Ltd,  
Milimani Branch,  
NSSF Building, Bishops Road,  
P.O. Box 69695 – 00400  
**NAIROBI.**

NCBA, Upper Hill Branch,  
CBA Building, Mara and Ragati Roads,  
P.O Box 30437-00100  
**NAIROBI.**

Co-operative bank of Ltd

Upper Hill Branch,

KUSSCO Centre

P.O Box 30415-00100

**NAIROBI.**

Consolidated Bank of Kenya Ltd

Koinange Street Branch,

Consolidated Bank House,

P.O Box 51133 - 00200

**NAIROBI.**

**(i) Independent Auditor**

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084 - 00100

Nairobi, Kenya

**(j) Principal Legal Adviser**

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112 - 00200

Nairobi, Kenya

**3. The Board of Directors**

| Ref | Directors                                                                                                                                                                                                                                                                            | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.  |  <p><b>Mercy Okiro, FCI Arb</b><br/> <b>Chairperson of the Board,</b><br/> <b>Representing the Law</b><br/> <b>Society of Kenya</b><br/> <b>Y.O.B: 1988</b><br/> <b>Appointed on 15.11.2024</b></p> | <p>Mercy Okiro is an advocate of the High Court of Kenya with over ten years of post-admission experience. She is an Accredited Tutor, Assessor and Accredited Mediator of the Chartered Institute of Arbitrators (London) and the Nairobi Centre for International Arbitration (NCIA) as well as an Adjunct Faculty Member at the Kenya School of Law and Strathmore University. Mercy holds a Master of Arts degree in International Studies from the University of Nairobi and a Master of Laws degree in International Commercial and Investment Arbitration from Queen Mary University of London. She holds professional certifications in corporate governance, trade law and policy, ESG governance, legal audits, arbitration, mediation and sports dispute resolution. She is currently getting her certifications in FIDIC contracts management and Construction Adjudication.</p> <p>Mercy is on the panel of Neutrals of various institutions locally and regionally. She is also listed on the panel of lawyers of the Sports Disputes Tribunal in Kenya and the Court of Arbitration for Sports in Lausanne, Switzerland. She also sat on the Cricket Normalization Committee and has recently been elected to serve in the</p> |

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | <p>Court Users Committee of the Sports Dispute Tribunal in Kenya. She is the current Convenor of the Law Society of Kenya Sports Disputes Tribunal Bar-bench Committee.</p> <p>Mercy is a former Vice Chairperson of the KEPSA Gender Sector Board. She sits on the Council of the Association of Young Arbitrators, is an Advisory Board member of the Lagos Court of Arbitration (Young Arbitrators Network) and sits on the ADR Committee of East Africa Law Society. She also serves as an Ambassador for the Alliance for Equality in Dispute Resolution, Arbitrator Intelligence and Racial Equality for Arbitration Lawyers (REAL). She is part of the Steering Committee of the Equality for Representation in Arbitration, Africa. Mercy is also the Joint Secretary of the Executive Committee of the Africa Asia Mediation Association and a Fellow of the World Mediation Organization. She sits on the Sports, Arts, Culture and Heritage Board of the Kenya Private Sector Alliance, the National Technical Committees of the Kenya Bureau of Standards and the Ministry of Sports, Arts and Culture Working Groups amongst other local and international boards. She was the first Kenyan ICC YAAF Representative for Africa and on the Steering Committee of</p> |
|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | <p>the Young Members Group of CIArb London as well as the founding Chair of the Young Members Group of CIArb Kenya. She also sits on the Ministry of Lands Physical and Land Use Planning Committee. Mercy has sat on other boards and served in various leadership positions.</p> <p>She was feted in 2019 as the “The Young African Arbitration Practitioner of the year 2019”, was listed as one of Africa’s Most Promising Young Arbitrators 2020, 2021 and 2022 by the Association of Young Arbitrators, named as 2nd runner ADR Practitioner of the Year in 2021 by the Law Society of Kenya, Nairobi Branch. She was awarded the Jury’s Award in 2023 for her work in ADR by the Chartered Institute of Arbitrators, Kenya and was 1st Runners in the Category ‘Woman on Board in the 2023 Women on Boards Awards. She has been feted for her contributions to gender equality, leadership and alternative dispute resolution by various international and local organizations. She is a member of the Rotary Club of Kilimani.</p> |
|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|           |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>2.</p> |  <p><b>Arch. Nicholas Tirop Koech</b><br/> <b>Vice Chair of the Board, Representing Special Interest Groups in the construction industry</b><br/> <b>Y.O.B: 1985</b><br/> <b>Appointed on 31.05.2023</b></p> | <p>Arch. Koech holds a Bachelor of Architecture Degree from the University of Nairobi. He is an alumnus of Starehe Boys Centre and is registered by the Board of Registration of Architects and Quantity Surveyors (BORAQS) to practice Architecture. Arch. Koech is currently the Principal Architect and Managing Director of the House of Architecture in Eldoret, having previously worked at Studio Partners Nairobi and Archgrid Systems. He also served as a resident Architect and Head of Infrastructure Department at Koitaleel Samoei University College. He is also a Board Member at Ziwa Technical Training Institute and Kosirai Girls High School. He is a member of the Architectural Association of Kenya (AAK).</p> |
| <p>3.</p> |  <p><b>Peter Musango</b><br/> <b>Board Member, Representing Roads and Civil Engineering</b></p>                                                                                                            | <p>Mr. Peter Musango is registered as a graduate engineer with the Engineers Board of Kenya (EBK). He graduated with a BSc Civil Engineering (Hon) from the University of Nairobi in 1990 and gained training from the Ministry of Works and Water as well as Private Consulting Engineers in Kenya before his engagement in the private sector from 1994. He has been involved in various water, sanitation, building, roads and civil engineering infrastructure projects in Kenya, Uganda and South Sudan. Mr. Peter Musango has continuously practiced over the last 31</p>                                                                                                                                                        |

|           |                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           | <p><b>Contractors Association (RACECA)</b><br/> <b>Y.O.B: 1966</b><br/> <b>Appointed on 08.11.2024</b></p>                                                                                                                                                                                                        | <p>years. He currently serves as the Managing Director and Chief Executive Officer of a construction company and also serves as a Director in various private companies and public schools in Kenya. He is also the Secretary of the Roads and Civil Engineering Contractors Association (RACECA).</p>                                                                                                                                  |
| <p>4.</p> |  <p><b>Mr. Kalpesh Hirani</b><br/> <b>Board Member,</b><br/> <b>Representing the Kenya Association of Building &amp; Civil Engineering Contractors (KABCEC)</b><br/> <b>Y.O.B: 1977</b><br/> <b>Appointed on 25.10.2024</b></p> | <p>Mr. Kalpesh Hirani is a Director of a construction company based in Nairobi County engaged mainly in the construction of commercial and residential buildings. Mr. Hirani is well versed with mandatory, legislative and contractual requirements of construction projects. He has a strong background in Project Management and Project Coordination with various consultants and relevant bodies in the construction industry.</p> |
| <p>5.</p> |  <p><b>Ms. Josephine Kanyi</b></p>                                                                                                                                                                                             | <p>Ms Josephine Waruguru Kanyi is a Senior Deputy Director in the National Treasury Budget Fiscal and Economic Affairs in the Department of Intergovernmental Fiscal Relations. She holds a Bachelor’s Degree and Master’s Degree in Economics from the University of Nairobi. In addition, she has a Diploma in Contemporary Public Administration Management from Galilee</p>                                                         |



|  |                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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|  | <p><b>Board Member,<br/>Alternate to the Cabinet<br/>Secretary National<br/>Treasury and Planning,<br/>Appointed on 6.01.2025<br/>Y.O.B: 1966</b></p> | <p>International Management Institute, Israel.</p> <p>She served in the Ministry of Planning and National Development from 1991 to 1994, Ministry of Research and Technology (1994-1998) Ministry of Finance 1998-2010 as head of Intergovernmental Fiscal Relations and Business Regulation Reform Units. She served as Chief Economist in National Treasury from 2010-2016. She has attended Courses on Fiscal Decentralization, Financial management, Tax Policy Analysis and Revenue forecasting at Harvard University USA &amp; Macro Economic Diagnostics at the IMF Institute in the USA.</p> <p>She also serves as a Board Member at the Business Registration Service (BRS) and National Government Constituencies Development Fund (NG-CDF). She has previously served as a Board Member at Kaimosi Friends University Council, Kenya Institute of Public Policy and Research Analysis (KIPPRA), Kenya Hotel Properties Ltd (KHPL) Company, Kenya Vehicles Manufacturers (KVM) Board and Local Authority Transfer Fund (LATF) Advisory Board.</p> |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



**Eng. Gilbert Mongare  
Arasa, OGW, RCE, FIEK  
Board Member,  
Alternate to the Principal  
Secretary, State  
Department of Roads  
Y.O.B: 1967  
Appointed on 15.01.2024**

Eng. Arasa Gilbert Mong'are, OGW, RCE, FIEK, is the Senior Principal Superintending Engineer (Roads)/Deputy Chief Engineer (Roads), State Department for Roads, Ministry of Roads and Transport. He holds a Bachelor's Degree in Civil Engineering (Hons) from the University of Nairobi. He is both a Registered Professional Engineer as well as a Registered Consulting Engineer with over thirty (30) years' experience. He is both a Fellow and Member of the Institution of Engineers of Kenya (IEK) and a member of the Eminent Engineers Forum (EEF). He has previously served as the Registrar/Chief Executive Officer of the Engineers Board of Kenya (EBK) from 2006 – 2014, Ag. Director General for Kenya Rural Roads Authority and Ag. Director General for Kenya Urban Roads Authority. He has also served as a Board Member for the Kenya National Highways Authority (KeNHA), Kenya Rural Roads Authority (KeRRA), the Engineers Board of Kenya (EBK), Board of Management in the Kenya Institute of Highways and Building Technology (KIHBT) and is currently serving as a Board Member in the Numerical Machining Complex (NMC).

6.

|           |                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>7.</p> |  <p><b>Eng. Godana Hargura</b><br/> <b>Board Member,</b><br/> <b>Representing Special</b><br/> <b>Interest Groups in the</b><br/> <b>construction industry</b><br/> <b>Y.O.B: 1969</b><br/> <b>Appointed on 26.01.2024</b></p> | <p>Eng. Godana Hargura is a practicing Civil Engineer and holds a Master’s Degree in Civil Engineering (MSc.) from the Jomo Kenyatta University of Agriculture and Technology. He has practiced as a Civil Engineer for over thirty (30) years and is a registered member of the Institute of Engineers of Kenya (IEK). His working experience also spans a career in government organizations including the Ministry of Public Works and Kenya Rural Roads Authority (KeRRA) where he implemented policies of the Authority relating to development, improvement and maintenance of roads. Additionally, he also worked with Gibb Africa Consulting Engineers Limited as the Assistant Resident Engineer in the Merille River Project located in Isiolo. Furthermore, Eng. Hargura has served as the Honorable Senator of Marsabit County from the year 2013 to 2022. As Senator, he also participated in the legislation of laws mainly enabling the construction industry in Kenya.</p> |
| <p>8.</p> |                                                                                                                                                                                                                              | <p>Qs. Kusienya is currently the Director of Estates Management in the State Department of Housing and Urban Development. An experienced built environment professional, Qs. Kusienya has extensive public service experience spanning over three decades. His</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

|                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Qs. Cassius Kusiinya,<br/>MBS<br/>Board Member,<br/>Alternate to the Principal<br/>Secretary, State<br/>Department for Housing &amp;<br/>Urban Development.<br/>Y.O.B: 1967<br/>Appointed on 19.03.2024</b></p> | <p>expertise includes urban development, real estate management, and affordable housing, with a focus on delivering sustainable urban solutions and managing large-scale housing projects to address Kenya’s housing challenges. Additionally, he also has vast experience in the fields of alternative dispute resolution and strategic planning.</p> <p>Qs. Kusiinya has a Bachelor of Arts in Building Economics and a Master of Urban Management, both from the University of Nairobi. He is a Registered Quantity Surveyor (RQS), an associate of the Chartered Institute of Arbitrators (ACI Arb), and a Corporate Member of both the Architectural Association of Kenya (AAK) and the Institute of Quantity Surveyors of Kenya (IQSK).</p> <p>Qs. Kusiinya is currently serving as a member of The National Government Pending Bills Verification Committee. He has previously served as a Chairman of the Quantity Surveyors - Chapter of the Architectural Association of Kenya and was awarded the Order of Moran of the Burning Spear (MBS) for outstanding service to the nation.</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



**Qs. Rose Jematya Kotut**  
**Board Member**  
**Alternate to the Principal**  
**Secretary State**  
**Department for Public**  
**Works**  
**Y.O.B: 1983**  
**Appointed on 06.08.2024**

Qs. Rose Kotut is the Senior Superintending Quantity Surveyor at Public Works.

She boasts a remarkable 16 years of extensive experience in the construction industry, adeptly maneuvering through both the private and public sectors. QS. Rose holds a Master of Arts in Construction Management from the University of Nairobi and a Bachelor of Building Economics from the same university. She is a registered Quantity Surveyor with the Board of Registration of Architects and Quantity Surveyors and a professional member of the Institute of Quantity Surveyors of Kenya (IQSK).

She also has certificates in the Strategic Leadership Development Programme (SLDP), Senior Management Course (SMC), and Project Development Management (PDM) from the Kenya School of Government, along with a certificate in International Leadership, Public Policy, and Good Governance from the National Centre of Good Governance in Mussoorie, India. She is currently the Honorary Secretary at the Institute of Quantity Surveyors of Kenya (2024-2026). She has previously served as an Assistant Honorary Secretary (2022-2024) and Council Member (2020-2022) at the Institute of Quantity Surveyors of Kenya.



**Eng. Catherine Wanjiku  
Munyi**  
**Board Member**  
**Representing Institute of  
engineers of Kenya (IEK)**  
**Y.O.B: 1978**  
**Appointed on 28.06.2024**

Eng. Catherine Munyi is a registered Engineer and a registered Associate Expert by National Environment Management Authority (NEMA). She is trained in FIDIC Conditions Contract, Claims Analysis/ Management and Dispute Resolution. Eng. Munyi is currently doing her Masters in Project Planning and Management at University of Nairobi. She is also a holder of Bachelors of Science in Civil Engineering from University of Nairobi.

She is a resident Engineer at Intercensal Engineering Ltd. Eng. Munyi is a registered member of Engineers Board of Kenya (EBK), Institute of Engineers of Kenya (IEK), National Environment Management Authority (NEMA) and Environmental Institute of Kenya (EIK). She is well versed in Contract administration and Quality Control having worked as a Resident Engineer, Deputy Resident Engineer and Deputy Materials for various projects.

10.




**Arch. Florence Nyole**  
**Board Member,**  
**Representing the**  
**Architectural Association**  
**of Kenya (AAK)**  
**Y.O.B: 1985**  
**Appointed on 25.10.2024**

Arch. Nyole is an architect practicing at Ecospace Architects Limited with a vast experience in architectural design and contract management for both high end architectural works as well as social impact designs for communities enabling her to successfully cut across the vast field of architecture, construction, and engineering.

Arch. Nyole is a leader in the field of architecture and is currently serving as the President of the Architectural Association of Kenya (AAK) leading the advocacy of eight (8) professions in the built environment that make up the eight (8) chapters of AAK. In 2020/2021, she led the AAK COVID-19 Rapid Response Taskforce that coordinated efforts for built environment professionals at the onset of the pandemic. She has previously served as the Past President of the East Africa Institute of Architects (EAIA).

In her practice, she has won awards for her work in the design of the Mara Girls Leadership School as the Best Educational Project during the AAK Duracoat Awards of Excellence in 2017, a demonstration of her work in sustainable design practice. Arch. Nyole also taught at the Department of Architecture and Building Science from 2015-2021. She won the award for leader in Academia in

11.

|     |                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |                                                                                                                                                                                                                                                                                             | <p>2021 and was nominated for Leader in Social Impact in 2024 at the Women in Real Estate (WIRE) Legends and Leaders Awards held during International Women’s Day.</p> <p>Arch. Nyole currently represents AAK in various organizations and committees within the built environment most notably as a member of the executive committee in charge of the built environment at the Association of the Professional Societies in East Africa (APSEA) and a member of the Ad-Hoc Committee for conferment of Eldoret Municipality to City Status.</p>                                                                                                                      |
| 12. |  <p><b>Qs. Mutuku Mutinda</b><br/><b>Board Member,</b><br/><b>Representing Institute of</b><br/><b>Quantity Surveyors of</b><br/><b>Kenya</b><br/><b>Y.O.B: 1975</b><br/><b>Appointed on 25.10.24</b></p> | <p>Mutinda is a Director at Buildnett Consultants Ltd – a Quantity Surveying &amp; Project Management firm. He holds a bachelor’s degree in Building Economics from the University of Nairobi and a postgraduate Diploma in Risk Management from the Institute of Risk Management, London. He is a practising Quantity Surveyor with over 19 years post registration experience.</p> <p>He is the current President of the Institute of Quantity Surveyors of Kenya (IQSK). Mutinda is an active member (MCI Arb) of the Chartered Institute of Arbitrators, London with extensive experience both as an Arbitrator and an expert witness in construction disputes.</p> |






**Ms. Ivy Kimani**  
**Board Member,**  
**Representing the Kenya**  
**Federation of Master**  
**Builders**  
**Y.O.B: 1978**  
**Appointed on 25.10.2024**


Ivy Kimani is a distinguished leader in the construction and building sector with over two decades of experience in operational management, financial governance, and strategic development. As the Operations Director at Jipsy Civil and Building Contractors Limited, she has spearheaded the implementation of streamlined operations, led high-performing teams, and consistently delivered on ambitious financial and organizational targets.

With a wealth of experience as a board member for prominent industry organizations such as the Kenya Federation of Master Builders and Master Builders SACCO, she has played a pivotal role in shaping policies and strategies that enhance industry standards and foster sustainable growth. Her expertise in risk assessment, financial oversight, and human resource leadership has supported innovative solutions to the challenges faced by the construction sector.

Passionate about sustainable development and community empowerment, she has been involved in initiatives that promote social impact, including youth mentorship and grassroots development programs. As a board member of the National Construction Authority, she is committed

|            |                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                                                                                                                                                                                                                                                                                                                                                                                | <p>to fostering a resilient and innovative construction industry that aligns with national development goals and global best practices.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>14.</p> |  <p><b>Mr. John Osero Mokomoni</b><br/> <b>Board Member,</b><br/> <b>Alternate to the Principal</b><br/> <b>Secretary, State</b><br/> <b>Department of Devolution,</b><br/> <b>Office of the Deputy</b><br/> <b>President</b><br/> <b>Y.O.B: 1967</b><br/> <b>Appointed on 25.10.2024</b></p> | <p>John Osero Mokomoni is a long serving public servant with over 30 years of extensive experience in Kenya's Local Government systems. He has served in various capacities, including as the Regional Local Government Officer in both Rift Valley and Central, and currently as an Assistant Director Devolution Affairs at the State Department for Devolution, where he spearheads the development of devolution sector working group coordination frameworks among other activities.</p> <p>With a Bachelor of Commerce from the University of Nairobi, John has complemented his academic foundation with training in strategic leadership development Programme, conflict resolution and Negotiation Skills, and results-based management, among others. His career is marked by a commitment to fostering transparency, accountability, strengthening devolved governance structures, and enhancing service delivery across Kenya.</p> |

|            |                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>15.</p> |  <p><b>Waweru Gathecha, Board Member</b><br/> <b>Board Member, Representing the Architectural Association of Kenya</b><br/> <b>D.O.B: 1972</b><br/> <b>Appointed on 06.10.2021</b><br/> <b>Term lapsed on 5th October 2024</b></p> | <p>Mr. Gathecha is a registered Architect and the Managing Partner at Waweru &amp; Associates Architects, an architectural firm based in Nairobi. He has undertaken projects in the United Kingdom, Kenya, Rwanda and South Sudan. He graduated with a degree in architecture from the University of Nottingham, United Kingdom, in 1998. He is also a Fellow of the Architectural Association of Kenya (AAK) and a Corporate Member of the Royal Institute of British Architects (RIBA). He also serves as a Board Member on the Board of Registration of Architects and Quantity Surveyors of Kenya (BORAQS). Mr. Gathecha is a past president of the Architectural Association of Kenya, and a past council member</p> |
| <p>16.</p> |  <p><b>Mr. Kennedy Sagini</b><br/> <b>Board Member, Representing the Kenya Federation of Master Builders (KFMB)</b><br/> <b>D.O.B: 1969</b><br/> <b>Appointed on 06.10.2021</b></p>                                              | <p>Mr. Kennedy Sagini is a Managing Director at SAK- Way Holdings Limited. He has been involved in various construction projects and served as a Site Engineer at Masosa Construction Company Limited and also as a Project Manager at Sakem Construction. His experience in the construction industry spans over 27 years.</p>                                                                                                                                                                                                                                                                                                                                                                                           |

|            |                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | <p><b>Term lapsed on 5th<br/>October 2024</b></p>                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>17.</p> | <div data-bbox="288 349 646 705" data-label="Image">  </div> <p><b>F.A. Paul Kiagu</b><br/> <b>Board Member,</b><br/> <b>Alternate the Cabinet</b><br/> <b>Secretary National</b><br/> <b>Treasury and Planning</b><br/> <b>D.O.B: 1969</b><br/> <b>Appointed on 23.04.2020</b><br/> <b>Term lapsed on 6th</b><br/> <b>January 2025</b></p> | <p>F.A. Paul Kiagu is a graduate from Kenyatta University with B.A. Economics and Masters in Applied Economics (Finance). He is also a Certified Investment and Financial Analyst with the Institute of Certified Investment and Financial Analysts (ICIFA). He is a member of Economists Society of Kenya (ESK) and the Institute of Certified Investment and Financial Analysts (ICIFA). He works at the National Treasury as an Economist/Financial Analyst dealing with the analysis of budgets, financial reports and Government of Kenya (GOK) on-lend loans to State Corporations. He is also involved in the implementation of Public Finance Management Reforms (PFMR). He represents the National Treasury in the Public Investment Committee (PIC) in Parliament on policy matters relating to Government Investments and Public Enterprises. He has a wide range of experience in various Boards of State Corporations having represented the Cabinet Secretary from 2012.</p> |



**Eng. Maurice Akech, MBS  
Executive  
Director/Secretary to the  
Board.**

Eng. Maurice Akech, currently serving as the Executive Director and Registrar of Contractors at National Construction Authority. He previously served the Authority in the capacity of the General Manager for Research, Training and Capacity Building, where his main role was to spearhead and provide leadership in the construction Industry on research and training activities as well as consultancy and advisory services that promote its development, coordination and growth.

He is a registered Consulting Engineer (CE) by Engineer's Board of Kenya and a corporate member of the Institution of Engineers of Kenya. He holds a master's degree in Construction Engineering and Management (CEM) and a Bachelor's of Science degree in Civil Engineering both from Jomo Kenyatta University of Agriculture and Technology, Kenya.

Eng. Akech has experience spanning over 25 years in design, construction supervision and management as well as leadership in the construction industry. He has worked on mega civil engineering, infrastructure and telecommunications projects in various capacities with international and local companies in Kenya. Some of the companies he has worked for prior to joining NCA include

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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|  |  | <p>Safaricom Ltd, Gibb Africa and Howard Humphreys Consulting Engineers. Eng. Akech was awarded the title of Moran of the Order of the Burning Spear (MBS) in December 2021 in recognition of his excellent leadership and public service.</p> <p>Since he assumed office as the Executive Director of the National Construction Authority, NCA has witnessed tremendous growth and development. Part of the immense achievements that he has contributed to include conducting successful surveillance audits of the Authority’s ISO Certification 9001:2015 status and subsequent ISO re-certifications as well as ISMS certification; spearheading collaborations and strategic partnerships among key industry players; review of the code of conduct for the construction industry, development and sensitization of the National Building Code, 2024.</p> <p>He is passionate about the development of the construction industry with key focus areas being capacity building of industry players, largely for contractors and construction workers, to realize both Vision 2030 and the government’s development plan on affordable housing among other pillars</p> |
|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



19.







Samson Lukoba, Adv  
Corporation Secretary &  
Head of Legal



Mr. Lukoba is an Advocate of the High Court of Kenya and a Certified Secretary. He has over fifteen years' experience in both strategic and operational positions in a multinational organization and the public sector. He has a strong legal background with emphasis on Human Resource and Industrial Relations Management with a focus on Compliance and Risk management. Prior to joining NCA, Mr. Lukoba was the Legal and Ethical Trading Manager at Oserian Development Company Ltd. He has also worked with various legal firms, where he worked extensively in litigation. Mr. Lukoba holds a Bachelor of Laws (LLB) from the University of Mumbai (India), a Bachelor of Arts from Panjab University (India) and a Diploma in Law from the Kenya School of Law. He is a member of the Law Society of Kenya and Institute of Certified Public Secretaries of Kenya and currently pursuing Master of Laws in oil and gas in Strathmore University.



**4. Key Management Team**



|    | Management                                                                                                                                                                                                                                                                                         | Details                                          |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| 1. |  <p><b>Eng. Maurice Akech</b> , MBS</p> <ul style="list-style-type: none"> <li>• Master of Science Construction Engineering and Management</li> <li>• Bachelors of Science degree in Civil Engineering</li> </ul> | <p>Executive Director/Secretary to the Board</p> |
| 2. |  <p><b>CPA James Kilonzi</b></p> <ul style="list-style-type: none"> <li>• Master of Business Administration (Strategic Management)</li> <li>• Master of Science in Public Policy Analysis</li> </ul>            | <p>GM Corporate Services</p>                     |



|    |                                                                                                                                                                                                                                                                                                              |                                                                                           |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
|    | <ul style="list-style-type: none"> <li>• Bachelor of Commerce (Accounting Option)</li> <li>• Certified Public Accountant of Kenya (CPAK)</li> </ul>                                                                                                                                                          |                                                                                           |
| 3. |  <p><b>Qs. Susan Rutto</b></p> <ul style="list-style-type: none"> <li>• Master Business Administration</li> <li>• Bachelor of Arts (Building Economics and Management)</li> </ul>                                           | <p>General Manager, Registration and Compliance</p>                                       |
| 4. |  <p><b>Dr. Chrispus S. Ndinyo, PhD</b></p> <ul style="list-style-type: none"> <li>• Doctor of Philosophy Degree (PHD) in Construction Management</li> <li>• Masters in Construction Engineering and Management</li> </ul> | <p>General Manager, Construction Research, Business Development and Capacity Building</p> |



|    |                                                                                                                                                                                                                                                                 |                                                |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
|    | <ul style="list-style-type: none"> <li>• Degree in Civil Construction and Management</li> </ul>                                                                                                                                                                 |                                                |
| 5. |  <p><b>Arch. Juliet Kabere</b></p> <ul style="list-style-type: none"> <li>• Master's degree in Urban Management</li> <li>• Bachelor of Architecture</li> </ul>                 | <p>Manager, Training and Capacity Building</p> |
| 6. |  <p><b>Eng. Raymond Karani</b></p> <ul style="list-style-type: none"> <li>• Master in Business Administration</li> <li>• Bachelor of Science in Civil Engineering</li> </ul> | <p>Manager, Registration</p>                   |

|           |                                                                                                                                                                                                                                                                                                                                                                                   |                                      |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| <p>7.</p> |  <p><b>Arch. Stephen Mwilu</b></p> <ul style="list-style-type: none"> <li>• Master's degree in Construction Management</li> <li>• Bachelor of Architecture</li> </ul>                                                                                                                            | <p>Manager, Compliance</p>           |
|           |                                                                                                                                                                                                                                                                                                                                                                                   |                                      |
| <p>8.</p> |  <p><b>CPA Christine Kiriimi</b></p> <ul style="list-style-type: none"> <li>• Master of Business Administration</li> <li>• Bachelor of Commerce(Finance Option)</li> <li>• Certified Public Accountant of Kenya (CPAK)</li> <li>• Certified Investment and Financial Analyst (CIFA)</li> </ul> | <p>Manager, Finance and Accounts</p> |

|            |                                                                                                                                                                                                                                                          |                                                      |
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| <p>9.</p>  |  <p><b>Daniel Kemei</b></p> <ul style="list-style-type: none"> <li>• MSc. Human Resource Management</li> <li>• Post Graduate Diploma in Corporate Governance</li> </ul> | <p>Manager, Administration</p>                       |
| <p>10.</p> |  <p><b>Paul Gesora</b></p> <ul style="list-style-type: none"> <li>• Master of Economics</li> <li>• Bachelor of Arts Economics</li> </ul>                              | <p>Manager, Planning, Quality Assurance and Risk</p> |
|            |                                                                                                                                                                                                                                                          |                                                      |

|            |                                                                                                                                                                                                                                                                                                                                                                                                    |                                                |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <p>11.</p> |  <p><b>CHRP Paul Kariuki</b></p> <ul style="list-style-type: none"> <li>• Master of Business Administration (Strategic Management)</li> <li>• Executive Masters in Public Policy &amp; Administration</li> <li>• Higher National Diploma in Human Resource Management</li> <li>• Bachelor of Education</li> </ul> | <p>Manager, Human Resource</p>                 |
| <p>12.</p> |  <p><b>Samson Lukoba</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Laws</li> <li>• Bachelor of Arts</li> <li>• Diploma in Law</li> </ul>                                                                                                                                                         | <p>Corporation Secretary and Head of Legal</p> |

|                                   |                                                                                                                                                                                                                                 |                                          |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| <p>13.</p>                        |                                                                                                                                                | <p>Manager, Supply Chain</p>             |
| <p><b>Dr. Vincensia Apopa</b></p> | <ul style="list-style-type: none"> <li>• Doctor of Philosophy in Supply Chain Management</li> <li>• Masters in Procurement and Logistics</li> <li>• Bachelor of Science degree in Supplies and Purchasing Management</li> </ul> |                                          |
| <p>14.</p>                        |                                                                                                                                              | <p>Manager, Corporate Communications</p> |
| <p><b>Mrs. Wangui Kabala</b></p>  | <ul style="list-style-type: none"> <li>• Master of Business Administration</li> <li>• Bachelor of Arts, Communication</li> <li>• Diploma in Business Administration</li> </ul>                                                  |                                          |

|            |                                                                                                                                                                                                                                                                                                                                                                  |                                |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| <p>15.</p> |  <p><b>CPA Anthony Ochieng</b></p> <ul style="list-style-type: none"> <li>• Master of Business Administration</li> <li>• Bachelor of Commerce</li> <li>• Certified Public Accountant of Kenya (CPAK)</li> </ul>                                                                 | <p>Manager, Internal Audit</p> |
|            |                                                                                                                                                                                                                                                                                                                                                                  |                                |
| <p>16.</p> |  <p><b>Annette Nasiaki Okello</b></p> <ul style="list-style-type: none"> <li>• Master of Science in Information Technology Management</li> <li>• Post Graduate Certificate in Global Social and Sustainable Enterprise</li> <li>• Bachelor of Science in Computing</li> </ul> | <p>Manager, ICT</p>            |



**Dr. Eng. Meshack O. Otieno, PhD**

- Doctor of Philosophy in Civil Engineering
- Master of Science in Construction Engineering and Management
- Bachelor of Science in Civil Engineering

17.

Manager, Construction Research and Business Development

## **5. Chairman's Statement**

The year under review has been remarkable for its strategic importance anchored by policy breakthroughs, institutional reforms, and sustained alignment with Kenya's national development priorities. These achievements underscore our mandate to regulate, streamline, and empower the construction industry as a key driver of economic transformation.

The launch of the National Building Code 2024, spearheaded by the Ministry of Lands, Public Works, Housing and Urban Development and championed by the Authority, marked a watershed moment in sectoral governance. This Code is the culmination of extensive consultation, research, and harmonization with global standards. It will shape how we build in the decades to come encouraging climate-resilient design, compliance-driven execution, and an embrace of modern technologies. The Board views the implementation of this Code as a foundational policy instrument that will spur quality, safety, and investment confidence in Kenya's built environment.

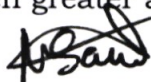
We are equally proud of the strides made toward inclusive procurement. The Authority successfully met the 30% Access to Government Procurement Opportunities (AGPO) threshold an important step in using public procurement as a lever for equitable growth. The Board remains committed to strengthening procurement systems to ensure transparency, competitiveness, and empowerment of youth, women, and persons with disability-owned enterprises. In a capital-intensive sector like construction, access is not just about opportunity—it is a tool for social mobility and innovation.

Another key policy milestone was the commencement of the review of the NCA Act and Regulations. As construction practices evolve, so must our legal frameworks. The Board prioritised this process to ensure that the Authority's regulatory toolkit is fit-for-purpose, enabling NCA to anticipate industry needs, respond to emerging risks, and create an enabling environment for professionals,

developers, and contractors. This legislative overhaul is timely and reflects our commitment to progressive governance.

As we look ahead to the 2025/2026 financial year, the Authority will continue to focus on outcomes over outputs ensuring that every regulation, programme, and investment delivers value to the Kenyan people. We welcome collaboration with all sector stakeholders, from development partners to county governments, in advancing our shared vision of a safe, professional, and competitive construction industry.

In conclusion, I thank the Executive Director, management, and staff for their exemplary work over the past year. On behalf of the Board, I reaffirm our commitment to good governance, strategic oversight, and impactful leadership as we steer the Authority through its next phase of growth. May the coming year be one of even greater ambition and service to the nation.



**Mercy Okiro, FCI Arb**

**CHAIRPERSON OF THE BOARD**

## **6. Report of the Chief Executive Officer**

It is with great pride and appreciation that I present this message as part of our 2024/2025 annual financial statements. This has been a year of consolidation and transformation, marked by measurable impact across our regulatory, operational, and institutional mandates. The Authority remains guided by its core pillars of professionalism, compliance, capacity building, and public protection—and it is these principles that informed our performance this year.

A key achievement was the successful accreditation of 30,000 skilled construction workers across the country, achieved through deliberate, grassroots engagement strategies. We took our services directly to the people partnering with Members of Parliament and County Women Representatives to conduct constituency-based accreditation drives. This approach enhanced trust, increased visibility, and ensured that more Kenyans have access to formal recognition of their skills. It also contributes to the broader goal of raising standards in workmanship and enhancing employment in the informal sector.

Our focus on internal transformation also yielded results. The roll-out of new HR instruments this year helped re-align our institutional structure to the dynamic demands of the construction industry and public service reform. These tools have enabled greater clarity in roles, improved staff motivation, and strengthened the Authority's culture of accountability and performance. As a regulator, we recognise that our internal capabilities must match the complexity and scale of the industry we serve.

This year also saw the expansion of the Building Code roll-out programme. Beyond its launch, our Sensitization and Civic Education activities, combined with technical trainings, ensured that the Code is not just available but actively used. The Authority invested heavily in public education to ensure sector players from small contractors to county officials understand their responsibilities under the new framework. This is a long-term process, and we are committed to supporting adoption and compliance.

We also scaled up stakeholder engagement and policy partnerships. Recognising that regulation works best when it is co-created, we prioritised sector dialogues, contractor forums, and technical working groups with professionals, academia, and development agencies. These partnerships enhance the legitimacy and practicality of our policies, making them more responsive to real-world challenges and innovation.

As we enter the 2025/2026 financial year, our priorities include operationalising new legal reforms, deepening compliance monitoring, launching the Construction Excellence Awards, and sustaining sector-wide training and digitization efforts. We remain committed to transparency in financial management, efficiency in service delivery, and collaboration in policy implementation.

I thank all our staff, partners, and the Board of Directors for their tireless efforts. Together, we are laying the foundations for a stronger, safer, and smarter construction sector in Kenya.



**Eng. Maurice Akech, MBS**

**EXECUTIVE DIRECTOR/REGISTRAR OF CONTRACTORS**

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

The National Construction Authority has five strategic pillars and objectives within its Strategic Plan for the FY 2020/2021- 2024/2025. These strategic pillars are as follows:

- i. Innovation and operational excellence in the Authority;
- ii. Transformed local construction industry through empowerment of local contractors, skilled construction workers and construction site supervisors;
- iii. Safety in all construction works including but not limited to buildings, dams, roads, electrical, mechanical, bridges etc;
- iv. Innovative research and business development;
- v. Capacity in the local construction industry developed and improved.

National Construction Authority develops its annual work plans based on the above pillars. The work plans informs the annual performance contract signed between the Board and the parent ministry. The performance contract is cascaded down to staff of the Authority with the performance appraisals conducted bi-annually. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The National Construction Authority achieved its performance targets set for the FY 2024/2025 period for its strategic pillars, as indicated in the table below:

**Table 4: Achievement for the FY 2024-2025**

| <b>KEY RESULT AREA</b>                                                                                                                                   | <b>OBJECTIVES</b>                                               | <b>ACTIVITIES</b>                          | <b>KEY PERFORMANCE INDICATORS</b>                    | <b>FY 2024-2025 ACHIEVEMENTS</b>                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| Transformed the local construction industry through the empowerment of local contractors, skilled construction workers and construction site supervisors | Effective and efficient registration and accreditation services | Register contractors                       | 9,000 No. new contractors Registered                 | 10,647 No. of new contractors registered             |
|                                                                                                                                                          |                                                                 | Skilled construction workers accreditation | 30,000 No of skilled construction workers accredited | 32,247 No of skilled construction workers accredited |
|                                                                                                                                                          |                                                                 | Construction site supervisors accredited   | 4,000 No of construction site supervisors accredited | 6,317 No of construction site supervisors accredited |
| Safety in all construction works, including but not limited to buildings, dams, roads, electrical, mechanical, bridges etc                               | Promote quality assurance in the construction industry          | Project registrations                      | Register 4,400 construction sites                    | 5,271 construction sites registered                  |
|                                                                                                                                                          |                                                                 | Carry out construction site inspections    | Carry out 31,500 construction site inspections       | 30,050 site inspections carried out                  |
|                                                                                                                                                          | Build and improve capacity of contractors, skilled construction | Training programs for construction workers | 22 No. of programs                                   | 23 programs conducted and trained 21,096 workers     |
|                                                                                                                                                          |                                                                 | Training programs for                      | 21 No. of programs                                   | 22 programs conducted and                            |

|                                                                    |                                                                 |                                                                                  |                                                                                  |                                                                                   |
|--------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Capacity in the local construction industry developed and improved | workers & construction site supervisors                         | site supervisors                                                                 |                                                                                  | trained 3,742 site supervisors                                                    |
|                                                                    |                                                                 | Training programs for contractors                                                | 14 No. of programs                                                               | 14 programs conducted and trained 13,465 contractors                              |
|                                                                    | Establishment of centre for construction industry development   | Develop the Private Public Partnership Concept Note Source for a Private Partner | Develop the Private Public Partnership Concept Note Source for a Private Partner | The on boarding of a transaction advisor for the project is underway              |
| Innovation and operational excellence in the Authority             | Enhance institutional efficiency and effectiveness by June 2028 | Improved customer satisfaction                                                   | Customer satisfaction score                                                      | On boarding of a consultant to monitor the satisfaction scores                    |
|                                                                    | Strengthen stakeholder engagement and partnership development   | Improved partnership, collaborations and linkages                                | Linkages partnerships and collaborations achieved                                | Streamlined operations through the operationalization of the OPRS, ERP, and RCIS. |

## **8. Corporate Governance Statement**

Corporate governance is the manner in which the power over of an organization is exercised in the stewardship of its total portfolio of assets and resources with the primary objective of increasing and sustaining shareholders value while satisfying the needs of the other stakeholders in the context of the vision and mission of the organization. The Authority is committed to the ideals espoused on this statement and as a result all the Members of the Board and the top management have been trained and certified on corporate governance.

In line with the provisions under the Mwongozo Code of Governance for State Corporations, the Board of National Construction Authority has adopted high standards and applies strict rules of conduct, based on the best corporate practices. As part of this commitment, the Board adheres to good corporate governance by embracing the following principles among others; observance of high standards of ethical and moral behaviour, acting in the best interests of the organization, remunerates and promote fairly and responsibly, recognizes the legitimate interests of all stakeholders and ensures that the organization acts as a good corporate citizen.

### **Board Composition**

Section 7 of the National Construction Authority Act No 41 of 2011 prescribes the manner in which the Board of the Authority shall be constituted. The affairs of the Authority are managed by members from various nominating bodies and state organs as stipulated under Section 7(1) of the National Construction Authority Act No. 41 of 2011.

The Board consists of eleven (14) members from the following bodies;

**Table 5 Board Composition**

| <b>No.</b> | <b>Name</b>                    | <b>Designation</b>               | <b>Nominating Bodies/State Organs</b>                                 | <b>Date of Appointment and Term</b>                                                                                                                                                                         |
|------------|--------------------------------|----------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.         | Mercy Okiro, Adv<br>FCI Arb    | Chairperson of the<br>Board      | Law Society of Kenya                                                  | Board Term lapsed on<br>5 <sup>th</sup> October 2024<br><br>Appointed for 2 <sup>nd</sup> term<br>as a Board Member: 8 <sup>th</sup><br>November 2024<br><br>Chairperson: 15 <sup>th</sup><br>November 2024 |
| 2.         | Arch. Nicholas<br>Tirop Koech  | Vice Chairperson of<br>the Board | Special Interests Group                                               | 31 <sup>st</sup> May 2023                                                                                                                                                                                   |
| 3.         | Eng. Godana<br>Hargura         | Board Member                     | Special Interests Group                                               | 26 <sup>th</sup> January 2024                                                                                                                                                                               |
| 4.         | Eng. Catherine<br>Wanjiku      | Board Member                     | Institution of Engineers<br>of Kenya                                  | 28 <sup>th</sup> June 2024                                                                                                                                                                                  |
| 5.         | Arch. Florence<br>Nyole        | Board Member                     | Architectural Association<br>of Kenya                                 | 25 <sup>th</sup> October 2024                                                                                                                                                                               |
| 6.         | Ms. Ivy Kimani                 | Board Member                     | Kenya Federation of<br>Master Builders                                | 25 <sup>th</sup> October 2024                                                                                                                                                                               |
| 7.         | Qs. Mutinda<br>Josephat Mutuku | Board Member                     | Institute of Quantity<br>Surveyors of Kenya                           | 25 <sup>th</sup> October 2024                                                                                                                                                                               |
| 8.         | Mr. Kalpesh Hirani             | Board Member                     | Kenya Association<br>of Building and Civil<br>Engineering Contractors | Appointed: 6 <sup>th</sup> October<br>2021<br><br>Term lapsed: 5 <sup>th</sup><br>October 2024<br><br>Appointed for 2 <sup>nd</sup> term:<br>25 <sup>th</sup> October 2024                                  |

|     |                           |                                                                                                                                                         |                                                                                                                   |                               |
|-----|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 9.  | Mr. Peter Musango         | Board Member                                                                                                                                            | Roads and Civil Engineering Contractors Association                                                               | 8 <sup>th</sup> November 2024 |
| 10. | Ms. Josephine Kanyi       | Alternate to the Cabinet Secretary, National Treasury and Economic Planning                                                                             | National Treasury and Economic Planning                                                                           | 6 <sup>th</sup> January 2025  |
| 11. | Eng. Gilbert Arasa, OGW   | Alternate to the Principal Secretary, State Department of Roads, Ministry of Roads and Transport                                                        | State Department of Roads, Ministry of Roads and Transport                                                        | 15 <sup>th</sup> January 2024 |
| 12. | Qs. Cassius Kusienya, MBS | Alternate to the Principal Secretary, State Department of Housing and Urban Development, Ministry of Lands, Public Works, Housing and Urban Development | State Department of Housing and Urban Development, Ministry of Lands, Public Works, Housing and Urban Development | 19 <sup>th</sup> March 2024   |
| 13. | Qs. Rose Kotut            | Alternate to the Principal Secretary, State Department for Public Works, Ministry of Lands, Public Works, Housing and Urban                             | State Department for Public Works, Ministry of Lands, Public Works, Housing and Urban Development                 | 6 <sup>th</sup> August 2024   |

|     |                            |                                                                                                                    |                                                                  |                               |
|-----|----------------------------|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------|
|     |                            | Development                                                                                                        |                                                                  |                               |
| 14. | Mr. John Osero<br>Mokomoni | Alternate to the<br>Principal<br>Secretary, State<br>Department of<br>Devolution, Office<br>of<br>Deputy President | State Department of<br>Devolution, Office of<br>Deputy President | 22 <sup>nd</sup> October 2024 |

### **Board Members Term Lapsed Within FY 2024/2025**

Table 6 Board Members term lapsed within FY 2024/2025

| <b>No.</b> | <b>Name</b>              | <b>Designation</b>                                                          | <b>Nominating<br/>Bodies/State<br/>Organs</b> | <b>Date of Appointment and<br/>Lapse of Term</b>                                            |
|------------|--------------------------|-----------------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------------------------------------|
| 1.         | Waweru<br>Gathecha       | Board Member                                                                | Architectural<br>Association of Kenya         | Appointed: 6 <sup>th</sup> October 2021<br><br>Term lapsed: 5 <sup>th</sup> October<br>2024 |
| 2.         | Mr.<br>Kennedy<br>Sagini | Board Member                                                                | Kenya<br>Federation<br>of<br>Master Builders  | Appointed: 6 <sup>th</sup> October 2021<br><br>Term lapsed: 5 <sup>th</sup> October<br>2024 |
| 3.         | FA Paul<br>Kiagu         | Alternate to the<br>Cabinet Secretary,<br>National Treasury and<br>Planning | National Treasury<br>and Planning             | Appointed: 23 <sup>rd</sup> April 2020<br><br>Term lapsed: 6 <sup>th</sup> January<br>2025  |

The Board is keen on reviewing the overall framework of the internal controls and the assessment of management process and the adoption of the appropriate policies, regulations and codes of ethics. It is also responsible for ensuring that the Authority complies with the law and highest standards of the corporate and business ethics.

The Chairperson of the Board is an independent member. The powers of the Chairperson and those of the Executive Director are clearly stipulated and there is no conflict of interest of roles and responsibilities. The Executive Director is in charge of the day-to-day operations of the Authority while the Board provides the strategic and policy direction of the Authority.

In line with Mwongozo Code of Governance for State Corporations, the Board is supported by a duly qualified Certified Secretary, who is a member of the Institute of Certified Secretaries and holds the position of Corporation Secretary

### **Board and Committee Meetings**

The affairs of the Board are conducted in line with the Section 9 of the National Construction Authority Act No. 41 of 2011 as read together with the Second Schedule thereunder. The Authority is also guided by the provisions of the State Corporations Act No. 11 of 1986, Mwongozo Code of Governance for State Corporations, Circulars and other guiding government regulations that may be issued from time to time.

The Board meets at most six times in every financial year but the Authority's business may warrant the convening of special meetings from time to time. To facilitate effective planning, attendance and participation in Board meetings, a Board almanac is prepared for a financial year and circulated to the members and management in advance for effective planning. The Board Committee meetings are scheduled before the ordinary Board meeting to ensure that all matters are adequately addressed at the committee level before presentation to the Board for adoption, approval or direction as the case may be.

The Board held a total of the following Board meetings and various committee meetings within the financial year:

- a) Six (6) Ordinary Board Meetings;
- b) One (1) Special Board Meeting;
- c) Five (5) Technical Committee (TC) Meetings;

- d) Four (4) Human Resource Committee (HRC) Meetings;
- e) Six (6) Finance Administration and Development (FAD) Committee Meetings;
- f) Five (5) Board Audit Risk Governance (BARG) Meetings;

### **Board Committees**

In order to discharge its mandate and responsibilities effectively, the Board has delegated certain tasks to its Committees with a specific mandate. This has been undertaken in line with the principles of corporate governance, Mwongozo Code of Governance for State Corporations and the Second Schedule of the National Construction Authority Act No. 41 of 2011.

The Board has four committees with specific mandate in line with its charter. The Board considered the professional qualifications, skills and competence in selection of the committee members. The provisions of the Mwongozo Code of Governance for State Corporations were also considered in the composition and number of committees.

In line with **Circular No. OP/CAB.9/1A** of March 2020 from the Head of Public Service on the rotation of the membership of Board Committees after a period of twelve (12) months (save for the Board Audit Risk and Governance Committee), the following Committees were in place:

#### **a) Finance, Administration & Development (FAD) Committee**

The FAD committee is responsible for recommending financial policies, goals, and budgets that support the mission, values, and strategic goals of the Authority. The committee also reviews the Authority's financial performance against its goals and proposes major transactions and development programs for the Authority. The committee is mandated to review strategies relating to the Authority's corporate strategy, corporate communications, information technology, and communication and legal.

**Membership:**

**Period: 1<sup>st</sup> July 2024 to 3<sup>rd</sup> December 2024**

| No. | Board Member               | Designation        | Details                                        |
|-----|----------------------------|--------------------|------------------------------------------------|
| 1.  | Arch. Nicholas Tirop Koech | Chairperson        |                                                |
| 3.  | Kalpesh Hirani             | Member             |                                                |
| 4.  | Eng. Godana Hargura        | Member             |                                                |
| 5.  | FA Paul Kiagu              | Member             |                                                |
| 6   | Qs. Rose Kotut             | Member             | <i>Appointed on 6<sup>th</sup> August 2024</i> |
| 7.  | Eng. Maurice Akech, MBS    | Executive Director |                                                |

**Period: 4<sup>th</sup> December 2024 to 30<sup>th</sup> June 2025**

| No. | Board Member            | Designation        | Details                                                           |
|-----|-------------------------|--------------------|-------------------------------------------------------------------|
| 1.  | Eng. Godana Hargura     | Chairperson        | <i>Appointed to the Committee on 4<sup>th</sup> December 2024</i> |
| 2.  | Qs. Rose Kotut          | Member             |                                                                   |
| 3.  | Peter Musango           | Member             |                                                                   |
| 4.  | Ms. Ivy Kimani          | Member             |                                                                   |
| 5.  | FA Paul Kiagu           | Member             | <i>Term lapsed on 6<sup>th</sup> January 2025</i>                 |
| 6.  | Ms. Josephine Kanyi     | Member             | <i>Joined the committee on 7<sup>th</sup> April 2025</i>          |
| 7.  | Eng. Maurice Akech, MBS | Executive Director |                                                                   |

**b) Technical Committee**

This committee is responsible for the technical operations of the Authority. The committee is responsible for recommending training, research and capacity building policies, goals, and budgets that support the mission, values, and strategic goals of the Authority. In relation to registration and compliance, the committee is charged with ensuring that the mandate of the Authority in relation to registration of contractor and construction workers is carried out effectively and efficiently. In addition, the committee ensure that adequate policies are put

in place for compliance of all statutory requirements by all the industry stakeholders.

### Membership

**Period: 1<sup>st</sup> July 2024 to 3<sup>rd</sup> December 2024**

| No. | Board Member               | Designation           | Details                                                                                                                 |
|-----|----------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------|
| 1.  | Peter Musango              | Chairperson           | <i>Board term lapsed on 5<sup>th</sup> October 2024<br/>Appointed for a second term on 8<sup>th</sup> November 2024</i> |
| 2.  | Eng. Godana Hargura        | Member                |                                                                                                                         |
| 2.  | Arch. Nicholas Tirop Koech | Member                |                                                                                                                         |
| 3.  | Eng. Gilbert Arasa, OGW    | Member                |                                                                                                                         |
| 4.  | Qs. Cassius Kusienya, MBS  | Member                |                                                                                                                         |
| 5.  | Eng. Maurice Akech, MBS    | Executive<br>Director |                                                                                                                         |

**Period: 4<sup>th</sup> December 2024 to 30<sup>th</sup> June 2025**

| No. | Board Member              | Designation        | Remarks                                                           |
|-----|---------------------------|--------------------|-------------------------------------------------------------------|
| 1.  | Eng. Catherine Munyi      | Chairperson        | <i>Appointed to the Committee on 4<sup>th</sup> December 2024</i> |
| 2.  | John Osero Mokomoni       | Member             |                                                                   |
| 3.  | Peter Musango             | Member             |                                                                   |
| 4.  | Qs. Mutuku Mutinda        | Member             |                                                                   |
| 5.  | Qs. Cassius Kusienya, MBS | Member             |                                                                   |
| 6.  | Eng. Maurice Akech, MBS   | Executive Director |                                                                   |

### c) Human Resource Committee

This is the committee of the Board responsible for guidance on human resource management of the National Construction Authority. Its primary responsibility

includes reviewing, monitoring, and making recommendations and policies regarding human resource management of the National Construction Authority.

## Membership

**Period: 1<sup>st</sup> July 2024 to 3<sup>rd</sup> December 2024**

| No. | Board Member               | Designation           | Details                                                                                                                 |
|-----|----------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------|
| 1.  | Eng. Gilbert Arasa, OGW    | Member                |                                                                                                                         |
| 2.  | Kalpesh Hirani             | Chairperson           | <i>Board term lapsed on 5<sup>th</sup> October 2024<br/>Appointed for a second term on 25<sup>th</sup> October 2024</i> |
| 3.  | Peter Musango              | Member                | <i>Board term lapsed on 5<sup>th</sup> October 2024<br/>Appointed for a second term on 8<sup>th</sup> November 2024</i> |
| 4.  | Waweru Gathecha            | Member                | <i>Board term lapsed on 5<sup>th</sup> October 2024</i>                                                                 |
| 5.  | Mr. Kennedy Sagini         | Member                |                                                                                                                         |
| 6.  | Eng. Maurice Akech,<br>MBS | Executive<br>Director |                                                                                                                         |

**Period: 4<sup>th</sup> December 2024 to 30<sup>th</sup> June 2025**

| No. | Board Member              | Designation        | Details                                                           |
|-----|---------------------------|--------------------|-------------------------------------------------------------------|
| 1.  | Arch. Florence Nyole      | Chairperson        | <i>Appointed to the Committee on 4<sup>th</sup> December 2024</i> |
| 2.  | Eng. Catherine Munyi      | Member             |                                                                   |
| 3.  | Eng. Gilbert Arasa, OGW   | Member             |                                                                   |
| 4.  | Qs. Mutuku Mutinda        | Member             |                                                                   |
| 5.  | Qs. Cassius Kusienya, MBS | Member             |                                                                   |
| 6.  | Eng. Maurice Akech, MBS   | Executive Director |                                                                   |

### d) Board Audit, Risk & Governance Committee

The committee assists the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal controls, the audit process,

and the Authority's process for monitoring compliance with laws and regulations and the code of conduct. The risk management role of the Board is also implemented through this committee through the review of the risk policy and making recommendations on risk mitigation measures.

### Membership

#### Period: 1<sup>st</sup> July 2024 to 3<sup>rd</sup> December 2024

| No. | Board Member               | Designation | Details                                                     |
|-----|----------------------------|-------------|-------------------------------------------------------------|
| 1.  | Mr. Waweru Gathecha        | Chairperson | <i>Board term lapsed on<br/>5<sup>th</sup> October 2024</i> |
| 2.  | Mr. Kennedy Sagini         | Member      |                                                             |
| 3.  | FA Paul Kiagu              | Member      |                                                             |
| 4.  | Arch. Nicholas Tirop Koech | Member      |                                                             |
| 5.  | Qs. Cassius Kusienya, MBS  | Member      |                                                             |
| 6.  | Qs. Rose Kotut             | Member      | <i>Appointed on 6<sup>th</sup> August<br/>2024</i>          |

#### Period: 4<sup>th</sup> December 2024 to 30<sup>th</sup> June 2025

| No. | Board Member               | Designation | Details                                                     |
|-----|----------------------------|-------------|-------------------------------------------------------------|
| 1.  | Kalpesh Hirani             | Chairperson | <i>Appointed on 4<sup>th</sup><br/>December 2024</i>        |
| 2.  | Qs. Cassius Kusienya, MBS  | Member      |                                                             |
| 3.  | Qs. Rose Kotut             | Member      |                                                             |
| 4.  | Arch. Nicholas Tirop Koech | Member      |                                                             |
| 5.  | Eng. Gilbert Arasa, OGW    | Member      |                                                             |
| 6.  | FA Paul Kiagu              | Member      | <i>Board term lapsed on 6<sup>th</sup><br/>January 2025</i> |
| 7.  | Josephine Kanyi            | Member      | <i>Joined on 9<sup>th</sup> April 2025</i>                  |

### Ad Hoc and Subcommittees of the Board

#### Subcommittees of the Board

In line with Section 22(1) of the National Construction Authority Act No. 41 of 2011, the Board may institute an inquiry into the conduct of a contractor on its own initiative or upon receipt of a complaint addressed to the Board in writing,

made by or on behalf of any person alleging unprofessional conduct on the part of a registered person. Section 22(2) of the Act provides that the Board may conduct such inquiry or refer it to a subcommittee appointed by the Board for the purpose.

The following Subcommittees were instituted during FY 2024/2025:

| No. | Subcommittee                                                                                                                                                     | Board Members                                                                                                                                                                              | Date of Appointment          |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| 1.  | Appointment of a Subcommittee Inquiry into the partial collapse of a retaining wall on Plot LR No. Kisii Central/Kisii Municipality/ Block III/313, Kisii County | 1. Arch. Nicholas Tirop Koech - Chairperson<br>2. Mr. Peter Musango - Member<br>3. Mr. Kennedy Sagini - Member<br>4. Qs. Cassius Kusienya, MBS - Member<br>5. Eng. Godana Hargura - Member | 16 <sup>th</sup> August 2024 |
| 2.  | Appointment of a Subcommittee Inquiry Into the collapse of a proposed residential development in Gesima, Nyamira County                                          | 1. Eng. Godana Hargura - Chairperson<br>2. Arch. Nicholas Tirop Koech - Member<br>3. Mr. Kennedy Sagini - Member<br>4. Mr. Peter Musango - Member<br>5. Qs. Cassius Kusienya, MBS - Member | 16 <sup>th</sup> August 2024 |
| 3.  | Appointment of a Subcommittee Inquiry into the proposed development of Administration Block for Ainapng'etuny Secondary School in Nandi County                   | 1. Kennedy Sagini - Chairperson<br>2. Arch. Nicholas Tirop Koech - Member<br>3. Mr. Peter Musango - Member<br>4. Qs. Cassius Kusienya, MBS - Member<br>5. Eng. Godana Hargura - Member     | 16 <sup>th</sup> August 2024 |
| 4.  | Appointment of a Subcommittee Inquiry into                                                                                                                       | 1. Eng. Gilbert Arasa, OGW - Chairperson                                                                                                                                                   | 16 <sup>th</sup> August 2024 |

|    |                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                |                                 |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
|    | the collapse of a proposed development at Karia market, off Kutus Kerugoya Road, Kirinyaga County                                                            | 2. Kalpesh Hirani - Member<br>3. Waweru Gathecha -Member<br>4. FA Paul Kiagu - Member                                                                                                                                                                                                                                                                          |                                 |
| 5. | Appointment of a Subcommittee Inquiry into the failed suspended working platform on the proposed development at Ntima/Igoki Makutano, Meru County            | 1. Eng. Gilbert Arasa, OGW-Chairperson<br>2. Kalpesh Hirani-Member<br>3. FA Paul Kiagu-Member<br>4. Eng. Catherine Munyi-Member ( <i>Appointed on 5<sup>th</sup> February 2025</i> )<br>5. Qs. Rose Kotut-Member ( <i>Appointed on 5<sup>th</sup> February 2025</i> )<br>6. Waweru Gathecha-Member ( <i>Board term lapsed on 5<sup>th</sup> October 2024</i> ) | 16 <sup>th</sup> August 2024    |
| 6. | Appointment of a Subcommittee Inquiry into the collapse of a proposed residential apartment along Naivasha Road, Westlands, Nairobi County                   | 1. Eng. Gilbert Arasa, OGW-Chairperson<br>2. Kalpesh Hirani-Member<br>3. FA Paul Kiagu-Member<br>4. Eng. Catherine Munyi-Member<br>5. Qs. Rose Kotut-Member<br>6. Waweru Gathecha-Member ( <i>Board term lapsed on 5<sup>th</sup> October 2024</i> )                                                                                                           | 16 <sup>th</sup> August 2024    |
| 7. | Appointment of a Subcommittee Inquiry into the collapse of a seven-storey building on Plot L.R. No. Ngong/Ngong/57615, Oloolua Market Centre, Kajiado County | 1. Kalpesh Hirani-Chairperson<br>2. Waweru Gathecha-Member ( <i>Board term lapsed on 5<sup>th</sup> October 2024</i> )<br>3. Kennedy Sagini- Member ( <i>Board term lapsed on 5<sup>th</sup> October 2024</i> )                                                                                                                                                | 21 <sup>st</sup> September 2023 |



|     |                                                                                                                                                                          |                                                                                                                                                                                                                                            |                              |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|     |                                                                                                                                                                          | 4. Dr. Eng. Samuel Charagu – Member ( <i>Term lapsed on 27<sup>th</sup> June 2024</i> )                                                                                                                                                    |                              |
| 8.  | Appointment of a Subcommittee Inquiry into the collapse of a concrete gutter at Iten Esp Market, Elgeyo Marakwet County                                                  | 1. Eng. Gilbert Arasa, OGW-Chairperson<br>2. Eng. Catherine Munyi-Member<br>3. Qs. Rose Kotut-Member<br>4. Kalpesh Hirani-Member                                                                                                           | 6 <sup>th</sup> January 2025 |
| 9.  | Appointment of a Subcommittee Inquiry Board into the collapse of a mixed-use apartment L.R No.233 in Kahawa West, Roysambu Constituency, Nairobi County                  | 1. Eng. Catherine Munyi-Chairperson<br>2. Eng. Gilbert Arasa, OGW-Member<br>3. Qs. Rose Kotut-Member<br>4. Kalpesh Hirani-Member                                                                                                           | 6 <sup>th</sup> January 2025 |
| 10. | Appointment of a Subcommittee Inquiry into the collapse of a proposed seven-storey development located on Plot LR No Kamagambo Kabuoro 2585 in Rongo, Migori County      | 1. Qs. Mutuku Mutinda-Chairperson<br>2. Arch. Nicholas Tirop Koech-Member<br>3. Qs. Cassius Kusienya MBS - Member<br>4. Arch. Florence Nyole – Member<br>5. Mr. John Osero Mokomoni-Member ( <i>Appointed on 7<sup>th</sup> May 2025</i> ) | 5 <sup>th</sup> March 2025   |
| 11. | Appointment of a Subcommittee Inquiry into the collapsed excavation wall of the proposed development on Plot No. Mombasa/Block XVII/723a Mombasa Island, Mombasa County. | 1. Qs. Mutuku Mutinda-Chairperson<br>2. Arch. Nicholas Tirop Koech-Member<br>3. Qs. Cassius Kusienya MBS - Member<br>4. Arch. Florence Nyole-Member                                                                                        | 5 <sup>th</sup> March 2025   |

|     |                                                                                                   |                                                                                                                                                                                                       |                          |
|-----|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
|     |                                                                                                   | 5. Mr. John Osero Mokomoni<br><i>(Appointed on 7<sup>th</sup> May 2025)</i>                                                                                                                           |                          |
| 12. | Appointment of a Subcommittee inquiry into the conduct of M/s Amtol Investment Limited            | 1 Arch. Nicholas Tirop Koech – Chairperson<br>2 Ms. Mercy Okiro, Adv-Member<br>3 Ms. Ivy Kimani-Member<br>4 Mr. Peter Musango-Member<br>5 Eng. Gilbert Arasa-Member<br>6 Eng. Godana Hargura - Member | 9 <sup>th</sup> May 2025 |
| 13. | Appointment of a Subcommittee inquiry into the conduct of M/s Hai Jiang International Company Ltd | 1 Eng. Godana Hargura - Chairperson<br>2 Ms. Mercy Okiro, Adv-Member<br>3 Arch. Nicholas Tirop Koech-Member<br>4 Ms. Ivy Kimani-Member<br>5 Mr. Peter Musango- Member<br>6 Eng. Gilbert Arasa-Member  | 9 <sup>th</sup> May 2025 |
| 14. | Appointment of a Subcommittee inquiry into the conduct of M/s Endeavors Construction Company      | 1. Eng. Godana Hargura - Chairperson<br>2. Ms. Mercy Okiro, Adv-Member<br>3. Nicholas Tirop Koech-Member<br>4. Ms. Ivy Kimani-Member<br>5. Mr. Peter Musango-Member<br>6. Eng. Gilbert Arasa-Member   | 9 <sup>th</sup> May 2025 |

### **Ad Hoc Committees of the Board**

In line with the State Corporations Act CAP 446 and the Mwongozo Code of Conduct for State Corporations, the Board is at liberty to establish any ad hoc committees as required to deal with any ad-hoc matters required focused attention.

The following Ad Hoc Committees were established during FY 2024/2025:

**Board Ad Hoc Committee for the Consideration of Appeals**

| No. | Description                                                                    | Board Membership                                                                                                                                                                    | Date of Appointment            |
|-----|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 1.  | Ad Hoc Committee against the summary dismissal of Philemon Kipchumba Toroitich | 1. Arch. Florence Nyole - Chairperson<br>2. Qs. Mutuku Mutinda-Member<br>3. Qs. Cassius Kusienya, MBS - Member<br>4. Eng. Gilbert Arasa-Member<br>5. Eng. Catherine Munyi - Member  | 25 <sup>th</sup> February 2025 |
| 2.  | Ad Hoc Committee against the summary dismissal of Abdisalan Ali Osman.         | 1. Arch. Florence Nyole - Chairperson<br>2. Qs. Mutuku Mutinda-Member<br>3. Qs. Cassius Kusienya, MBS - Member<br>4. Eng. Gilbert Arasa -Member<br>5. Eng. Catherine Munyi - Member | 9 <sup>th</sup> May 2025       |

**Board Ad Hoc Committee for the Implementation of the Building Code**

| No. | Description                                                                                  | Board Membership                                                                                           | Date of Appointment           |
|-----|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------|
| 1.  | Ad Hoc Committee on the oversight of the implementation of the National Building Code, 2024. | 1. Arch. Florence Nyole - Chairperson<br>2. Ms. Ivy Kimani - Member<br>3. Mr. John Osero Mokomoni - Member | 20 <sup>th</sup> January 2025 |

|  |  |                                                                                                                                                           |  |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  |  | <p>4. Eng. Godana Hargura – Member</p> <p>5. Mr. Kalpesh Hirani-Member</p> <p>6. Peter Musango – Member</p> <p>7. Arch. Nicholas Tirop Koech - Member</p> |  |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--|

**Table 7: Board and Committee Attendance from 1st July 2024 to 30th June 2025**

| No | Name                       | Full Board |          | Special Board |          | HRC      |          | Special HRC |          | Technical Committee |          | BARGC    |          | Special BARGC |          | FAD      |          | Special FAD |          |
|----|----------------------------|------------|----------|---------------|----------|----------|----------|-------------|----------|---------------------|----------|----------|----------|---------------|----------|----------|----------|-------------|----------|
|    |                            | Eligible   | Attended | Eligible      | Attended | Eligible | Attended | Eligible    | Attended | Eligible            | Attended | Eligible | Attended | Eligible      | Attended | Eligible | Attended | Eligible    | Attended |
| 1. | Ms. Mercy Okiro, Adv       | 6          | 6        | 1             | 1        | N/A      | N/A      | N/A         | N/A      | N/A                 | N/A      | N/A      | N/A      | N/A           | N/A      | N/A      | N/A      | N/A         | N/A      |
| 2. | Arch. Nicholas Tirop Koech | 6          | 5        | 1             | -        | N/A      | N/A      | N/A         | N/A      | 2                   | 2        | 3        | 3        | N/A           | N/A      | 3        | 3        | N/A         | N/A      |
| 3. | Peter Musango              | 6          | 6        | 1             | 1        | 1        | 1        | N/A         | N/A      | 4                   | 4        | N/A      | N/A      | N/A           | N/A      | 3        | 3        | N/A         | N/A      |
| 4. | Mr. Kalpesh Hirani         | 6          | 6        | 1             | 1        | 1        | 1        | N/A         | N/A      | N/A                 | N/A      | 3        | 3        | N/A           | N/A      | 2        | 2        | N/A         | N/A      |
| 5. | Qs. Rose Kotut             | 5          | 5        | 1             | 1        | N/A      | N/A      | N/A         | N/A      | N/A                 | N/A      | 5        | 5        | N/A           | N/A      | 5        | 5        | N/A         | N/A      |
| 6. | Eng. Catherine Munyi       | 5          | 5        | 1             | 1        | 3        | 3        | N/A         | N/A      | 3                   | 3        | N/A      | N/A      | N/A           | N/A      | N/A      | N/A      | N/A         | N/A      |
| 7. | Qs. Cassius Kusienya, MBS  | 6          | 5        | 1             | 1        | 3        | 3        | N/A         | N/A      | 5                   | 5        | 2        | 2        | N/A           | N/A      | N/A      | N/A      | N/A         | N/A      |
| 8. | Eng. Gilbert Arasa         | 6          | 6        | 1             | 1        | 4        | 4        | N/A         | N/A      | 2                   | 2        | 3        | 3        | N/A           | N/A      | N/A      | N/A      | N/A         | N/A      |

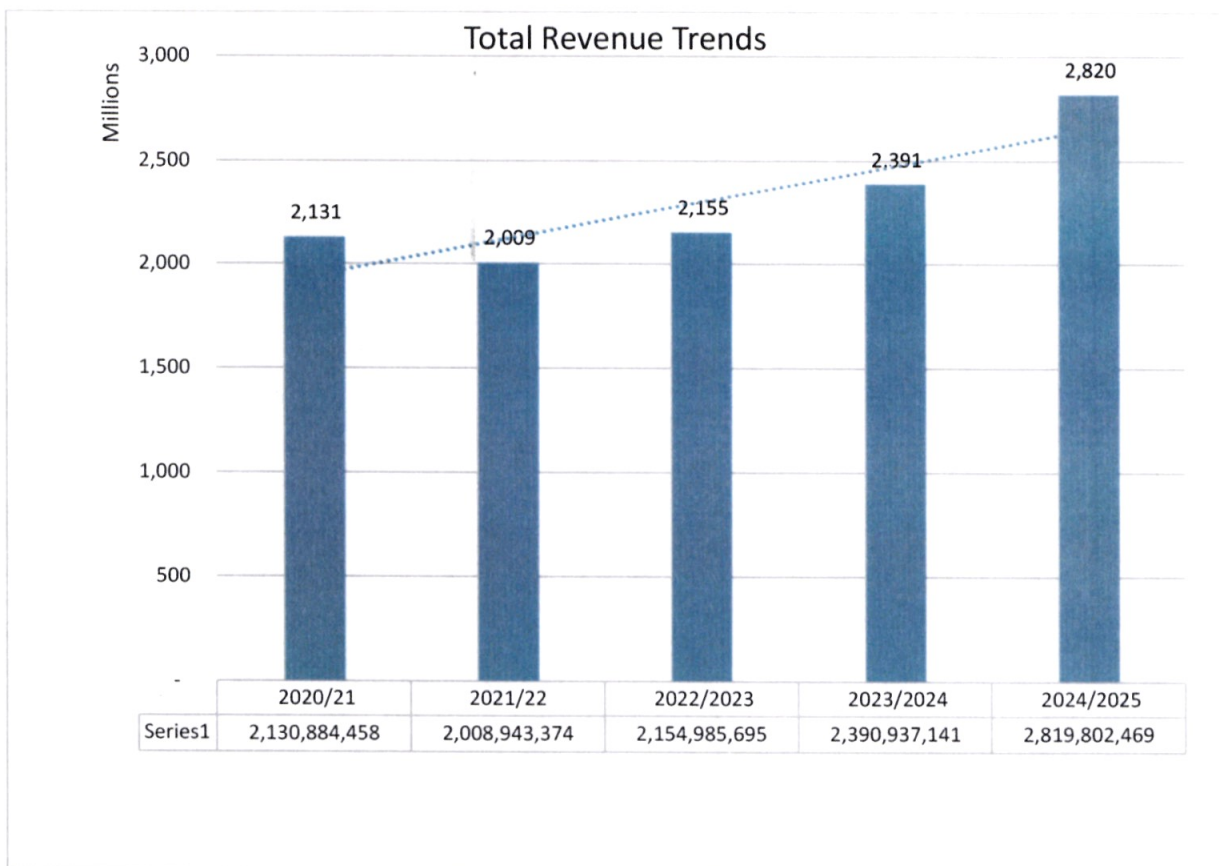
|     |                      |   |   |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
|-----|----------------------|---|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 9.  | Mr. John Mokomoni    | 4 | 4 | 1   | 1   | N/A | N/A | N/A | N/A | 3   | 3   | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 10. | Qs. Mutuku Mutinda   | 4 | 4 | 1   | 1   | 3   | 3   | N/A | N/A | 3   | 3   | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 11. | Ms. Ivy Kimani       | 4 | 4 | 1   | 1   | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 3   | 3   | N/A | N/A |
| 12. | Arch. Florence Nyole | 4 | 4 | 1   | 1   | 3   | 3   | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 13. | Ms. Josephine Kanyi  | 2 | 1 | 1   | 1   | N/A | N/A | N/A | N/A | N/A | N/A | 2   | 1   | N/A | N/A | 2   | 1   | N/A | N/A |
| 14. | Eng. Godana Hargura  | 6 | 6 | 1   | 1   | N/A | N/A | N/A | N/A | 2   | 2   | N/A | N/A | N/A | N/A | 6   | 6   | N/A | N/A |
| 15. | Mr. Kennedy Sagini   | 2 | 2 | N/A | N/A | 1   | 1   | N/A | N/A | N/A | N/A | 1   | 1   | N/A | N/A | N/A | N/A | N/A | N/A |
| 16. | FA Paul Kiagu        | 2 | 2 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 2   | 2   | N/A | N/A | 4   | 4   | N/A | N/A |
| 17. | Waweru Gathecha      | 2 | 2 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1   | 1   | N/A | N/A | N/A | N/A | N/A | N/A |
| 18. | Eng. Maurice Akech   | 6 | 5 | 1   | 1   | 4   | 4   | N/A | N/A | 5   | 4   | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**9. Management Discussion and Analysis**

The financial year 2024/2025 marks the thirteenth year since the Authority was establishment in July 2012. The Authority remains committed to its mandate of promoting the development of the construction industry for a sustained socio-economic development. The key highlights of the Authority’s performance for the period are as outlined below.

**i. Financial Performance**

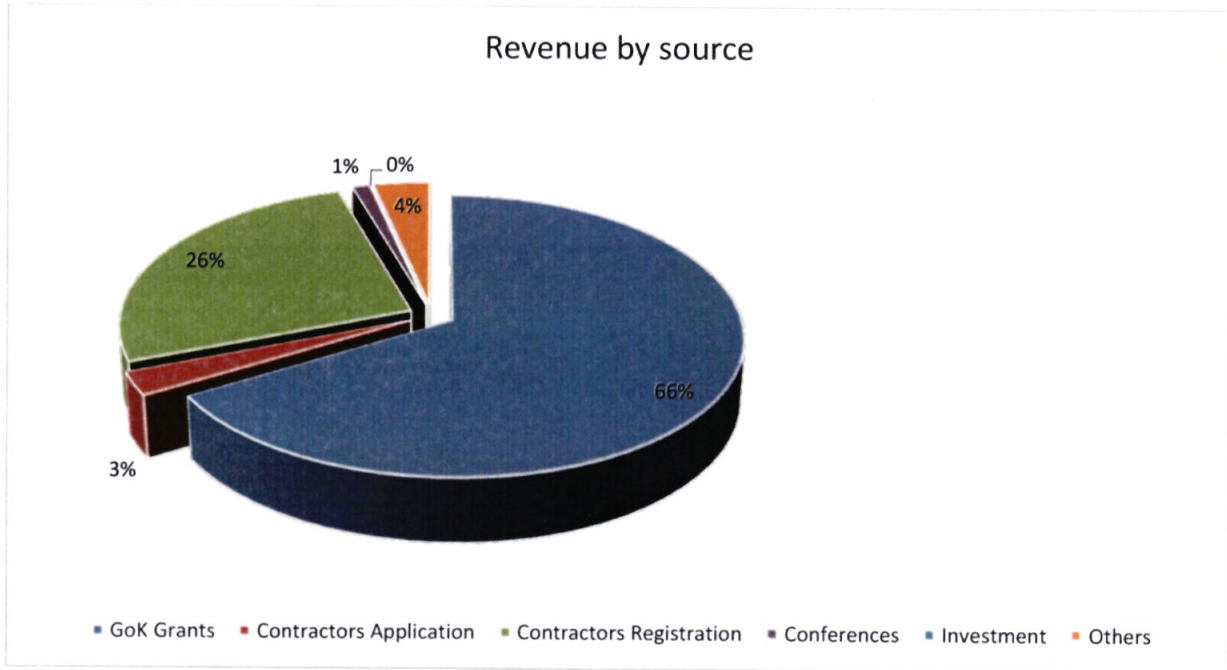
**a. Financial performance in figures**



**Figure 1 Revenue Trends**

The total revenue for the Authority for the financial year 2024/25 increased by 18% as compared to the financial year 2023/24. The internally generated revenue decreased by 4% which is attributable decline in new registrations. The support from the Government in the form of recurrent grants increased by 33% to support the implementation of the National Building Code countrywide.

**b. Revenue Sources**

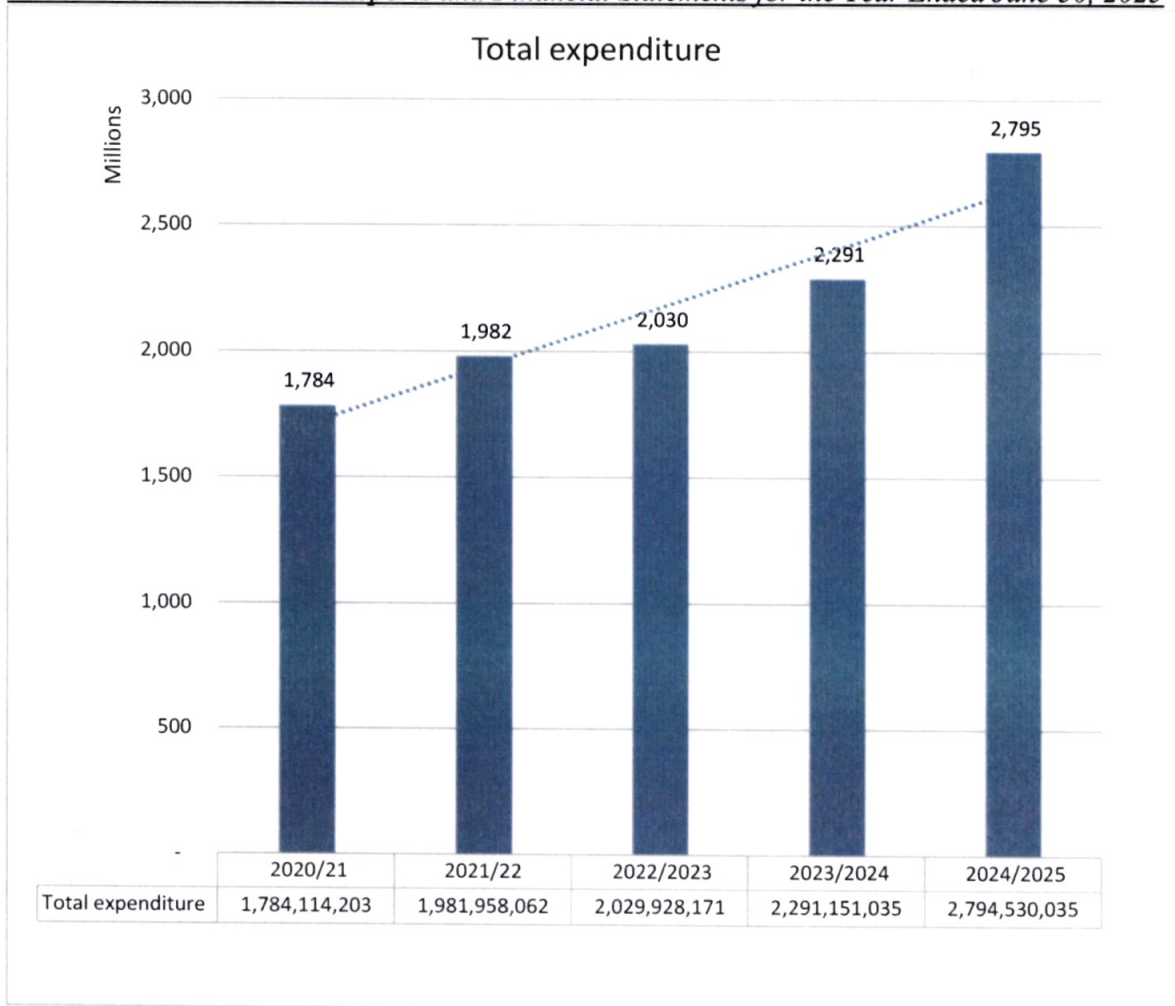


**Figure 2: Revenue by Source**

The GoK grants contributed 66% of the total revenue for the Authority. The internally generated revenue contributed 34 % from contractors’ application fees, registration fees, receipts from contractors’ training workshops and credit interest income.

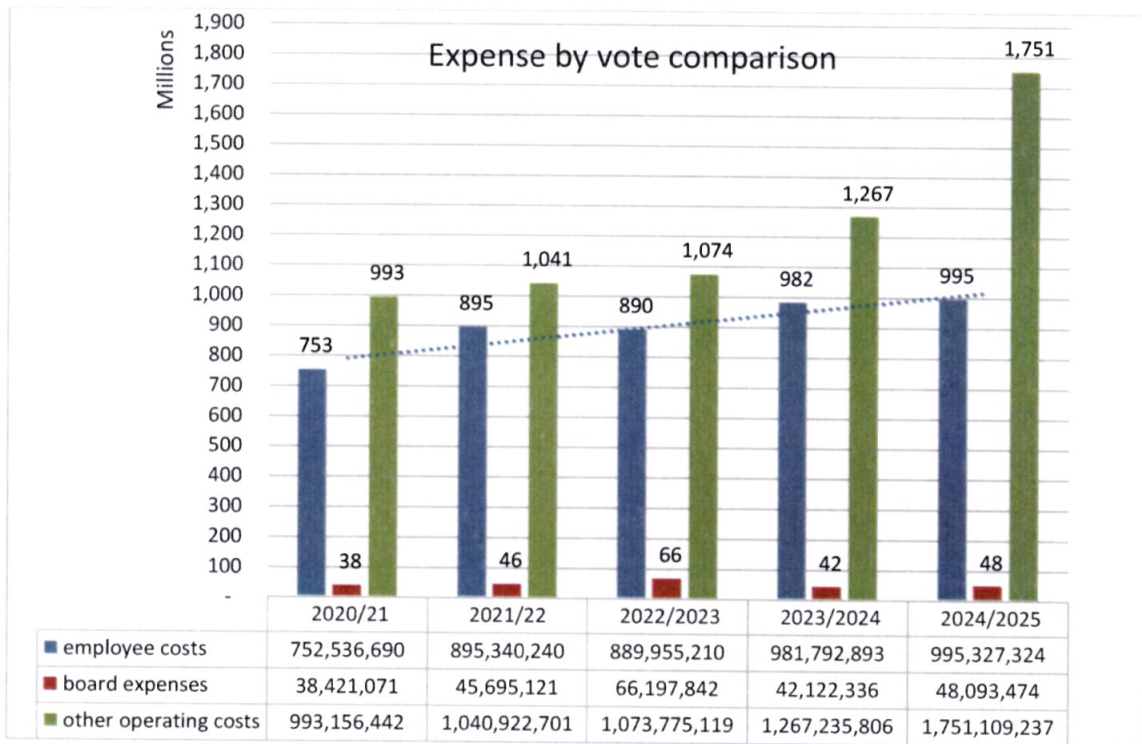
**c. Expenditure Trends**

The recurrent expenditure for the period under review increased by 22% as compared to the last financial year. The absorption of allocated funds stood at 99 % of the recurrent budget.



**Figure 3: Recurrent Expenditure Trends**

**d. Expenditure by Vote**



**Figure 4: Expenditure by Vote**

The Authority’s employee costs accounts for 36% of the total expenditure for the period. The expenditure has grown over the years from KShs 752 Million in the FY 2020/21 to KShs 995 Million at the end of FY 2024/2025. This is attributed to the growth of staff complement from 293 to a total of 386 members of staff in various cadres in 2020/2021 and 2024/2025 respectively.

**ii. Regulation**

**a) Registration of Contractors**

Section 5(2)(d) and (k) of NCA Act No 41 of 2011, mandates the Authority to prescribe the qualifications or other attributes required for accreditation of contractors, and the registration and regulation of their professional undertakings respectively. The Authority has fully automated the processes for registration of contractors, application for the annual practicing licence (renewal), applications for upgrades, downgrades, appeals against classes and/or categories awarded, trainings and all other processes related to contractor registration. This in effect has increased the Authority’s efficiency by

reducing the turn-around time and brought about with-it positive impact on the ease of doing business in the country. The table 1 here below indicates the number of local contractors registered, and with valid certificates for the FY 2024/2025.

As at 30th June 2025, a total of 35,663 individual contractors were registered across various categories as follows:

- i. New Contractors: 10,619
- ii. Upgrade Contractors: 1,719
- iii. Downgrade Contractors: 210
- iv. Contractors with Renewed FY 2024/2025 Licences: 23,062
- v. New Foreign Contractors: 28
- vi. Foreign Contractors with Licence Extensions: 3
- vii. Foreign Contractors with Renewed Practicing Licences: 22

The above statistics under local contractors translate to 69,539 registration certificates with valid Licenses in various classes of works for the FY 2024/ 2025 as per table 8:

**Table 8: Registered Contractors (by Certificate) for FY 2024/2025**

| Category     | Classes of Works |               |               |              |              | Total         |
|--------------|------------------|---------------|---------------|--------------|--------------|---------------|
|              | Roads            | Water         | Buildings     | Electrical   | Mechanical   |               |
| NCA1         | 363              | 255           | 862           | 377          | 261          | 2,118         |
| NCA2         | 309              | 194           | 526           | 125          | 98           | 1,252         |
| NCA3         | 525              | 365           | 783           | 196          | 123          | 1,992         |
| NCA4         | 1,585            | 1,252         | 2,387         | 613          | 394          | 6,231         |
| NCA5         | 2,478            | 1,641         | 2,916         | 577          | 427          | 8,039         |
| NCA6         | 5,212            | 2,899         | 4,752         | 721          | 425          | 14,009        |
| NCA7         | 4,793            | 2,528         | 4,428         | 741          | 330          | 12,820        |
| NCA8         | 7,353            | 5,219         | 8,919         | 1,152        | 374          | 23,017        |
| <b>Total</b> | <b>22,644</b>    | <b>14,359</b> | <b>25,598</b> | <b>4,504</b> | <b>2,434</b> | <b>69,539</b> |

To ensure that the Authority responds appropriately to the dynamic environment in which it operates, the Authority has initiated the process of reviewing the enabling Act and the subsequent regulations. This will ensure that we respond accordingly to the new developments within the industry.

**b) Foreign Contractors**

The National Construction Authority Regulations 2014 provides for the regulations of foreign firms. In line with the provisions of the NCA Regulations 2014, the foreign firms are registered as Category “NCA 1”. The firms are required to sub-contract or enter into a joint venture with a local person or firm for not less than 30% of the value of contract works for which registration is sought and transfer technical skills not available locally to a local person or firm.

**Table 9: Foreign Contractors registered per class of works (certificates)**

| Category            | Classes of Works |       |          |            |            | Total |
|---------------------|------------------|-------|----------|------------|------------|-------|
|                     | Roads            | Water | Building | Electrical | Mechanical |       |
| <b>NCA1-foreign</b> | 26               | 6     | 25       | 2          | 2          | 61    |

The total number of individual foreign contractors registered FY 2024/2025 was 28 with a total number of 61 certificates in the various classes of works as per table 2 above. The Authority undertakes to ensure that foreign contractors strictly adhere to the regulatory requirements that govern their professional undertakings in the construction industry in accordance to the NCA Act 2011 and Regulations 2014.

***c) Accreditation of Skilled Construction Workers and Construction Site Supervisors***

Section 5(2) (l) of the National Construction Authority Act No 41 of 2011, mandates the Authority to accredit and certify skilled construction workers and construction site supervisors. This is geared towards ensuring that the industry employs qualified and competent personnel, with the right mix of skills. In the FY 2024/2025 the Authority accredited 32,247 skilled workers and 6,317 site supervisors across the different trades in the sector. The process of accreditation has been automated, thus making it more convenient and efficient.

**iii. Training and Capacity Building**

The Authority conducted a total of 106 different training & capacity building programs across the country and trained a total of 50,835 contractors, construction workers, site supervisors, and other construction industry stakeholders. The CPD & CTD programs conducted were as follows: 14 CPD programs where 13,146 contractors were trained, 23 CTD programs where 21,096 construction workers were trained, 22 programs where 3,742 site supervisors were trained, and 47 programs where 12,851 industry stakeholders were trained and sensitized on the National Building Code 2024.

***a) Construction Workers training (CTD Programs)***

Under section 5(2)(i) of the National Authority Act No 41 of 2011, The Authority is mandated to provide, promote, review, and co-ordinate training programs organized by public and private accredited training centers for skilled construction workers, construction site supervisors and contractors within the industry. The department

conducted **23 programs** for construction workers where a total of **21,096** construction workers were trained as below:

*Table 10: CTD Programs for Construction Workers*

|    | <b>Continuous Technical Development (CTD) Programs for Construction Workers</b> | <b>Total Trained</b> |
|----|---------------------------------------------------------------------------------|----------------------|
| 1  | Constituency Collaborative CTD Program                                          | 1,494                |
| 2  | County Collaborative CTD Program                                                | 12,862               |
| 3  | Regional Onsite Training Construction Workers under AHP Central Eastern Region  | 210                  |
| 4  | Regional Onsite South Nyanza Region                                             | 269                  |
| 5  | Regional Onsite Mt. Kenya Region                                                | 26                   |
| 6  | Regional Onsite North Rift Region                                               | 1,027                |
| 7  | Regional Onsite Nairobi Region                                                  | 198                  |
| 8  | Regional Onsite North Eastern Region                                            | 141                  |
| 9  | Regional Onsite Central Nyanza Region                                           | 228                  |
| 10 | Regional Onsite Coast Region                                                    | 147                  |
| 11 | Regional Onsite Training program Lower Eastern Region                           | 874                  |
| 12 | Regional Onsite Training program under AHP - Kajiado Region                     | 424                  |
| 13 | Regional Onsite Training program under AHP - Central Rift Region                | 317                  |
| 14 | Regional Onsite Training program under AHP - Western Region                     | 306                  |
| 15 | Collaborative CTD Program with Associations                                     | 527                  |
| 16 | Collaborative CTD Program with manufacturers and Suppliers                      | 1,127                |
| 17 | Women in construction                                                           | 127                  |
| 18 | Exit Talks and Mentorship Program Central Eastern                               | 10                   |
| 19 | Exit talks and mentorship Program North Rift                                    | 153                  |
| 20 | Exit talks and mentorship Program Upper Eastern                                 | 101                  |
| 21 | Exit talks and mentorship Program Coast Region                                  | 93                   |
| 22 | Exit talks and mentorship Program Nairobi Region:                               | 205                  |
| 23 | Exit talks and mentorship Program Western Region:                               | 230                  |
|    | <b>TOTAL</b>                                                                    | <b>21,096</b>        |

**b) Contractors Training CPD Programs**

The Construction Authority Act 2011 mandates the Authority to train and build the capacity of contractors across the country. The NCA regulations mandates the Authority to conduct Continuous Professional Development (CPD) programs for registered contractors to enable them to qualify for annual renewal and to be considered for category upgrade. Under the NCA Regulations 2014 each registered contractor is required to acquire a minimum of 10 CPD points every year by attending NCA-organized trainings or NCA accredited training programs offered by other industry institutions.

The department conducted **14 programs** for contractors, where a total of **13,146** contractors were trained in the different programs as per the table below;

*Table 11: CPD Programs for Contractors*

|    | <b>Continuous Professional Development (CPD) Programs for Contractors:</b> | <b>Total Trained</b> |
|----|----------------------------------------------------------------------------|----------------------|
| 1  | AGPO Contractors CPD Program <i>Total</i>                                  | 125                  |
| 2  | Sector-Based Contractors CPD Program                                       | 405                  |
| 3  | Annual Contractors Conference 2024                                         | 616                  |
| 4  | Contractors Online CPD Program: 4-hour Webinars                            | 1,359                |
| 5  | ICORCE 2024 Conference and Site Visit                                      | 64                   |
| 6  | Regional CPD programs for contractors under AHP                            | 335                  |
| 7  | Collaborative CPD Program with Professional & Contractors Associations     | 234                  |
| 8  | Collaborative CPD Program with Manufacturers and Suppliers                 | 198                  |
| 9  | Contractors' Onsite Training Program                                       | 161                  |
| 10 | Accredited CPD Providers Program                                           | 5,716                |
| 11 | Affordable Financing for MSME Contractors                                  | 348                  |
| 12 | High Impact Contractors CPD Program                                        | 15                   |
| 13 | Building Code Sensitization Program                                        | 2,867                |
| 14 | ABMT Collaborative Program                                                 | 703                  |
|    | <b>TOTAL</b>                                                               | <b>13,146</b>        |

**c) Construction Site Supervisors Training (CTD Programs)**

Under section 5(2)(i) of the National Authority Act No 41 of 2011, the Authority is mandated to provide, promote, review, and co-ordinate training programs organized by public and private accredited training centres for skilled construction workers, construction site supervisors and contractors within the industry. The department conducted **22 programs** for construction site supervisors where a total of **3,742** construction site supervisors were trained as below:

*Table 12: CTD Programs for Construction Site Supervisors*

|    | <b>Continuous Technical Development (CTD) Programs for Construction Site Supervisors</b> | <b>Total Trained</b> |
|----|------------------------------------------------------------------------------------------|----------------------|
| 1  | OHS & First Aid Training for site supervisors under AHP                                  | 555                  |
| 2  | Site Supervisors CTD Program                                                             | 297                  |
| 3  | Collaborative CTD Program with Associations                                              | 540                  |
| 4  | Online project supervisory skills Training                                               | 246                  |
| 5  | Exit Talks & Mentorship Program Nairobi Region                                           | 327                  |
| 6  | Exit Talks & Mentorship Program Kiambu Region                                            | 185                  |
| 7  | Exit Talks and Mentorship Program Central Eastern                                        | 249                  |
| 8  | Exit talks and mentorship North Rift                                                     | 206                  |
| 9  | Exit talks and mentorship Program Central Rift                                           | 62                   |
| 10 | Exit talk and mentorship program Mount Kenya                                             | 90                   |
| 11 | Exit talks and mentorship Program - Coast Region                                         | 332                  |
| 12 | Exit talks and mentorship Program - Nairobi Region-                                      | 257                  |
| 13 | Exit talks and mentorship Program - Western Region                                       | 209                  |
| 14 | Regional Onsite Training program under AHP Central Eastern & Mt Kenya Region             | 10                   |
| 15 | Regional Onsite Training program under AHP North Rift Region                             | 43                   |
| 16 | Regional Onsite Training program under AHP South Nyanza Region                           | 11                   |
| 17 | Regional Onsite Training program under AHP Kiambu Region                                 | 6                    |
| 18 | Regional Onsite Training program under AHP Nairobi Region                                | 43                   |

|    | <b>Continuous Technical Development (CTD) Programs for Construction Site Supervisors</b> | <b>Total Trained</b> |
|----|------------------------------------------------------------------------------------------|----------------------|
| 19 | Regional Onsite Training program under AHP North Eastern Region                          | 1                    |
| 20 | Regional Onsite Training program under AHP Central Nyanza Region                         | 46                   |
| 21 | Regional Onsite Training program under AHP Coast Region                                  | 6                    |
| 22 | Regional Onsite Training program under AHP- Lower Eastern & Kajiado Region               | 21                   |
|    | <b>TOTAL</b>                                                                             | <b>3,742</b>         |

#### iv. Quality Assurance

##### a) Project Registration and Site Inspection

The Authority under Section 5(2) (g) of the NCA act 2011 is mandated to promote and ensure quality assurance in the construction industry. Quality Assurance is a technical and professional site inspection of a construction projects undertaken by Compliance Department through the Regional Coordinators to ascertain conformity to construction standards and specifications in accordance to laws and regulations governing construction. During the financial years under review, the Authority carried out site inspections across the country to ensure compliance with the construction laws and regulations. All the non-compliant sites are suspended and Suspension of Works Order issued. Upon compliance with the requirements as per set checklist, a Lifting of suspension of Works Order is issued. The achievement for the year is tabulated below;

Table 13: Project Registration and Site Inspections

|                      |                       | <b>Achievement</b> | <b>Annual Target</b> | <b>% of Annual Target</b> |
|----------------------|-----------------------|--------------------|----------------------|---------------------------|
| Quality Assurance    | Sites Inspected       | 27,906             | 31,500               | <b>88.6%</b>              |
|                      | Sites Suspended       | 15,736             |                      |                           |
|                      | Compliant Sites       | 7,106              |                      |                           |
| Project Registration | Applications Received | 5,944              | 4,400                | <b>108.4%</b>             |
|                      | Applications Approved | 4,769              |                      |                           |

**Table 14: Detailed quality assurance performance per region**

| <b>QUALITY ASSURANCE PERFORMANCE FOR FY 2024/2025</b> |                        |                       |               |                    |
|-------------------------------------------------------|------------------------|-----------------------|---------------|--------------------|
| <b>Region</b>                                         | <b>Sites Inspected</b> | <b>Sites Accepted</b> | <b>Target</b> | <b>Achievement</b> |
| Nairobi                                               | 7035                   | 2773                  | 8000          | 87.90%             |
| Kiambu                                                | 2452                   | 148                   | 3550          | 69.10%             |
| Kajiado                                               | 1932                   | 293                   | 2000          | 96.60%             |
| Lower Eastern                                         | 1386                   | 62                    | 1700          | 81.50%             |
| Coast                                                 | 3116                   | 579                   | 3200          | 97.40%             |
| Central Nyanza                                        | 1803                   | 40                    | 1900          | 94.90%             |
| Central Rift                                          | 1768                   | 125                   | 2000          | 88.40%             |
| North Rift                                            | 1396                   | 130                   | 1400          | 99.70%             |
| Mount Kenya                                           | 1643                   | 733                   | 1700          | 96.60%             |
| Central Eastern                                       | 1487                   | 51                    | 1700          | 87.50%             |
| Upper Eastern                                         | 298                    | 27                    | 550           | 54.20%             |
| Western                                               | 1799                   | 1329                  | 1900          | 94.70%             |
| South Nyanza                                          | 1499                   | 816                   | 1600          | 93.70%             |
| North Eastern                                         | 292                    | 0                     | 300           | 97.30%             |
| <b>TOTAL</b>                                          | <b>27906</b>           | <b>7106</b>           | <b>31500</b>  | <b>88.60%</b>      |

**Table 15: Detailed project registration performance per region**

| <b>PROJECT REGISTRATION PERFORMANCE FOR FY 2024/2025</b> |                  |                              |               |                    |
|----------------------------------------------------------|------------------|------------------------------|---------------|--------------------|
| <b>Region</b>                                            | <b>Submitted</b> | <b>Applications Approved</b> | <b>Target</b> | <b>Achievement</b> |
| Nairobi                                                  | 941              | 894                          | 800           | 111.80%            |
| Kiambu                                                   | 1018             | 812                          | 600           | 135.30%            |
| Kajiado                                                  | 682              | 593                          | 550           | 107.80%            |
| Lower Eastern                                            | 532              | 437                          | 400           | 109.30%            |
| Coast                                                    | 550              | 449                          | 450           | 99.80%             |
| Central Nyanza                                           | 423              | 353                          | 320           | 110.30%            |
| Central Rift                                             | 346              | 159                          | 200           | 79.50%             |
| North Rift                                               | 257              | 199                          | 180           | 110.60%            |
| Mount Kenya                                              | 315              | 236                          | 250           | 94.40%             |
| Central Eastern                                          | 326              | 217                          | 220           | 98.60%             |
| Upper Eastern                                            | 39               | 28                           | 40            | 70.00%             |
| Western                                                  | 237              | 167                          | 170           | 98.20%             |
| South Nyanza                                             | 256              | 210                          | 200           | 105.00%            |
| North Eastern                                            | 22               | 15                           | 20            | 75.00%             |
| <b>TOTAL</b>                                             | <b>5944</b>      | <b>4769</b>                  | <b>4400</b>   | <b>108.40%</b>     |

**b) Building Code Implementation**

The National Building Code 2024 was gazetted in March 2024 with a one year transition period. The Code replaces the 1968 Building Code which has been in operation since as an adoptive regulation under the defunct The Local Government Act. The official launch of the Code took place in July 2024. The launch was succeeded by regional stakeholder engagements, and civic education forums across the country. The sensitization program focused on both technical and public awareness campaigns/forums. The official launch of the national sensitization and civic education programme took place on January 14, 2025, with sector-based workshops hosted in partnership with KPDA and Deputy Governors. The table below represents the forums that the Authority held to create awareness.

*Table 16: Building Code Technical Training Forums*

| <b>No.</b> | <b>County</b> | <b>Dates</b>                                   | <b>Venue</b>                        | <b>Participation</b> |
|------------|---------------|------------------------------------------------|-------------------------------------|----------------------|
| 1          | Kakamega      | 13 <sup>th</sup> - 15 <sup>th</sup> March 2025 | Golf Hotel<br>Kakamega              | 435                  |
| 2          | Kisumu        | 14 <sup>th</sup> - 16 <sup>th</sup> March 2025 | Best Western Hotel<br>Kisumu        | 457                  |
| 3          | Kisii         | 18 <sup>th</sup> - 20 <sup>th</sup> March 2025 | Dallas Premiere<br>Hotel            | 457                  |
| 4          | Nakuru        | 20 <sup>th</sup> - 22 <sup>nd</sup> March 2025 | Sarova Woodlands<br>Hotel,          | 504                  |
| 5          | Garissa       | 11 <sup>th</sup> - 13 <sup>th</sup> March 2025 | Hiddig Hotels Co.<br>Limited        | 183                  |
| 6          | Kitui         | 13 <sup>th</sup> - 15 <sup>th</sup> March 2025 | Kitui Mwingi<br>Parkside            | 385                  |
| 7          | Isiolo        | 13 <sup>th</sup> - 15 <sup>th</sup> March 2025 | Elboran Resort &<br>Spa             | 449                  |
| 8          | Kajiado       | 14 <sup>th</sup> - 15 <sup>th</sup> March 2025 | Olarro Hotel                        | 305                  |
| 9          | Embu          | 14 <sup>th</sup> - 15 <sup>th</sup> March 2025 | Nokras Silver Oak<br>Hotel          | 295                  |
| 10         | Nyeri         | 19 <sup>th</sup> - 21 <sup>st</sup> March 2025 | Legends Hotel                       | 600                  |
| 11         | Kiambu        | 18 <sup>th</sup> - 20 <sup>th</sup> March 2025 | Windsor Golf Hotel<br>& County Club | 590                  |
| 12         | Nairobi       | 10 <sup>th</sup> - 12 <sup>th</sup> March 2025 | Weston Hotel                        | 454                  |
| 13         | Mombasa       | 18 <sup>th</sup> - 20 <sup>th</sup> March 2025 | Pride Inn Paradise<br>Beach Hotel   | 558                  |
| 14         | Uasin Gishu   | 11 <sup>th</sup> - 13 <sup>th</sup> March 2025 | Eka Hotel                           | 358                  |

|              |               |                                               |                          |              |
|--------------|---------------|-----------------------------------------------|--------------------------|--------------|
| 15           | Trans Nzoia   | 10 <sup>th</sup> – 12 <sup>th</sup> June 2025 | Aturukan Hotel           | -            |
| 16           | Nandi         | 12 <sup>th</sup> – 14 <sup>th</sup> June 2025 | Allens Hotel Limited     | 65           |
| 17           | West Pokot    | 19 <sup>th</sup> – 21 <sup>st</sup> June 2025 | Kalya Investment LTD     | 127          |
| 18           | Baringo       | 10 <sup>th</sup> – 12 <sup>th</sup> June 2025 | Rift Valley Hills Resort | 67           |
| 19           | Siaya         | 16 <sup>th</sup> – 18 <sup>th</sup> June 2025 | The Candela Hotel        | 97           |
| 20           | Makueni       | 19 <sup>th</sup> – 21 <sup>st</sup> June 2025 | Kilimani Breeze Hotel    | 57           |
| 21           | Machakos      | 23 <sup>rd</sup> – 25 <sup>th</sup> June 2025 | Semara Hotel             | 51           |
| 22           | Muranga       | 24 <sup>th</sup> -26 <sup>th</sup> June 2025  | Hotel Nokras (K) Limited | 395          |
| 23           | Tharaka Nithi | 10 <sup>th</sup> – 12 <sup>th</sup> June 2025 | Coolmont Hotel Kathwana  | 108          |
| 24           | Busia         | 17 <sup>th</sup> - 19 <sup>th</sup> June 2025 | Hotel Rowcena            | 210          |
| 25           | Marsabit      | 13 <sup>th</sup> – 15 <sup>th</sup> June 2025 | Sand and Rock Hotel      | 346          |
| 26           | Bungoma       | 12 <sup>th</sup> – 14 <sup>th</sup> June 2025 | Tourist Hotel            | 125          |
| 27           | Kilifi        | 23 <sup>rd</sup> – 25 <sup>th</sup> June 2025 | Silver Palm SPA & Resort | 59           |
| 28           | Vihiga        | 23 <sup>rd</sup> – 25 <sup>th</sup> June 2025 | Sosa Cottages Limited    | -            |
| <b>Total</b> |               |                                               |                          | <b>7,737</b> |

*Table 17: Building Code Public Sensitization Forums*

|   | <b>County</b>   | <b>Venue</b>                       | <b>Dates</b>                | <b>No. of participants</b> |
|---|-----------------|------------------------------------|-----------------------------|----------------------------|
| 1 | Makueni         | Kambua Resort Kibwezi West Makindu | 24 <sup>th</sup> June, 2025 | 92                         |
| 2 | Machakos        | The Hotel Eagles Tala              | 25 <sup>th</sup> June, 2025 | 101                        |
| 3 | Taita Taveta    | Taita Taveta Polytechnic - Voi     | 23 <sup>rd</sup> June, 2025 | 46                         |
| 4 | Baringo         | Taidys Hotel - Eldama Ravine B     | 24 <sup>th</sup> June, 2025 | 48                         |
| 5 | Elgeyo Marakwet | Kerio View Resort                  | 25 <sup>th</sup> June, 2025 | 58                         |
| 6 | West Pokot      | Sophie's Garden Hotel Kapenguria   | 26 <sup>th</sup> June, 2025 | 52                         |
| 7 | Turkana         | The Black Gold Hotel Lokichar      | 27 <sup>th</sup> June, 2025 | 63                         |

|              |               |                                                    |                             |              |
|--------------|---------------|----------------------------------------------------|-----------------------------|--------------|
| 8            | Meru          | The Prime Regent Hotel - Nkubu                     | 27 <sup>th</sup> June, 2025 | 18           |
| 9            | Tharaka Nithi | Lowlands Hotel & Spa - Chuka                       | 26 <sup>th</sup> June, 2025 | 18           |
| 10           | Laikipia      | The Breeze Hotel – Nyahururu                       | 23 <sup>rd</sup> June, 2025 | 63           |
| 11           | Samburu       | Samburu TTI/Archers Post                           | 26 <sup>th</sup> June, 2025 | 62           |
| 12           | Wajir         | Grand Oasis Resort Limited                         | 23 <sup>rd</sup> June, 2025 | 90           |
| 13           | Mandera       | Granada Properties Limited                         | 25 <sup>th</sup> June, 2025 | 91           |
| 14           | Marsabit      | Sand and Rock                                      | 27 <sup>th</sup> June, 2025 | 108          |
| 15           | Busia         | The Grand Bristol Comfort Inn                      | 16 <sup>th</sup> June 2025  | 133          |
| 16           | Siaya         | Bondo Pride Hotel                                  | 17 <sup>th</sup> June 2025  | 203          |
| 17           | Vihiga        | Turaco Inter County Resort                         | 18 <sup>th</sup> June 2025  | 180          |
| 18           | Murang'a      | Trotters Hotel                                     | 16 <sup>th</sup> June 2025  | 78           |
| 19           | Kirinyaga     | Abai Lodges & Spa                                  | 17 <sup>th</sup> June 2025  | 62           |
| 20           | Nyandarua     | Royal Gardens Hotel                                | 18 <sup>th</sup> June 2025  | 117          |
| 21           | Nyamira       | Water Pavilion Hotel                               | 23 <sup>rd</sup> June 2025  | 198          |
| 22           | Homabay       | Cold Springs Hotel                                 | 24 <sup>th</sup> June 2025  | 143          |
| 23           | Migori        | Calabash Hotel                                     | 25 <sup>th</sup> June 2025  | 75           |
| 24           | Trans Nzoia   | Grand Tenacity Hotel                               | 16 <sup>th</sup> June 2025  | 110          |
| 25           | Bungoma       | Hunters Paradise Cottages                          | 17 <sup>th</sup> June 2025  | 145          |
| 26           | Kericho       | Sunshine Hotel                                     | 23 <sup>rd</sup> June 2025  | 470          |
| 27           | Nandi         | Equator Pastoral Resort - (Allen Hotel - Kapsabet) | 24 <sup>th</sup> June 2025  | 157          |
| 28           | Bomet         | The Willis Hotel Bomet                             | 25 <sup>th</sup> June 2025  | 193          |
| 29           | Narok         | Mara Frontier Hotel                                | 26 <sup>th</sup> June 2025  | 104          |
| 30           | Kilifi        | Baobab Sea Lodge                                   | 23 <sup>rd</sup> June 2025  | 178          |
| 31           | Kwale         | Kwale Golden Guest House                           | 24 <sup>th</sup> June 2025  | 251          |
| 32           | Tana River    | Tana Palace Hotel                                  | 25 <sup>th</sup> June 2025  | 238          |
| 33           | Lamu          | Lamu Palace Hotel                                  | 26 <sup>th</sup> June 2025  | 146          |
| <b>Total</b> |               |                                                    |                             | <b>4,091</b> |

**v. Service Delivery****a. Human Resource**

The Authority's current approved staff establishment stands at seven hundred and seventy-two (772) posts. Of this number, 386 positions are currently occupied by members of staff in various cadres. As required, 70% of the total HR strength constitutes technical staff while the rest offer support services. These officers were deployed at the headquarters and in the fourteen (14) regional and thirteen (13) liaison offices respectively across the Country. The Board in the year 2024/2025 filled thirty-two (32) positions in the establishment and is in the process of filling the remaining positions both at managerial and operational levels upon receipt of the necessary approvals.

In keeping with the government policy and the spirit of providing opportunities for the youth, the Authority embarked on offering internship, apprenticeship and industrial attachment to fresh graduates and students respectively. In the FY 2024/25 and as per the Authority's performance contract requirements, the HR department engaged seven (7) graduates on internship seconded from the Public Service Commission and another eighty (80) diploma holders on apprenticeship for a period of one year. The Authority also provided over one hundred and fifty-four (154) students with industrial attachment in different departments and regions.

**vi. Corporate Social Responsibility**

In the 2024/2025 financial year, the National Construction Authority (NCA) prioritized strategic communication, public engagement, and stakeholder education to advance regulatory reforms and strengthen institutional visibility. The Authority supported the delivery of key national programmes, with a strong focus on promoting the **National Building Code 2024**, enhancing access to information, and fostering meaningful stakeholder participation.

**Public Sensitization and Stakeholder Engagement**

The Authority advanced its national outreach agenda through sustained **sensitization of the National Building Code 2024**. This included the launch press conference in July 2024, regional stakeholder engagements, and civic

education forums in Nairobi, Nakuru, Kitui, Mombasa, and West Pokot. The official launch of the national sensitization and civic education programme took place on **January 14, 2025**, with sector-based workshops hosted in partnership with KPDA and Deputy Governors.

The Authority also conducted successful regional stakeholder forums, including a well-attended session in Tana River, and maintained strategic partnerships to support flagship events such as **ICORCE** and the **Construction Excellence Awards (CEA)**, the latter scheduled for launch on **July 4, 2025**.

#### **Customer Care and Complaints Resolution**

The Authority commissioned a new **customer call back and information system** to improve service responsiveness. Additionally, a **digital complaint reporting tool** was developed and deployed in-house, with complaint-handling champions inducted across the regions. The Authority continued to meet its constitutional obligations by submitting quarterly reports to the Commission on Administrative Justice on public complaints and access to information.

#### **Media Engagement and Institutional Visibility**

To support public awareness, the Authority held quarterly press briefings and partnered with external media agencies for strategic media management and monitoring. Branded materials were produced and distributed as planned, while digital communications were strengthened through bulk email services, newsletter dissemination, and the production of audio content for web and social platforms.

#### **CSR and Environmental Communication**

Under its Corporate Social Responsibility agenda, the Authority continued to implement tree planting activities across the country, targeting a cumulative **30,000 trees** and maintaining quarterly reporting to the State Department of Forestry. Planning for the **Ujenzi Club**, a youth engagement platform, began in collaboration with external partners and will be rolled out under a co-funded model in the new financial year.

## **10. Environmental and Sustainability Reporting**

The National Construction Authority (NCA) exists to transform the construction industry by regulating and coordinating its development. This purpose forms the foundation of our mandate, driving the implementation of strategic initiatives anchored on the NCA Act No. 41 of 2011. The Authority's sustainability approach focuses on citizen-centered service delivery, evidence-based policy formulation, operational excellence, and integration of environmental, social, and governance (ESG) principles consistent with global best practices.

### **i) Sustainability Strategy and Profile**

#### **a) Anti-Corruption Policy**

The National Construction Authority (NCA) Anti-Corruption Policy provides a comprehensive governance framework for the detection, prevention, and management of corruption risks, aligned with ISO 37001:2016 Anti-Bribery Management Systems and Kenya's integrity and leadership codes. The Authority's zero-tolerance stance towards corruption is anchored on ethical conduct, transparency, and accountability in all operations. To ensure implementation, the Board and Management allocate adequate resources for staff capacity-building, corruption prevention mechanisms across all departments and regional offices, and confidential reporting channels for suspected integrity breaches. Continuous monitoring and improvement of the anti-corruption framework remain key priorities.

#### **b) Sustainability of NCA**

To sustain its operations and enhance institutional resilience, the National Construction Authority has in place a revised Strategic Plan 2020–2025. The Plan provides strategic direction for a dynamic and evolving construction industry, integrating sustainability, innovation, and stakeholder inclusivity. It emphasizes research-driven planning, identification of critical success factors, and alignment with ESG objectives, the Bottom-Up Economic Transformation Agenda (BETA), and Kenya Vision 2030 (Fourth Medium-Term Plan). The Plan promotes adaptive management, continuous learning, and performance accountability for long-term organizational sustainability.

#### **c) Competitiveness of NCA**

To remain competitive, the Authority is committed to developing and operationalizing institutional frameworks and procedures that align with the Government's development agenda. The Strategic Plan integrates global and regional sustainability blueprints including the SDGs, AU Agenda 2063, and ISO 26000 on social responsibility. This ensures that NCA contributes effectively to Kenya's industrialization goals while fostering innovation, inclusivity, and environmental stewardship. The Board continues to provide strategic oversight,

mobilize resources, and enhance governance systems to ensure timely achievement of strategic targets.

### **ii) Environmental Performance**

The Authority is fully committed to environmental protection and compliance with all applicable regulatory frameworks, including the Environmental Management and Coordination Act (EMCA, 1999), ISO 14001:2015 Environmental Management Systems, and the national climate change strategy. NCA is developing a policy framework to guide biodiversity conservation, sustainable resource use, and waste management in its operations and regulatory functions.

To ensure compliance and promote environmental sustainability, the Authority has undertaken the following actions:

- a. Partnered with the Kenya Green Building Society to promote waste management and green building adoption in Kenya.
- b. Supported national tree-planting efforts by planting 30,000 trees in FY 2024/2025, contributing to Kenya's goal of achieving 30% tree cover by 2032.
- c. Continued adoption of open-plan office layouts and energy-efficient equipment to promote sustainable energy use and reduce emissions.
- d. Institutionalized online and hybrid meetings to minimize travel-related emissions and operational carbon footprint.

### **iii) Employee Welfare**

The Authority promotes equity, diversity, and inclusion through a fair and merit-based hiring policy that reflects Kenya's diversity and provides equal opportunities for all genders, youth, persons with disabilities, and marginalized groups. Currently, the gender ratio stands at 39:61 (female to male), meeting the constitutional threshold, with the goal of achieving 50:50 gender parity. Human Resource policies are periodically reviewed to remain compliant with national labor laws, ILO standards, and government circulars, ensuring inclusivity and fairness.

The Authority's Career Progression Guidelines provide a transparent framework for staff mobility and professional growth. A Training Needs Assessment (TNA) is conducted every three years to inform annual training plans, while performance appraisals guide rewards, sanctions, and performance improvement. NCA upholds occupational safety and health through adequate working conditions, modern work tools, and wellness programs including medical cover, lactation facilities, and safety audits.

Employee welfare programs include:

- a. National Construction Authority Staff Retirement Benefits Scheme for staff pension management.
- b. NATCON SACCO, a deposit-taking SACCO enabling staff savings and credit access.
- c. Car loan and mortgage schemes for affordable financing of vehicles and homes.
- d. Comprehensive insurance packages including medical, life, personal accident, and WIBA cover.
- e. National Construction Authority Staff Welfare Association (NACASWA) supporting staff welfare and bereavement cases.
- f. A lactation room for nursing mothers in compliance with occupational health and safety standards.

#### **iv) Market place Practices**

##### **a) Responsible Competition Practice**

The Authority enforces responsible competition and ethical conduct guided by its Anti-Corruption Policy and the NCA Act No. 41 of 2011, Section 5(2)(d)(k). The contractor registration system is automated and based on transparent evaluation criteria across categories (NCA1–NCA8), ensuring fairness and professionalism. To build institutional capacity, the Authority promotes knowledge sharing, mentorship, and coaching programs to support staff growth and integrity in service delivery.

##### **b) Responsible Supply Chain and Supplier Relations**

The Authority upholds responsible and ethical supply chain practices aligned with the Public Procurement and Asset Disposal Act (PPADA, 2015), ESG principles, and SDG 12 on responsible consumption. Procurement plans are published transparently, and all communication with suppliers is conducted professionally and promptly. Contracts are closely monitored, challenges addressed collaboratively, and payments processed promptly after inspection and acceptance of goods and services.

##### **c) Responsible Marketing and Advertisement**

The Authority's marketing and communication practices adhere to truthfulness, fairness, and ethical principles, ensuring compliance with data protection and access to information laws. Communications are aligned with ISO 26000 on social responsibility, emphasizing transparency, respect for stakeholder privacy, and equitable engagement.

**d) Product and service Stewardship**

As a regulatory institution, NCA safeguards consumer rights through an effective complaints-handling mechanism guided by the Citizen Service Delivery Charter. All complaints are documented, investigated, and resolved within seven days. Quarterly reports are submitted to the Commission on Administrative Justice for review, culminating in annual compliance certification. This reinforces accountability, customer satisfaction, and continuous service quality improvement.

**11. Report of the Directors**

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

**i) Principal activities**

The principal activity of the Authority is to regulate the construction industry and coordinate its development.

**ii) Results**

The results of the National Construction Authority for the year ended June 30<sup>th</sup> 2025 are set out on page 1 to 8.

**iii) Directors**

The members of the Board of Directors who served during the year are shown on page xii to xxiv. During the financial year, Qs. Rose Kotut, Mr. John Osero Mokomoni, Arch Florence Nyole, Ms. Ivy Kimani, Qs. Mutinda Josephat, Ms. Josephine Kanyi were appointed as Board Members. The terms of Waweru Gathecha, Mr. Kennedy Sagini and FA Paul Kiagu lapsed within the financial year.


**iv) Surplus remission**

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Authority remitted KShs 150,450,185 in the FY 2024/2025 to the Consolidated Fund. The declared surplus to be remitted to the fund for the FY 2024/2025 is KShs 29,939 as reported in the statement of financial performance.

**v) Auditors**

The Auditor-General is responsible for the statutory audit of the Authority in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2025.

By Order of the Board



.....  
**Eng. Maurice Akech, MBS**

**Executive Director/Secretary to the Board**

**12. Statement of Directors Responsibilities**

The Public Finance Management Act 2012 Sec. 81, the National Construction Authority Act Sec. 35 and the State Corporations Act Cap 446 Sec. 14, require the Board to prepare annual financial reports in respect of National Construction Authority, which give a true and fair view of the state of affairs of the Authority at the end of the financial year and its operating results for that year. The Board is also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Board is also responsible for safeguarding the assets of the Authority.

The Board is responsible for the preparation and presentation of the Authority financial statements, which give a true and fair view of the state of affairs of the Authority 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 Authority;
- (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 Authority;
- (v) selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.


The Board accepts responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sectors Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Board is of the opinion that the Authority's financial statements give a true and fair view of the state of the Authority's transactions during

the financial year ended June 30<sup>th</sup>, 2025, and of the its financial position as at that date. The Board further confirm the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

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

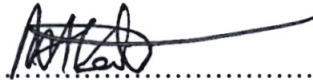
**Approval of the financial statements**

The Authority's financial statements were approved by the Board on \_\_\_\_\_ 2025 and signed on its behalf by:



.....

**Mercy Okiro, FCI Arb**  
**Chairperson the Board**



.....

**Eng. Maurice Akech, MBS,**  
**Accounting Officer**

# REPUBLIC OF KENYA



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## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL CONSTRUCTION AUTHORITY 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.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of National Construction Authority 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, the financial statements present fairly, in all material respects, the financial position of National Construction Authority 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 and comply with the National Construction Authority Act, 2011 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **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. There were no key audit matters to report in the year under review.

### **Other Matter**

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

In the prior year audit report, two issues were raised under the Emphasis of Matter and Report on Effectiveness of Internal Controls, Risk Management and Governance. These include long outstanding prepaid levy and long outstanding receivables from non-exchange transactions. Review of the status during audit of the Authority in 2024/2025 revealed that the matters remained unresolved.

### **Other Information**

The Management is responsible for the Other Information set out on page v to xc which comprise of Key Entity Information and Management, The Board of Directors, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Authority'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. Non-Adherence to Board of Directors Statutory Guidelines**

##### **1.1 Over-Expenditure on Board Expenses**

The statement of financial performance reflects Board expenses balance of Kshs.48,093,474 and as disclosed in Note 17 to the financial statements. The amounts exceeded the maximum allowable threshold of Kshs.30 million, contrary to Circular No. OP/CAB.9/1A dated 11 March, 2020 issued by the Office of the President which states that Board expenses budget should be capped at 30 million or 5% of the operation and maintenance budget of the state corporation, whichever is less.

##### **1.2 Lack of Competence Needs Assessment on Board Training**

Further, included in the balance is Board training expenditure amounting to Kshs.7,831,273 which was incurred without a Competence Needs Assessment and an Annual Development Plan contrary to Section 15 of Mwongozo on Board Induction and Continuous Skill Development, which states that State Corporation Boards should undertake a Competence Needs Assessment and prepare an Annual Development Plan to address identified skills gaps.

##### **1.3 Unwarranted Constitution of Adhoc Committees**

In addition, review of records revealed that the Board constituted three (3) Ad Hoc Committees namely: two (2) Ad Hoc Committee to look into the summary dismissal of two

members of staff and an Ad Hoc Committee on the implementation of the Building Code. However, the functions of the Ad Hoc Committees fall squarely within the mandate of existing regular committees including staff disciplinary matters which are ordinarily handled by the Human Resource Committee, while implementation of the Building Code falls within the mandate of the Technical Committee. Management did not provide the terms of reference for the two (2) Human Resource Ad Hoc Committees. This was contrary to Circular No. OP/CAB.9/1A dated 11 March, 2020 which states that the Board may constitute Ad Hoc Committees only to deal with emerging issues that require focused attention and which do not fall within the regular domain of existing Board Committees and that such Ad Hoc Committees must have clear terms of reference and a limited life span.

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

## **2. Status of Implementation of Contracts Under the Building Code 2024 Stakeholders Technical Training and Sensitization by Consultants**

Review of records revealed that the Authority launched the training and sensitization program for building Code 2024 on 14 January, 2024. However, there were no Projects Status Reports indicating date, number of participants sensitized per County per lot or group, consultant, unit rate per person and total due to consultant(s) as at 30 June, 2025 contrary to Regulation 138(7) of the Public Procurement and Asset Disposal Regulations, 2020 which states that, after every review meeting, a status report shall be prepared to be shared by the parties and shall include report on performance of activities and the budget.

Further, no risk register was maintained by the Committee on the risks identified and their likely impact on the implementation of the sensitization programme.

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

## **3. Non-Compliance with Persons with Disability Act, 2003**

Review of records revealed that the Authority had a workforce of five hundred and three (503) employees. However, it was noted that only eleven (11) or 2% of the employees were persons with disability. This was contrary to Section 13 of the Persons with Disabilities Act, 2003 which states that employers are required to reserve at least 5% of all jobs in both the public and private sectors for persons with disabilities.

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

## **4. Payment of Special Duty Allowance for Beyond Stipulated Six Months**

Review of the payroll trends revealed that one member of staff continued to receive special duty allowance beyond the stipulated six months contrary to Section C 15(4) of the Public Service Commission Human Resources Policies and Procedures Manual which states that special duty allowance will not be payable to an Officer for more than six (6) months.

In the circumstances, Management was in breach of the Human Resource Policies and Procedures Manual.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the 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. Failure to Achieve Performance Targets**

During the year under review, the Authority did not achieve target performance namely; establishment of the Centre for Construction Industry Development at Konza City, procurement of a Transaction Advisor and development of a structured Public Private Partnership.

Further, review of records at regional offices revealed that there was underperformance in key operational areas namely; project registration, quality assurance (site visits), accreditation of site supervisors, stakeholder training and outreach and enforcement of quality assurance orders.

In the circumstances, the Authority's effectiveness and efficiency in service delivery to the public could not be confirmed.

#### **2. Inadequate Staffing**

Review of the Human Resource records revealed that the Authority had five hundred and three (503) employees in post against an approved staff establishment of seven hundred and seventy-two (772) employees resulting to understaffing of two hundred and sixty-nine (269) employees. The understaffing may significantly impact the Authority's ability to fulfill its mandate effectively and efficiently.

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 the Board of Directors**

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

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

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

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

The Board of Directors is responsible for overseeing the Authority'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

18 December, 2025

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

|                                                          | Note | 2024/25<br>KShs.     | 2023/24<br>KShs.     |
|----------------------------------------------------------|------|----------------------|----------------------|
| <b>Revenue from non-exchange transactions</b>            |      |                      |                      |
| Transfers from other government entities                 | 6    | 1,870,000,000        | 1,404,000,000        |
| Contractors Application fees                             | 7    | 76,110,180           | 81,746,755           |
| Contractors Registration fees                            | 8    | 237,389,300          | 284,063,925          |
| Contractors Renewal fees                                 | 9    | 505,870,520          | 495,114,945          |
| Re- Categorization Fees                                  | 11   | 94,884,650           | 100,380,350          |
|                                                          |      | <b>2,784,254,650</b> | <b>2,365,305,975</b> |
| <b>Revenue from exchange transactions</b>                |      |                      |                      |
| Conferences and Workshops                                | 12   | 30,683,906           | 22,227,200           |
| Credit Interest                                          | 13   | 1,938,713            | 3,252,615            |
| Other Income                                             | 14   | 2,925,200            | 151,350              |
| <b>Total Revenue</b>                                     |      | <b>2,819,802,469</b> | <b>2,390,937,141</b> |
| <b>Expenses</b>                                          |      |                      |                      |
| Use of goods and services                                | 15   | 1,628,419,780        | 1,152,831,034        |
| Employee costs                                           | 16   | 995,327,324          | 981,792,893          |
| Board expenses                                           | 17   | 48,093,474           | 42,122,336           |
| Repairs and Maintenance                                  | 18   | 33,658,735           | 38,773,747           |
| Depreciation and Amortization Expense                    | 19   | 88,751,954           | 75,143,134           |
| Taxes                                                    | 20   | 278,769              | 487,892              |
| <b>Total Expenses</b>                                    |      | <b>2,794,530,035</b> | <b>2,291,151,036</b> |
| <b>Other gains/(losses)</b>                              |      |                      |                      |
| Gain/Loss on foreign exchange transactions               | 21   | (67,691)             | (306,170)            |
| <b>Surplus/(Deficit) for the period</b>                  |      | <b>25,204,743</b>    | <b>99,479,935</b>    |
| <b>Remission to National Treasury</b>                    | 28   |                      |                      |
| <b>Net Surplus for the Year</b>                          |      | <b>25,204,743</b>    | <b>99,479,935</b>    |
| Attributable to:                                         |      |                      |                      |
| Surplus/(deficit) attributable to minority interest      |      | 3,327                | 524,538              |
| Surplus attributable to owners of the controlling Entity |      | 29,939               | 4,720,842            |
|                                                          |      | <b>33,265</b>        | <b>5,245,380</b>     |

The notes set out on pages 1 to 8 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 52 were signed on behalf of the Board of Directors by:

  
.....

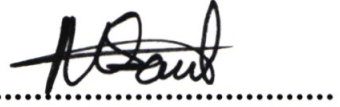
**Eng. Maurice Akech, MBS**  
**Accounting Officer**

Date 29/08/2025

  
.....

**CPA. Christine Kirimi**  
**Head of Finance**  
**ICPAK M/No:5512**

Date

  
.....

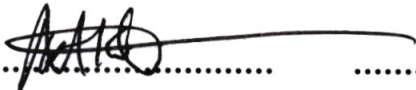

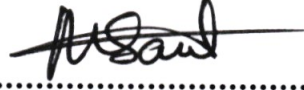
**Mercy Okiro, FCI Arb**  
**Chairman of the Board**

Date 16/12/2025

**15 Statement of Financial Position as at 30 June 2025**

|                                            | Note | 2024/25              | 2023/24              |
|--------------------------------------------|------|----------------------|----------------------|
|                                            |      | KShs.                | KShs.                |
| <b>ASSETS</b>                              |      |                      |                      |
| <b>Current Assets</b>                      |      |                      |                      |
| Receivables from non-exchange transactions | 22   | 1,016,306,778        | 1,005,241,240        |
| Cash & Cash Equivalents                    | 23   | 198,888,004          | 150,790,263          |
| <b>Total Current Assets</b>                |      | <b>1,215,194,781</b> | <b>1,156,031,504</b> |
| <b>Non-Current Assets</b>                  |      |                      |                      |
| Property, Plant & Equipment                | 24   | 240,553,418          | 312,587,254          |
| Intangible Assets                          | 25   | 179,075,752          | 170,622,392          |
| <b>Total Non-Current Assets</b>            |      | <b>419,629,170</b>   | <b>483,209,646</b>   |
| <b>TOTAL ASSETS</b>                        |      | <b>1,634,823,951</b> | <b>1,639,241,149</b> |
| <b>LIABILITIES</b>                         |      |                      |                      |
| <b>Current Liabilities</b>                 |      |                      |                      |
| Trade and other Payables                   | 26   | 599,096,100          | 493,883,304          |
| <b>Total Current Liabilities</b>           |      | <b>599,096,100</b>   | <b>493,883,304</b>   |
| <b>NET ASSETS</b>                          |      | <b>1,035,727,852</b> | <b>1,145,357,846</b> |
| -                                          |      |                      |                      |
| Reserves                                   |      | 88,046,729           | 88,046,729           |
| Accumulated Surplus                        |      | 373,175,163          | 486,393,378          |
| Development Fund                           |      | 58,840,100           | 58,840,100           |
| Staff Scheme Funds                         |      | 515,665,860          | 512,077,639          |
| <b>TOTAL NET ASSETS AND LIABILITIES</b>    |      | <b>1,035,727,852</b> | <b>1,145,357,846</b> |

The financial statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:

|                                                                                     |                                                                                     |                                                                                       |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|  |  |  |
| .....                                                                               | .....                                                                               | .....                                                                                 |
| <b>Eng. Maurice Akech, MBS</b>                                                      | <b>CPA. Christine Kirimi</b>                                                        | <b>Mercy Okiro, FCI Arb</b>                                                           |
| <b>Accounting Officer</b>                                                           | <b>Head of Finance</b>                                                              | <b>Chairman of the Board</b>                                                          |
|                                                                                     | ICPAK M/No:5512                                                                     |                                                                                       |
| Date 29/08/2025                                                                     | Date 29/8/2025                                                                      | Date 16/12/2025                                                                       |

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

|                                         | Retained Earnings  | Capital/<br>Development<br>Grants/Fund | Staff Scheme<br>Funds | Revaluation<br>Reserves | Totals               |
|-----------------------------------------|--------------------|----------------------------------------|-----------------------|-------------------------|----------------------|
|                                         | KShs               |                                        |                       | KShs                    | KShs                 |
| <b>As at 1<sup>st</sup> July, 2023</b>  | <b>386,913,443</b> | <b>20,000,000</b>                      | <b>507,170,325</b>    | <b>88,046,729</b>       | <b>1,002,130,497</b> |
| Surplus for the year                    | 99,479,935         |                                        |                       |                         | 99,479,935           |
| Capital Grants                          |                    | 38,840,100                             |                       |                         | 38,840,100           |
| Accumulated Staff<br>Mortgage Interest  |                    |                                        | 4,824,448             |                         | 4,824,448            |
| Accumulated Staff Car<br>Loan Interest  |                    |                                        | 82,866                |                         | 82,866               |
|                                         |                    |                                        |                       |                         |                      |
| <b>As at 30<sup>th</sup> June, 2024</b> | <b>486,393,378</b> | <b>58,840,100</b>                      | <b>512,077,639</b>    | <b>88,046,729</b>       | <b>1,145,357,846</b> |
| As Restated                             |                    |                                        |                       |                         |                      |
| Prior year adjustments                  | 12,027,227         |                                        |                       |                         | 12,027,227           |
| Surplus Remittance                      | (150,450,185)      |                                        |                       |                         | (150,450,185)        |
| Revaluation gain                        |                    |                                        |                       | -                       | -                    |
| <b>As Restated</b>                      | <b>347,970,420</b> | <b>58,840,100</b>                      | <b>512,077,639</b>    | <b>88,046,729</b>       | <b>1,006,934,888</b> |
|                                         |                    |                                        |                       |                         |                      |
| <b>As at 1<sup>st</sup> July, 2024</b>  | <b>347,970,420</b> | <b>58,840,100</b>                      | <b>512,077,639</b>    | <b>88,046,729</b>       | <b>1,006,934,888</b> |
| Surplus/(Deficit) for the<br>year       | 25,204,743         |                                        |                       |                         | 25,204,743           |
| Staff Mortgage Interest                 |                    |                                        | 3,390,919             |                         | 3,390,919            |
| Staff Car Loan Interest                 |                    |                                        | 197,301               |                         | 197,301              |
|                                         |                    |                                        |                       |                         |                      |
| <b>As at 30<sup>th</sup> June, 2025</b> | <b>373,175,163</b> | <b>58,840,100</b>                      | <b>515,665,860</b>    | <b>88,046,729</b>       | <b>1,035,727,852</b> |

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

|                                                           |       | 2024/2025            | 2023/2024            |
|-----------------------------------------------------------|-------|----------------------|----------------------|
|                                                           | Notes | Kshs                 | Kshs                 |
| <b>Cash flows from operating activities</b>               |       |                      |                      |
| <b>Receipts</b>                                           |       |                      |                      |
| Transfers from other government entities                  | 6     | 1,870,000,000        | 1,404,000,000        |
| Contractors Application fees                              | 7     | 76,110,180           | 81,746,755           |
| Contractors Registration fees                             | 8     | 237,389,300          | 284,063,925          |
| Contractors Renewal fees                                  | 9     | 505,870,520          | 495,114,945          |
| Re-Categorization Fees                                    | 11    | 94,884,650           | 100,380,350          |
| Conferences and Workshops                                 | 12    | 30,683,906           | 22,227,200           |
| Investment Income                                         | 13    | 1,938,713            | 3,252,615            |
| Other Income                                              | 14    | 2,925,200            | 151,350              |
| <b>Total Receipts</b>                                     |       | <b>2,819,802,469</b> | <b>2,390,937,141</b> |
| <b>Payments</b>                                           |       |                      |                      |
| Use of goods and services                                 | 15    | 1,628,419,780        | 1,152,831,034        |
| Employee costs                                            | 16    | 995,327,324          | 981,792,893          |
| Board expenses                                            | 17    | 48,093,474           | 42,122,336           |
| Repairs and Maintenance                                   | 18    | 33,658,735           | 38,773,747           |
| Taxes                                                     | 20    | 278,769              | 487,892              |
| <b>Total payments</b>                                     |       | <b>2,705,778,081</b> | <b>2,216,007,902</b> |
| Gain on foreign exchange transactions                     |       | (67,691)             | (306,170)            |
| <b>Adjustment for working capital changes</b>             |       |                      |                      |
| Increase/Decrease in non-current receivables              | 22    | (11,065,537)         | 140,642,300          |
| increase/Decrease in Trade payables and accruals          | 26    | 105,212,796          | 155,314,624          |
| <b>Net cash flows from/(used in) operating activities</b> |       | <b>208,103,956</b>   | <b>470,579,993</b>   |
| <b>Cash flows from investing activities</b>               |       |                      |                      |
| Purchase of PPE and Intangible assets                     | 24&25 | (25,171,478)         | (133,074,655)        |
| Staff scheme interests                                    |       | 3,588,220            | 4,907,314            |
| Revaluation Gains                                         |       | -                    | 724,500              |
| <b>Net cash flows from/(used in) investing activities</b> |       | <b>(21,583,258)</b>  | <b>(127,442,841)</b> |
|                                                           |       |                      |                      |
| <b>Cash flows from financing activities</b>               |       |                      |                      |

|                                                              |    |                      |                      |
|--------------------------------------------------------------|----|----------------------|----------------------|
| Capital Grants                                               |    | -                    | 38,840,100           |
| Remittance of Surplus                                        | 28 | (150,450,185)        | (412,318,411)        |
| Prior Year Adjustment                                        | 33 | 12,027,227           | (20,458,878)         |
| <b>Net cash flows from financing Activities</b>              |    | <b>(138,422,958)</b> | <b>(393,937,189)</b> |
|                                                              |    |                      |                      |
| <b>Net increase/(decrease) in cash &amp; Cash Equivalent</b> |    | <b>48,097,741</b>    | <b>(50,800,037)</b>  |
| Cash and cash equivalents at 1 July 2024                     |    | 150,790,263          | 201,590,300          |
| <b>Cash and cash equivalents at 30 June 2025</b>             | 23 | <b>198,888,004</b>   | <b>150,790,263</b>   |

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

|                                          | Original budget Ksh  | Adjustments KShs    | Final Budget Ksh     | Actual on Comparable basis Ksh | Performance Difference Ksh | % of utilisation |
|------------------------------------------|----------------------|---------------------|----------------------|--------------------------------|----------------------------|------------------|
| <b>Revenue</b>                           | a                    | b                   | c=(a+b)              | d                              | e=(c-d)                    | f=d/c            |
| Transfers from other government entities | 1,630,000,000        | 240,000,000         | 1,870,000,000        | 1,870,000,000                  | -                          | 100%             |
| Contractors Application fees             | 76,050,000           | -                   | 76,050,000           | 76,110,180                     | 60,180                     | 100%             |
| Contractors Registration fees            | 260,337,500          | -                   | 260,337,500          | 237,389,300                    | (22,948,200)               | 91%              |
| Contractors Renewal fees                 | 543,612,500          | -                   | 543,612,500          | 505,870,520                    | (37,741,980)               | 93%              |
| Re-Categorization Fees                   | 90,000,000           | -                   | 90,000,000           | 94,884,650                     | 4,884,650                  | 105%             |
| Conferences and Workshops                | 50,000,000           | -                   | 50,000,000           | 30,683,906                     | (19,316,094)               | 61%              |
| Credit Interest                          | 3,000,000            | -                   | 3,000,000            | 1,938,713                      | (1,061,287)                | 65%              |
| Other Income                             | 3,000,000            | -                   | 3,000,000            | 2,925,200                      | (74,800)                   | 98%              |
| <b>Total Income</b>                      | <b>2,656,000,000</b> | <b>240,000,000</b>  | <b>2,896,000,000</b> | <b>2,819,802,469</b>           |                            | <b>97%</b>       |
| <b>Expenses</b>                          |                      |                     |                      |                                |                            |                  |
| Use of goods and services                | 1,201,220,000        | 313,400,000         | 1,514,620,000        | 1,628,419,780                  | 113,799,780                | 108%             |
| Employee Costs                           | 1,144,000,000        | -                   | 1,144,000,000        | 995,327,324                    | (148,672,676)              | 87%              |
| Board Expenses                           | 30,000,000           | 15,000,000          | 45,000,000           | 48,093,474                     | 3,093,474                  | 107%             |
| Repairs and Maintenance                  | 62,500,000           | (30,500,000)        | 32,000,000           | 33,658,735                     | 1,658,735                  | 105%             |
| Depreciation and Amortization Expense    | 95,000,000           | (12,000,000)        | 83,000,000           | 88,751,954                     | 5,751,954                  | 107%             |
| Taxes                                    | -                    | -                   | -                    | 278,769                        | 278,769                    |                  |
| <b>Total Expenditure</b>                 | <b>2,532,720,000</b> | <b>285,900,000</b>  | <b>2,818,620,000</b> | <b>2,794,530,035</b>           |                            | <b>99%</b>       |
| <b>Other gains/(losses)</b>              |                      |                     |                      |                                |                            |                  |
| Gain on foreign exchange transactions    | -                    | -                   | -                    | (67,691)                       | (67,691)                   |                  |
| <b>Capital Expenditure</b>               | <b>123,280,000</b>   | <b>(45,900,000)</b> | <b>77,380,000</b>    | <b>25,171,478</b>              | <b>52,208,522</b>          | <b>33%</b>       |
| <b>Surplus for the Period</b>            | <b>123,280,000</b>   | <b>(45,900,000)</b> | <b>77,380,000</b>    | <b>33,265</b>                  |                            |                  |

**Budget notes**

1. *The changes between original and final budget is due to reallocations and approved by the Board, Line Ministry and The National Treasury*
2. *The underperformance on conference fees relates to review of the contractor training policy to include CPD points for attending stakeholder engagements held by the Authority which does not attract participation fees.*
3. *The underperformance on credit interest relates to low cash balances held by the Authority in the period under review.*
4. *The overutilization on use of goods relates to the implementation of the National Building Code 2024 in collaboration with the State Department for Public Works, marking a significant milestone in the advancement of construction standards and regulatory compliance within the sector. In support of its implementation, the Authority undertook a nationwide public sensitization campaign targeting key stakeholders.*
5. *The underutilisation employee expenses relates to vacancies in the staff establishment that were planned to be filled in the year under review.*
6. *The budget overrun on board expenses relates to increased board enquiries that were unforeseen during the budget preparation and are in line with the NCA Act No. 41 of 2011*
7. *The under spend on capital expenditure is as a resultant of implementation of Centre for Construction Industry Development Project which is being implemented as PPP project.*

|   | <b>Description of Particulars</b>                                          | <b>Amount in Kshs</b> |
|---|----------------------------------------------------------------------------|-----------------------|
|   | Actual Surplus Amounts as per the statement of Budget                      | 33,265                |
| 1 | Add Back; Depreciation                                                     | 88,751,954            |
| 2 | Prior Year Adjustments                                                     | 12,027,227            |
| 3 | Increase/Decrease in non-current receivables                               | (11,065,537)          |
| 4 | Increase/Decrease in Trade payables and accruals                           | 105,212,796           |
| 5 | Surplus Remitted                                                           | (150,450,185)         |
| 6 | Staff scheme interests                                                     | 3,588,220             |
| 7 | Cash and Cash Equivalents as at 1st July 2024                              | 150,790,263           |
|   | <b>Closing Cash and Cash Equivalent as per the statement of Cash flows</b> | <b>198,888,004</b>    |

**19. Notes to the Financial Statements****1. General Information**

National Construction Authority is established by and derives its authority and accountability from the National Construction Act No. 41 of 2011. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to regulate and coordinate the development of the construction industry.

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Authority. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, National construction Authority Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

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

| Standard                                                                | Effective date and impact:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IPSAS 43                                                                | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></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 cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>This standard will impact on the treatment of the Authority's leased offices in its financial statements as some of its offices are on leased spaces.</p> |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>                                                                                                                                                                                                                                                         |
| IPSAS 45- Property Plant and Equipment                                  | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></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</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Standard                        | Effective date and impact:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 | <p>assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p>                                                                                                                                                                                       |
| <p>IPSAS 46<br/>Measurement</p> | <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> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> |

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

| Standard                     | Effective date and impact:                                                                                                                                                     |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>IPSAS 47-<br/>Revenue</p> | <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</p> |

| <b>Standard</b>                          | <b>Effective date and impact:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          | 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.                                                                                           |
| IPSAS 48-<br>Transfer<br>Expenses        | <b>Applicable 1<sup>st</sup> January 2026</b><br>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. |
| IPSAS 49-<br>Retirement<br>Benefit Plans | <b>Applicable 1<sup>st</sup> January 2026</b><br>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.                                                                                                                            |

**(iii) Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year 2024/2025

**Notes to the financial statements (continued)****4. Summary of Significant Accounting Policies****a) Revenue recognition****i) Revenue from non-exchange transactions****Fees, taxes and fines**

The Authority recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

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

**ii) Revenue from exchange transactions****Rendering of services**

The Entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**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.

**b) Budget information**

The original budget for the Current FY was approved by the National Assembly on 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 Authority upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Authority recorded additional appropriations of Kshs 240,000,000 on the 2024/2025 budget following the governing body's approval.

The Authority's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented under section 18 of these financial statements.

**Notes to the Financial Statements (Continued)****Summary of Significant Accounting Policies (Continued)****c) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**d) Leases**

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Authority. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**e) Intangible assets**

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

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

**g) Provisions**

Provisions are recognized when the Authority 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 Authority 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.

**h) Contingent liabilities**

The Authority 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.

**i) Nature and purpose of reserves**

The Authority creates and maintains reserves in terms of specific requirements i.e. revaluation reserves. The revaluation reserves are as result of the carrying amounts of revalued assets.

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

**k) Employee benefits****Retirement benefit plans**

The Authority provides a contributory retirement benefit for its employees. This defined contributory plan is a post-employment benefit plan under which the Authority pays fixed contributions of 15% while the employee contributes 7.5% on basic pay. The total amount is paid the fund account managed by Gen-Africa Asset Managers Ltd (Fund manager). The Authority 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.

**l) 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.



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

**Summary of Significant Accounting Policies (Continued)**

**m) Related parties**

The Authority 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 Authority, or vice versa. Members of key management are regarded as related parties and comprise the board directors, the Executive Director and managers

**n) 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 at various commercial banks at the end of the financial year.

**o) Comparative figures**

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

**p) Subsequent events**

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

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

**Summary of Significant Accounting Policies (Continued)**

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

The preparation of the Authority'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.

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Authority. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual value**

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

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

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

**Summary of Significant Accounting Policies (Continued)**

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 27. 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.

**Depreciation Policy**

Depreciation is calculated on straight-line basis at annual rates estimated to write off the cost of the asset over expected useful lives.

The annual depreciation rates in use are: -

|                                         |        |
|-----------------------------------------|--------|
| i. Computer Equipment & Accessories     | 33.3%  |
| ii. Motor Vehicles                      | 25%    |
| iii. Communication and Office Equipment | 12.5 % |
| iv. Furniture and Fittings              | 12.5%  |

**Notes to the Financial Statements (Continued)**
**6. Transfers from Other Government entities**

|                                          | <b>2024/25</b>       | <b>2023/24</b>       |
|------------------------------------------|----------------------|----------------------|
|                                          | <b>KShs</b>          | <b>KShs</b>          |
| Transfers from other government entities | 1,870,000,000        | 1,404,000,000        |
| <b>Total</b>                             | <b>1,870,000,000</b> | <b>1,404,000,000</b> |

**b) Transfers from Ministries, Departments and Agencies (MDAs)**

The Authority receives budgetary support from the Government in the form of recurrent grants through the State Department for Public Works and shown in the schedule below;

| <b>Name of the Entity sending the grant</b> | <b>Amount recognized to Statement of financial performance</b> | <b>Amount deferred under deferred income</b> | <b>Amount recognized in capital fund</b> | <b>Total transfers 2024/2025</b> | <b>Prior year 2023/2024</b> |
|---------------------------------------------|----------------------------------------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|-----------------------------|
|                                             | <b>KShs</b>                                                    | <b>KShs</b>                                  | <b>KShs</b>                              | <b>KShs</b>                      | <b>KShs</b>                 |
| State Department of Public Work             | 1,870,000,000                                                  | -                                            | -                                        | 1,870,000,000                    | 1,404,000,000               |
| <b>Total</b>                                | <b>1,870,000,000</b>                                           | <b>-</b>                                     | <b>-</b>                                 | <b>1,870,000,000</b>             | <b>1,404,000,000</b>        |

**Notes to the Financial Statements (Continued)**
**7. Contractor Application Fees**

The Authority is mandated to register and regulate the conduct of all contractors both foreign and local. The contractors are required to make an application to the Authority in the prescribed form and pay KShs 5,000.00 for local contractors and US dollar 500.00 for a foreign contractor application fee. The application is subjected to an evaluation and rated based on the provided criteria to inform the category and class of registration. The decline in revenue is attributed to decline in number of contractors seeking higher class of new registrations.

| <b>Description</b>          | <b>2024/25</b>    | <b>2023/24</b>    |
|-----------------------------|-------------------|-------------------|
|                             | <b>KShs</b>       | <b>KShs</b>       |
| Contractors Application Fee | 76,110,180        | 81,746,755        |
| <b>Total</b>                | <b>76,110,180</b> | <b>81,746,755</b> |

**8. Contractor Registration Fees**

The Authority registers contractors in different classes and categories depending on their qualifications and experiences. The categories of registration ranges from NCA 1 being the highest to NCA 8 being the lowest with the registration fees ranging from KShs 100,000.00 to KShs 5,000.00. The registration certificate issued is valid for a period of 3 years and renewable every year. The decline in revenue is attributed to decline in number of contractors seeking higher class of new registrations.

| <b>Description</b>            | <b>2024/25</b>     | <b>2023/24</b>     |
|-------------------------------|--------------------|--------------------|
|                               | <b>KShs</b>        | <b>KShs</b>        |
| Contractors Registration Fees | 237,389,300        | 284,063,925        |
| <b>Total</b>                  | <b>237,389,300</b> | <b>284,063,925</b> |

**Notes to the Financial Statements (Continued)**
**9. Contractor Renewal Fees**

The NCA Act requires contractors to renew their practicing licences annually at a fee ranging from KShs 2,500 for NCA 8 to KShs 30,000 NCA 1 per class of registration for local contractors and US dollar 1,500 for foreign contractors. Late renewals attract three times the annual renewal fee per class. The growth in revenue is attributed to the growth in contractor register over time.

| Description              | 2024/25            | 2023/24            |
|--------------------------|--------------------|--------------------|
|                          | KShs               | KShs               |
| Contractors Renewal Fees | 505,870,520        | 495,114,945        |
| <b>Total</b>             | <b>505,870,520</b> | <b>495,114,945</b> |

**10. Accreditation of Construction Workers**

The Authority is mandated to register all construction workers and site supervisors. The skilled workers and site supervisors are required to make the application in the prescribed form and make a payment of KShs 1,000.00 and KShs 2,000.00 respectively. The Authority in the period under review waived the accreditation fees to enhance with a view of enhancing the number of accredited workers in the industry.

**Notes to the Financial Statements (Continued)**
**11. Re-categorization Fees**

The upgrade fees relate to application and registration fees charged on contractors applying for a category upgrade on the different classes of works with NCA 8 being the lowest category and NCA1 being the highest. The fees for upgrade application is KShs 5,000/- and registrations fees ranging from KShs 5,000/- to KShs 100,000/- depending on the category awarded. The decline in revenue on this vote is attributable to reduced number of upgrades processed.

| <b>Description</b>     | <b>2024/25</b>    | <b>2023/24</b>     |
|------------------------|-------------------|--------------------|
|                        | <b>KShs</b>       | <b>KShs</b>        |
| Re-categorization fees | 94,884,650        | 100,380,350        |
| <b>Total</b>           | <b>94,884,650</b> | <b>100,380,350</b> |

**12. Conference and Workshops**

The Authority carries out training and capacity building workshops and seminars for the contractors and construction workers. The contractor's pays for the training while the Authority subsidizes the training cost using other internally generated revenues. Pursuant to section 5(2)(i) of the National Authority Act No 41 of 2011, The Authority is mandated to provide, promote, review, and co-ordinate training programs organized by public and private accredited training centers. The Authority accredited training institutions in the period under review at prescribed rates to carry out training of contractors. The Authority charges administrative fees and the training cost is borne by the accredited institution. The growth in revenue is attributed to the policy change where the Authority charges KShs 8,000/- as compared to KShs 5,000/- in the prior year.

| <b>Description</b>      | <b>2024/25</b>    | <b>2023/24</b>    |
|-------------------------|-------------------|-------------------|
|                         | <b>KShs</b>       | <b>KShs</b>       |
| Conferences & Workshops | 30,683,906        | 22,227,200        |
| <b>Total</b>            | <b>30,683,906</b> | <b>22,227,200</b> |

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

**13. Interest Income**

This income stream relates to interest earned on cash balances on the Authority's current bank accounts. The banks remit the payment of interest on credit balances at prevailing market interest rates. The variance as compared to the prior year relates to value of credit balances held across the period under review.

| <b>Description</b> | <b>2024/25</b>   | <b>2023/24</b>   |
|--------------------|------------------|------------------|
|                    | <b>KShs</b>      | <b>KShs</b>      |
| Credit Interest    | 1,938,713        | 3,252,615        |
|                    | <b>1,938,713</b> | <b>3,252,615</b> |

**14. Other income**

The incomes earned relates sponsorship fees for International Construction Research Conference and Exhibition. This was aimed at promoting excellence in the industry through effective research and regulation of the industry.

| <b>Description</b> | <b>2024/25</b>   | <b>2023/24</b> |
|--------------------|------------------|----------------|
|                    | <b>KShs</b>      | <b>KShs</b>    |
| Sponsorship        | 2,925,200        | -              |
| Disposal of Assets | -                | 151,350        |
| <b>Total</b>       | <b>2,925,200</b> | <b>151,350</b> |

**Notes to the Financial Statements (Continued)**
**15. Use of Goods and Services**

The expenditure constitutes administrative and operational costs in daily running of the Authority in discharge of its mandate as envisaged in the enabling Act of parliament.

| <b>Description</b>                               | <b>2024/25</b>       | <b>2023/24</b>       |
|--------------------------------------------------|----------------------|----------------------|
|                                                  | <b>KShs.</b>         | <b>KShs.</b>         |
| Security and cleaning                            | 25,185,240           | 23,188,288           |
| Utilities Supplies & Services                    | 5,093,506            | 6,459,807            |
| Rent                                             | 74,192,761           | 68,758,194           |
| Staff Welfare & Hospitality                      | 45,098,806           | 38,266,363           |
| Staff Training and Capacity Building             | 100,718,434          | 87,794,266           |
| Research, Contractors Training and Cap. Building | 884,534,985          | 261,220,578          |
| Office & Gen. Supply & Services                  | 22,987,355           | 37,770,179           |
| Regional office and quality assurance expenses   | 111,255,114          | 95,749,974           |
| Fuel and Lubricants                              | 49,764,630           | 44,162,720           |
| Professional and consultancy Fees                | 10,016,342           | 19,382,874           |
| Subscriptions and Licenses                       | 32,723,790           | 50,192,295           |
| Provision for Bad Debts                          | -                    | 85,000,000           |
| Insurance                                        | 96,383,583           | 94,654,035           |
| Advertising                                      | 46,794,662           | 62,013,878           |
| Travelling and Accommodation                     | 98,529,389           | 144,794,783          |
| Communication                                    | 22,744,934           | 30,808,664           |
| Bank Charges                                     | 2,396,248            | 2,614,134            |
| <b>Total</b>                                     | <b>1,628,419,780</b> | <b>1,152,831,034</b> |

The overall growth in expenditure under use of goods as compared to the previous year relates to growth in Authority's operations supported by growth in budgetary provisions. During the Financial Year 2024/2025, the Authority, in collaboration with the State Department for Public Works, successfully launched the National Building Code 2024—marking a significant milestone in the advancement of construction standards and regulatory compliance within the sector. In support of its implementation, the Authority undertook a nationwide public sensitization campaign targeting key stakeholders, including county governments, urban

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

planning departments, professional bodies (e.g., AAK, IEK), contractors, developers, academic and training institutions, regulatory agencies, and members of the public. This initiative was designed to enhance awareness, promote adherence to the new code, and foster safer, more sustainable construction practices across the country. The detailed analysis are;

- i. Security and cleaning – the growth is a result of actual tendered amounts on the running contracts as per the market prices evaluated competitively.
- ii. Utilities Supplies & Services- the decline was occasioned by the reduction in electricity costs.
- iii. Rent – the growth is attributable to rent payment is attributable to escalation clauses within the contracts.
- iv. Staff Welfare & Hospitality – the growth as compared to the prior year was occasioned by increase in number of staff engagement forums.
- v. Staff Training and Capacity Building - the growth as compared to the prior year was occasioned by increase in number of staff capacity building programs forums to boost staff competencies to enhance service delivery.
- vi. Research, Contractors Training and Cap. Building- The growth in expenditure relates to capacity building programs, stakeholder engagements and research activities undertaken in the period. In the period under review the Authority carried out countrywide stakeholder engagements and civic education for the National Building Code.
- vii. Office & Gen. Supply & Services – The expenditure relates to offices supplies and computer consumables i.e. stationery and toners. The decline in expenditure relates to availability of store from the prior year.
- viii. Regional office and quality assurance expenses – The expenditure relates to quality assurance expenditure for running the regional offices and carrying out quality assurance and enforcement of construction codes. The growth in expenditure relates to heightened surveillance activities to enhance quality assurance in the industry.

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

- ix. Fuel and Lubricants- The growth in expenditure relates to growth in fleet and growth in the Authority's operations in implementation of the National Building Code.
- x. Insurance – the growth in expenditure is as a result of growth in dependents and Authority's assets.
- xi. Advertising – the decline in expenditure is attributable to the leveraging on technology for advertisements.
- xii. Travelling and Accommodation -The decline in expenditure was due to cost saving there was less air travelling.
- xiii. Communication – The decline in expenditure was due to leverage on technology.

**16. Employee costs**

Employee costs includes salaries and wages, other personnel emoluments, employer pension contributions, training and capacity building and provision for gratuity for the period under review. The increase in personnel emoluments relates growth in establishment, the annual salary increments and remittance to the Affordable Housing levy.

| Description                                       | 2024/25            | 2023/24            |
|---------------------------------------------------|--------------------|--------------------|
|                                                   | KShs.              | KShs.              |
| Salaries & Wages                                  | 873,863,425        | 823,551,332        |
| Employer Pensions                                 | 71,674,159         | 68,286,875         |
| Provision for Gratuity (Note 27)                  | 36,204,838         | 30,035,156         |
| Employer Contributions to affordable Housing Levy | 13,206,852         | 10,041,170         |
| Employer Contributions to NITA                    | 378,050            | 179,400            |
| Provision for Bonus                               | -                  | 49,698,960         |
|                                                   | <b>995,327,324</b> | <b>981,792,893</b> |

**Notes to the Financial Statements (Continued)**
**17. Board expenses**

The board expenses represent the expenditure incurred for the board activities. This is in line with the board's calendar of activities for the financial year in execution of their mandate in line with the NCA Act, Mwongozo guidelines amongst other regulations. The growth in expenditure relates to sitting allowances paid out during meetings and attendance to official functions during the period under review.

| <b>Description</b>       | <b>2024/25</b>    | <b>2023/24</b>    |
|--------------------------|-------------------|-------------------|
|                          | <b>KShs</b>       | <b>KShs</b>       |
| Chairman Honoraria       | 917,000           | 1,044,000         |
| Sitting Allowances       | 21,916,400        | 16,340,000        |
| Training Expenses        | 7,831,273         | 5,962,484         |
| Travel and Accommodation | 17,195,894        | 18,367,795        |
| Other expenses           | 232,906           | 408,057           |
|                          | <b>48,093,474</b> | <b>42,122,336</b> |

**18. Repairs and Maintenance**

The expenditure relates to expenses in maintenance of the Authority's assets to ensure optimal operations in service delivery. The decrease in expenditure is attributed to decrease in expenditure on renovations of the Authority's offices and maintenance of ICT equipment which was done in-house by the Authority's staff.

|                              | <b>2024/25</b>    | <b>2023/24</b>    |
|------------------------------|-------------------|-------------------|
|                              | <b>KShs</b>       | <b>KShs</b>       |
| Motor vehicles               | 26,111,766        | 15,848,472        |
| Office furniture & equipment | 295,265           | 142,544           |
| Buildings-non-residential    | 6,247,652         | 15,109,981        |
| Computers & ICT equipment    | 1,004,052         | 7,672,750         |
|                              |                   |                   |
| <b>Total</b>                 | <b>33,658,735</b> | <b>38,773,747</b> |

**Notes to the Financial Statements (Continued)**
**19. Depreciation and Amortization Expense**

The policy of the Authority is to charge depreciation on a straight-line basis over the life span of the assets. The growth in depreciation expense in the period is attributed to growth in assets as at the close of the prior year.

| <b>Description</b>          | <b>2024/25</b>    | <b>2023/24</b>    |
|-----------------------------|-------------------|-------------------|
|                             | <b>KShs</b>       | <b>KShs</b>       |
| Motor Vehicle               | 64,502,703        | 48,886,644        |
| Furniture and Fittings      | 7,238,500         | 8,693,309         |
| Computers and ICT Equipment | 14,773,496        | 15,689,873        |
| Office Equipment            | 830,566           | 1,789,219         |
| Amortization                | 1,406,689         | 84,089            |
| <b>Total</b>                | <b>88,751,954</b> | <b>75,143,134</b> |

**20. Taxes**

The tax expense incurred by the Authority relates to the withholding tax on credit interest and tax expense on bank charges.

| <b>Description</b> | <b>2024/25</b> | <b>2023/24</b> |
|--------------------|----------------|----------------|
|                    | <b>KShs</b>    | <b>KShs</b>    |
| Taxes              | 278,769        | 487,892        |
| <b>Total</b>       | <b>278,769</b> | <b>487,892</b> |

**21. Gain/Loss on foreign exchange transactions**

The gain on foreign exchange transaction relates to revaluation gains on USD fixed deposit held and forex exchange in USD transactions.

| <b>Description</b>                         | <b>2024/25</b>  | <b>2023/24</b>   |
|--------------------------------------------|-----------------|------------------|
|                                            | <b>KShs</b>     | <b>KShs</b>      |
| Gain/Loss on foreign exchange transactions | (67,691)        | (306,170)        |
| <b>Total</b>                               | <b>(67,691)</b> | <b>(306,170)</b> |

**Notes to the Financial Statements (Continued)**
**22. Receivables from Non- Exchange Transactions**
**(a) Receivables from Non- Exchange Transactions**

| Description                                             | 2024/2025            | 2023/2024            |
|---------------------------------------------------------|----------------------|----------------------|
|                                                         | Kshs                 | Kshs                 |
| <b>(i) Receivables</b>                                  |                      |                      |
| Deposits                                                | 205,000              | 205,000              |
| Debtors                                                 | 1,613,834,822        | 1,620,342,701        |
| Less: Impairment allowance                              | (1,153,902,185)      | (1,153,902,185)      |
| Salary Advance                                          | 2,738,734            | 3,719,693            |
| Outstanding Imprests                                    | 3,767,127            | 2,855,392            |
| Prepayments                                             | 83,845,572           | 80,692,117           |
| Sundry Debtors                                          | 3,584,700            | 3,584,700            |
| RCIS                                                    | -                    | -                    |
|                                                         | <b>554,073,771</b>   | <b>557,497,419</b>   |
| <b>(ii) Accrued Income</b>                              | -                    | -                    |
|                                                         |                      |                      |
| Interest Income                                         | -                    | -                    |
| eCitizen payments                                       | 7,218,539            | 12,687,501           |
| Accrued Mortgage recoveries                             | 9,459,667            | 13,201,158           |
| Grants receivable                                       | -                    | -                    |
|                                                         | <b>16,678,206</b>    | <b>25,888,659</b>    |
|                                                         |                      | -                    |
| <b>(ii) Staff Schemes</b>                               |                      | -                    |
| Mortgages                                               | 417,954,084          | 403,688,952          |
| Car Loan                                                | 27,600,716           | 18,166,211           |
|                                                         | <b>445,554,800</b>   | <b>421,855,163</b>   |
|                                                         |                      |                      |
| <b>Total receivables from non-exchange transactions</b> | <b>1,016,306,778</b> | <b>1,005,241,240</b> |

**Notes to the Financial Statements (Continued)**
**(b) Ageing analysis for Receivables from Non- exchange transactions**

| <b>Ageing Analysis-<br/>Receivables from non-<br/>exchange transactions</b> | <b>2024/2025</b>     | <b>% of the<br/>total</b> | <b>2023/2024</b>     | <b>% of the<br/>total</b> |
|-----------------------------------------------------------------------------|----------------------|---------------------------|----------------------|---------------------------|
| Less than 1 year                                                            | 548,999,741          | 54%                       | 535,011,024          | 53.2%                     |
| Between 1-2 years                                                           | -                    | 0%                        | 3,584,700            | 0.4%                      |
| Over 3 years                                                                | 467,307,037          | 46%                       | 466,645,516          | 46.4%                     |
| <b>Total</b>                                                                | <b>1,016,306,778</b> |                           | <b>1,005,241,240</b> |                           |

**(c) Reconciliation for Impairment Allowance on Receivables from Non- Exchange Transactions**

| <b>Description</b>                    | <b>2024/25</b>       | <b>2023/24</b>       |
|---------------------------------------|----------------------|----------------------|
|                                       | <b>KShs</b>          | <b>KShs</b>          |
| At the beginning of the year          | 1,153,902,185        | 1,068,902,185        |
| Additional provisions during the year | -                    | 85,000,000           |
| Recovered during the year             | -                    | -                    |
| Written off during the year           | -                    | -                    |
| At the end of the year                | <b>1,153,902,185</b> | <b>1,153,902,185</b> |

The policy of the Authority is to make a specific provision for bad and doubtful debts at the rate of 9% of the trade receivables.

**23. Cash and Cash Equivalents**

| <b>Description</b>      | <b>2024/25</b>     | <b>2023/24</b>     |
|-------------------------|--------------------|--------------------|
|                         | <b>KShs.</b>       | <b>KShs.</b>       |
| Current Account         | 125,521,018        | 61,543,490         |
| On-Call deposits        | 12,712,000         | 12,712,000         |
| Staff Car loan/Mortgage | 60,630,638         | 76,480,666         |
| Cash in hand            | 24,348             | 54,107             |
| <b>Total</b>            | <b>198,888,004</b> | <b>150,790,263</b> |

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

The growth in cash and cash equivalents for the period under is attributable to inflows from GoK grants and AIA receipts in the year under review.

**Detailed Analysis of the Cash and Cash Equivalents**

| <b>Financial institution</b>           | <b>Account number</b> | <b>2024/25<br/>KShs</b> | <b>2023/24<br/>KShs</b> |
|----------------------------------------|-----------------------|-------------------------|-------------------------|
| <b>a) Current account</b>              |                       |                         |                         |
| Kenya Commercial bank                  | 1136368019            | 21,828,362              | 2,950,311               |
| NCBA Bank Kenya                        | 7012550017            | 11,603,671              | 9,760,868               |
| NCBA Bank Kenya                        | 7012550059            | 1,076,406               | 1,085,046               |
| NCBA Bank Kenya                        | 7012550022            | 34,397,805              | 16,600,228              |
| Co-operative Bank of Kenya             | 1141163043900         | 4,308,606               | 4,823,006               |
| Co-operative Bank of Kenya             | 1141164160000         | 52,306,167              | 26,324,030              |
| <b>Sub- total</b>                      |                       | <b>125,521,018</b>      | <b>61,543,490</b>       |
| <b>b) On -call deposits</b>            |                       |                         |                         |
| Kenya Commercial bank                  |                       | 12,712,000              | 12,712,000              |
| <b>Sub- total</b>                      |                       | <b>12,712,000</b>       | <b>12,712,000</b>       |
| <b>b) Staff car loan/<br/>mortgage</b> |                       |                         |                         |
| Kenya Commercial bank                  | 1178700763            | 21,401,633              | 27,794,960              |
| Consolidated Bank                      | 10011202000004        | 39,229,005              | 48,685,706              |
| <b>Sub- total</b>                      |                       | <b>60,630,638</b>       | <b>76,480,666</b>       |
| <b>e) Others(specify)</b>              |                       |                         |                         |
| Transit                                |                       | -                       | -                       |
| Cash in hand                           |                       | 24,348                  | 54,107                  |
|                                        |                       | <b>24,348</b>           | <b>54,107</b>           |
| <b>Grand total</b>                     |                       | <b>198,888,004</b>      | <b>150,790,263</b>      |

**Notes to the Financial Statements (Continued)**
**24. Property, Plant and Equipment**

|                             | Motor Vehicles     | Furniture & Fittings | Computer Equipment & Access | Office Equipment  | Capital Work in Progress | Total                |
|-----------------------------|--------------------|----------------------|-----------------------------|-------------------|--------------------------|----------------------|
|                             | KShs               | KShs                 | KShs                        | KShs              |                          | KShs                 |
| <b>Cost</b>                 |                    |                      |                             |                   |                          |                      |
| <i>As At 01.07.2023</i>     | 398,742,299        | 229,380,245          | 221,252,269                 | 23,975,723        | 77,333,517               | 950,684,053          |
| <i>Adjustment</i>           | -                  | -                    | -                           | -                 | (11,930,000)             | (11,930,000)         |
| <i>Revaluation</i>          | -                  | -                    | -                           | -                 | -                        | -                    |
| <i>Additions</i>            | 76,986,100         | 1,492,400            | 8,413,440                   | 576,000           | 55,644,715               | 143,112,655          |
| <i>Disposals</i>            | (4,187,363)        | -                    | -                           | -                 | -                        | (4,187,363)          |
| <b>As At 30th June 2024</b> | <b>471,541,036</b> | <b>230,872,645</b>   | <b>229,665,709</b>          | <b>24,551,723</b> | <b>121,048,232</b>       | <b>1,077,679,345</b> |
| <i>Adjustment</i>           | -                  | -                    | -                           | -                 | (31,910,400)             | (31,910,400)         |
| <i>Revaluation</i>          | -                  | -                    | -                           | -                 | -                        | -                    |
| <i>Additions</i>            | 27,136,000         | 5,684,500            | 12,109,500                  | -                 | 2,291,829                | 47,221,829           |
| <i>Disposals</i>            | -                  | -                    | -                           | -                 | -                        | -                    |
| <b>As At 30th June 2025</b> | <b>498,677,036</b> | <b>236,557,145</b>   | <b>241,775,209</b>          | <b>24,551,723</b> | <b>91,429,661</b>        | <b>1,092,990,774</b> |
| <b>Depreciation</b>         |                    |                      |                             |                   |                          |                      |
| <i>As At 01.07.2023</i>     | -                  | -                    | -                           | -                 | -                        | -                    |
| <i>Period Charge</i>        | 328,050,429        | 204,239,060          | 211,270,409                 | 21,532,194        | -                        | 765,092,091          |
| <i>Write off</i>            | -                  | -                    | -                           | -                 | -                        | -                    |
| <i>Disposal</i>             | -                  | -                    | -                           | -                 | -                        | -                    |
| <b>As At 30th June 2024</b> | <b>328,050,429</b> | <b>204,239,060</b>   | <b>211,270,409</b>          | <b>21,532,194</b> | <b>-</b>                 | <b>765,092,091</b>   |
| <i>Period Charge</i>        | 64,502,703         | 7,238,500            | 14,773,496                  | 830,566           | -                        | 87,345,265           |
| <i>Write off</i>            | -                  | -                    | -                           | -                 | -                        | -                    |
| <i>Disposal</i>             | -                  | -                    | -                           | -                 | -                        | -                    |
| <i>Revaluation gains</i>    | -                  | -                    | -                           | -                 | -                        | -                    |
| <b>As At 30th June 2025</b> | <b>392,553,132</b> | <b>211,477,560</b>   | <b>226,043,905</b>          | <b>22,362,759</b> | <b>-</b>                 | <b>852,437,356</b>   |
| <b>Net Book Value</b>       |                    |                      |                             |                   |                          |                      |
| <b>As At 30th June 2025</b> | <b>106,123,904</b> | <b>25,079,585</b>    | <b>15,731,304</b>           | <b>2,188,964</b>  | <b>91,429,661</b>        | <b>240,553,418</b>   |
| <b>As At 30th June 2024</b> | <b>143,490,608</b> | <b>26,633,585</b>    | <b>18,395,300</b>           | <b>3,019,529</b>  | <b>121,048,232</b>       | <b>312,587,254</b>   |

**Notes to the Financial Statements (Continued)**
**Work in Progress (WIP)**

Work in progress relates to capital expenditure and costs associated to the development of the Centre for Construction Industry Development (CCID)

**24 (b) Property, Plant and Equipment at Cost**

If the assets were stated on the historical cost basis the amounts would be as follows:

|                                          | <b>Cost</b>          | <b>Accumulated<br/>Depreciation</b> | <b>NBV</b>         |
|------------------------------------------|----------------------|-------------------------------------|--------------------|
|                                          | <b>KShs</b>          | <b>KShs</b>                         | <b>KShs</b>        |
| Capital Work in Progress                 | 91,429,661           | -                                   | 91,429,661         |
| Motor Vehicles,<br>Including Motorcycles | 498,677,036          | 392,553,132                         | 106,123,904        |
| Computers And Related<br>Equipment       | 238,518,609          | 226,043,905                         | 12,474,704         |
| Office Equipment                         | 24,551,723           | 22,362,759                          | 2,188,964          |
| Furniture and Fittings                   | 236,557,145          | 211,477,560                         | 25,079,585         |
| <b>Total</b>                             | <b>1,089,734,174</b> | <b>852,437,356</b>                  | <b>237,296,818</b> |

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

|                             | <b>Cost</b>        | <b>Accumulated<br/>Depreciation</b> |
|-----------------------------|--------------------|-------------------------------------|
| Office Equipment            | 19,539,957         | 19,539,957                          |
| Computer Equipment & Access | 218,462,270        | 218,462,270                         |
| Furniture & Fittings        | 179,860,674        | 179,860,674                         |
| <b>Total</b>                | <b>417,862,901</b> | <b>417,862,901</b>                  |

**Notes to the Financial Statements (Continued)**
**25. Intangible Assets**

| Description                        | 2024/25            | 2023/24            |
|------------------------------------|--------------------|--------------------|
|                                    | KShs               | KShs               |
| <b>Cost</b>                        |                    |                    |
| <b>At beginning of the year</b>    | <b>171,397,691</b> | <b>169,505,691</b> |
| Additions                          | 9,860,049          | 1,892,000          |
| Impairment                         |                    | -                  |
| <b>At end of the year</b>          | <b>181,257,740</b> | <b>171,397,691</b> |
| Additions-internal development     | -                  | -                  |
| <b>At end of the year</b>          | <b>-</b>           | <b>-</b>           |
| <b>Amortization and impairment</b> |                    |                    |
| <b>At beginning of the year</b>    | <b>775,299</b>     | <b>691,210</b>     |
| Amortization                       | 1,406,689          | 84,089             |
| <b>At end of the year</b>          | <b>2,181,988</b>   | <b>775,299</b>     |
| Impairment loss                    | -                  | -                  |
| <b>At end of the year</b>          | <b>-</b>           | <b>-</b>           |
| <b>NBV</b>                         | <b>179,075,752</b> | <b>170,622,392</b> |

**26. Trade and Other Payables**

| Description                                        | 2024/25            |                       | 2023/24            |                       |
|----------------------------------------------------|--------------------|-----------------------|--------------------|-----------------------|
|                                                    | Kshs               |                       | Kshs               |                       |
| Accounts Payables                                  | 181,242,642        |                       | 73,781,310         |                       |
| Provisions and Accruals- Note 27                   | 374,825,188        |                       | 368,626,916        |                       |
| Prepaid Levy                                       | 18,923,990         |                       | 24,251,869         |                       |
| Sundry Creditors                                   | 24,104,281         |                       | 27,223,210         |                       |
| Receipts in Advance                                | -                  |                       | -                  |                       |
| <b>Total trade and other payables</b>              | <b>599,096,100</b> |                       | <b>493,883,304</b> |                       |
|                                                    |                    |                       |                    |                       |
| <b>Ageing analysis: (Trade and other payables)</b> | <b>2024/25</b>     | <b>% of the Total</b> | <b>2023/24</b>     | <b>% of the Total</b> |
| Under one year                                     | 385,509,272        | 64.3%                 | 469,631,435        | 95%                   |
| 1-2 years                                          | 194,662,839        | 32.5%                 | -                  | 0%                    |
| 2-3 years                                          | 18,923,990         | 3.2%                  | 24,251,869         | 5%                    |
| <b>Total (tie to above total)</b>                  | <b>599,096,100</b> |                       | <b>493,883,304</b> |                       |

**27. Current Provisions**

The provisions made during the year for operating expenses are as per the schedule below;

|                             | <b>Gratuity</b>   | <b>Audit Fees</b> | <b>Bonus</b>      | <b>Operating Expenses</b> | <b>Totals</b>      |
|-----------------------------|-------------------|-------------------|-------------------|---------------------------|--------------------|
|                             | <b>KShs</b>       | <b>KShs</b>       |                   |                           | <b>KShs</b>        |
| <b>As at 1st July 2024</b>  | 29,088,887        | 700,000           | 49,698,960        | 289,139,069               | 368,626,916        |
| Provision for the year      | 36,204,838        | 700,000           |                   | 143,257,511               | 180,162,349        |
| Adjustments                 |                   |                   |                   |                           | -                  |
| <b>Payments/Transfers</b>   |                   |                   |                   |                           |                    |
| Payments during the year    | (4,375,032)       | (700,000)         |                   | (168,889,045)             | (173,964,077)      |
|                             |                   |                   |                   |                           |                    |
| <b>As at 30th June 2025</b> | <b>60,918,693</b> | <b>700,000</b>    | <b>49,698,960</b> | <b>263,507,535</b>        | <b>374,825,188</b> |

The Authority has various members of staff on contract basis, this includes the Executive Director, General Managers – Research, Business Development and Capacity Building, the General Manager Corporate services and the General Manager Registration and Compliance and 104 staff at huduma centres. The employees on contract are entitled to gratuity payment at the rate of 31% of the basic pay on successful completion of their terms. The Authority made provisions for operating expenses in the period under review to cater for contingent liabilities for goods and services provided and other running contracts that the Authority has a liability to pay in line with the accrual basis of accounting. The board approved the opening of a gratuity account to safeguard the funds provided for gratuity.

**28. Surplus Remission**

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per

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

Centum of its surplus funds reported in the audited financial statements after the end of each financial year. In line with this legal requirement the Authority remitted **KShs 150,450,185.00** being surplus in arrears and the Authority reported a surplus of **KShs 29,939** in the period under review.

The Surplus Remission has been computed as follows:

|                                                                  | <b>2024/25</b> | <b>2023/24</b> |
|------------------------------------------------------------------|----------------|----------------|
|                                                                  | <b>Kshs</b>    | <b>Kshs</b>    |
| Surplus for the period                                           | 25,204,743     | 99,479,935     |
| Less: Allowable deductions by NT                                 | (25,171,478)   | (94,234,555)   |
| Realized Surplus                                                 | 33,265         | 5,245,380      |
| 90% Computation (Included in Statement of Financial Performance) | 29,939         | 4,720,842      |

**Surplus Remission Payable**

|                                      | <b>2024/25</b>     | <b>2023/24</b>     |
|--------------------------------------|--------------------|--------------------|
|                                      | <b>Kshs</b>        | <b>Kshs</b>        |
| Payable at the beginning of the year | 278,042,143        | 685,639,712        |
| Declared Surplus                     | 29,939             | 4,720,842          |
| Paid during the year                 | (150,450,185)      | (412,318,411)      |
| <b>Payable at end of the year</b>    | <b>127,621,897</b> | <b>278,042,143</b> |

The Authority has complied with the PFM Act Section 219 (2) in remitting the surplus arrears which relates to the long outstanding debtors on construction levy that was set aside with effect from 1<sup>st</sup> January 2017.

**Notes to the Financial Statements (Continued)**
**29. Cash Generated from Operations**

| Description                                    | 2023/2024          | 2022/2023          |
|------------------------------------------------|--------------------|--------------------|
|                                                | Kshs               | Kshs               |
| <b>Surplus for the year before tax</b>         | 25,204,743         | 99,479,935         |
| <b>Adjusted for:</b>                           |                    |                    |
| Depreciation                                   | 88,751,954         | 75,143,134         |
| <b>Working capital adjustments</b>             |                    |                    |
| Increase in receivables                        | (11,065,537)       | 140,642,300        |
| Increase in deferred income                    | -                  | -                  |
| Increase in payables                           | 105,212,796        | 155,314,624        |
| <b>Net cash flow from operating activities</b> | <b>208,103,956</b> | <b>470,579,993</b> |
| <b>Net cash flow from operating activities</b> | <b>208,103,956</b> | <b>470,579,993</b> |

**30. Financial Risk Management**

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

**i) Credit risk**

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality

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

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 Authority management based on prior experience and their assessment of the current economic environment.

**Financial Risk Management**

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

|                                            | <b>Total amount</b>  | <b>Fully performing</b> | <b>Past due</b>    | <b>Impaired</b> |
|--------------------------------------------|----------------------|-------------------------|--------------------|-----------------|
|                                            | <b>Kshs</b>          | <b>Kshs</b>             | <b>Kshs</b>        | <b>Kshs</b>     |
| <b>As at 30 June 2025</b>                  |                      |                         |                    |                 |
| Receivables from non-exchange transactions | 1,016,306,778        | 556,374,141             | 459,932,637        | -               |
| Bank balances                              | 198,888,004          | 198,888,004             | -                  | -               |
| <b>Total</b>                               | <b>1,215,194,781</b> | <b>755,262,145</b>      | <b>459,932,637</b> | <b>-</b>        |
| <b>As at 30 June 2024</b>                  |                      |                         |                    |                 |
| Receivables from non-exchange transactions | 1,005,241,240        | 538,800,724             | 466,440,516        | -               |
| Bank balances                              | 150,790,263          | 150,790,263             | -                  | -               |
| <b>Total</b>                               | <b>1,156,031,504</b> | <b>689,590,988</b>      | <b>466,440,516</b> | <b>-</b>        |

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

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from debtors. 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.

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

|                           | Less than 1 month  | Between 1-3 months | Over 5 months      | Total              |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
|                           | Kshs               | Kshs               | Kshs               | Kshs               |
| <b>As at 30 June 2025</b> |                    |                    |                    |                    |
| Accounts Payables         | 155,767,329        | 25,475,313         |                    | 181,242,642        |
| Provisions and Accruals   | 180,162,349        | 194,662,838        | -                  | 374,825,188        |
| Prepaid Levy              | -                  | -                  | 24,251,869         | 18,923,990         |
| Sundry Creditors          | 24,104,281         |                    |                    | 24,104,281         |
| Receipts in Advance       | -                  | -                  | -                  | -                  |
| <b>Total</b>              | <b>360,033,959</b> | <b>220,138,151</b> | <b>24,251,869</b>  | <b>599,096,100</b> |
| <b>As at 30 June 2024</b> |                    |                    |                    |                    |
| Accounts Payables         | 73,781,310         | -                  | -                  | 73,781,310         |
| Provisions and Accruals   | 111,644,786        | 124,070,118        | 132,912,012        | 368,626,916        |
| Prepaid Levy              |                    |                    | 24,251,869         | 24,251,869         |
| Sundry Creditors          | 27,223,210         |                    |                    | 27,223,210         |
| Receipts in Advance       | -                  | -                  | -                  | -                  |
| <b>Total</b>              | <b>212,649,305</b> | <b>124,070,118</b> | <b>157,163,880</b> | <b>493,883,304</b> |

**Financial Risk Management**
**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:

|                                             | 2024-2025            | 2023-2024            |
|---------------------------------------------|----------------------|----------------------|
|                                             | Kshs                 | Kshs                 |
| Revaluation Reserve                         | 88,046,729           | 88,046,729           |
| Retained Earnings                           | 373,175,163          | 486,393,378          |
| Development Fund                            | 58,840,100           | 58,840,100           |
|                                             | 515,665,860          | 512,077,639          |
| <b>Total Funds</b>                          | <b>1,035,727,852</b> | <b>1,145,357,846</b> |
| Total Borrowings                            | -                    | -                    |
| Less: Cash And Bank Balances                | 198,888,004          | 150,790,263          |
| Net Debt/(Excess Cash And Cash Equivalents) | (198,888,004)        | (150,790,263)        |
| <b>Gearing</b>                              | <b>0%</b>            | <b>0%</b>            |

**Notes to the Financial Statements (Continued)****31. Related Party Disclosures****Nature of related party relationships**

Entities and other parties related to the Authority 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 Authority, holding 100% of the Authority's equity interest.

**Other related parties include:**

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

|                                                        | <b>2024-2025</b>     | <b>2023-2024</b>     |
|--------------------------------------------------------|----------------------|----------------------|
|                                                        | <b>Kshs</b>          | <b>Kshs</b>          |
| <b>Transactions with related parties</b>               |                      |                      |
| <b>a) Sales to related parties</b>                     |                      |                      |
| Government Agencies                                    | 1,044,377,778        | 1,044,377,778        |
| County Government                                      | 26,257,541           | 26,257,541           |
| <b>Total</b>                                           | <b>1,070,635,319</b> | <b>1,070,635,319</b> |
| <b>B) purchases from related parties</b>               |                      |                      |
| Purchases of electricity from KPLC                     | 4,775,733            | 4,295,279            |
| Purchase of water from govt service providers          | 317,773              | 169,786              |
| Rent expenses paid to govt agencies                    | 4,788,720            | 4,788,720            |
| <b>Total</b>                                           | <b>9,882,226</b>     | <b>9,253,784</b>     |
| <b>b) Grants /transfers from the government</b>        |                      |                      |
| Grants from national govt                              | 1,870,000,000        | 1,404,000,000        |
| Grants from county government                          | -                    | -                    |
| Donations in kind                                      | -                    | -                    |
| <b>Total</b>                                           | <b>1,870,000,000</b> | <b>1,404,000,000</b> |
| <b>c) Expenses incurred on behalf of related party</b> |                      |                      |
| Payments of Allowances                                 | 3,584,700            | 3,584,700            |
| Payments for goods and services for xxx                | -                    | -                    |
| <b>Total</b>                                           | <b>3,584,700</b>     | <b>3,584,700</b>     |
| <b>d) Key management compensation</b>                  |                      |                      |
| Directors' emoluments                                  | 48,093,474           | 42,122,336           |
| Compensation to key management                         | 109,395,016          | 93,356,496           |
| <b>Total</b>                                           | <b>157,488,490</b>   | <b>135,478,832</b>   |

**Notes to the Financial Statements (Continued)**
**32. Capital Commitments**

| <b>Capital Commitments</b> | <b>2024/2025</b> | <b>2023/2024</b>  |
|----------------------------|------------------|-------------------|
|                            | <b>KShs</b>      | <b>KShs</b>       |
| Authorized and Contracted  | 2,291,829        | 55,644,715        |
| <b>Total</b>               | <b>2,291,829</b> | <b>55,644,715</b> |

Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for ongoing.

**33. Prior Year Adjustments**

Prior period adjustments are recognitions of omissions and misstatements in the entity's financial statements for more than one prior period arising from under recognition of revenues, restatement of provisions and fund balances. The balances have been adjusted in accordance with IPSAS 3 and it is the opinion of the management that the adjustments of KShs 12,027,227 are immaterial and does not significantly affect decision making.

**34. Events after the Reporting Period**

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

**35. Ultimate and Holding Entity**

The Authority is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Lands, Public Works Housing and Urban Development. Its ultimate parent is the Government of Kenya.

**36. Currency**

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

**20. Appendices**

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

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

| Reference no. on the external audit report | Observations from the Auditor General                       | Management Comments                                                                                                                                                                      | Status     | Timeframe  |
|--------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| 1.                                         | Long outstanding receivables from non-exchange transactions | The Management submitted a request for approval of Cabinet Memo to the Board for onward forwarding of the memo on writing off of receivables by the Cabinet                              | Unresolved | 31.12.2025 |
|                                            |                                                             | The Management is in discussion with KOTDA and request for their position on the refund of KShs 6,179,843 or, alternatively, a charge of land rates or services as earlier communicated. | Unresolved | 31.12.2025 |
| 2.                                         | Unsupported long outstanding prepaid levy balance           | The management has undertaken further reconciliation of the prepaid levy with the list of outstanding debtors and merged the payments accordingly.                                       | Resolved   | 30.06.25   |



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**Eng. Maurice Akech, MBS**  
**Executive Director**

**Appendix II: Projects implemented by National Construction Authority**

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

| <b>Project title</b>                                | <b>Project Number</b> | <b>Donor</b> | <b>Period/duration</b> | <b>Donor commitment</b> | <b>Separate donor reporting required as per the donor agreement (Yes/No)</b> | <b>Consolidated in these financial statements (Yes/No)</b> |
|-----------------------------------------------------|-----------------------|--------------|------------------------|-------------------------|------------------------------------------------------------------------------|------------------------------------------------------------|
| Centre for Construction Industry Development (CCID) | N/A                   | -            | 5 Years                | -                       | No                                                                           | Yes                                                        |

**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> |
|---|----------------------------------------------|---------------------------|-------------------------------|-----------------------------|---------------|---------------|-------------------------|
| 1 | Centre for Construction Industry Development | 3,200,000,000             | 65,403,517                    | 2%                          | -             | 65,403,517    | AIA                     |

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

| Name of the MDA/Donor Transferring the funds | Date received         | Nature: Recurrent/ Development /Others | Total Amount - KES   | Where Recorded/recognized          |              |                 |             |                           | Total Transfers      |
|----------------------------------------------|-----------------------|----------------------------------------|----------------------|------------------------------------|--------------|-----------------|-------------|---------------------------|----------------------|
|                                              | as per bank statement |                                        |                      | Statement of Financial Performance | Capital Fund | Deferred Income | Receivables | Others - must be specific |                      |
| State department for Public Works            | 12.09.24              | Recurrent                              | 136,000,000          | 136,000,000                        |              |                 |             |                           | 136,000,000          |
|                                              | 12.09.24              | Recurrent                              | 136,000,000          | 136,000,000                        |              |                 |             |                           | 136,000,000          |
|                                              | 14.10.24              | Recurrent                              | 135,500,000          | 135,500,000                        |              |                 |             |                           | 135,500,000          |
|                                              | 13.12.24              | Recurrent                              | 136,000,000          | 136,000,000                        |              |                 |             |                           | 136,000,000          |
|                                              | 08.01.25              | Recurrent                              | 136,000,000          | 136,000,000                        |              |                 |             |                           | 136,000,000          |
|                                              | 13.01.25              | Recurrent                              | 135,500,000          | 135,500,000                        |              |                 |             |                           | 135,500,000          |
|                                              | 12.02.25              | Recurrent                              | 136,000,000          | 136,000,000                        |              |                 |             |                           | 136,000,000          |
|                                              | 14.03.25              | Recurrent                              | 136,000,000          | 136,000,000                        |              |                 |             |                           | 136,000,000          |
|                                              | 03.04.25              | Recurrent                              | 135,500,000          | 135,500,000                        |              |                 |             |                           | 135,500,000          |
|                                              | 07.05.25              | Recurrent                              | 240,000,000          | 240,000,000                        |              |                 |             |                           | 240,000,000          |
|                                              | 10.06.25              | Recurrent                              | 203,750,000          | 203,750,000                        |              |                 |             |                           | 203,750,000          |
|                                              | 27.06.25              | Recurrent                              | 203,750,000          | 203,750,000                        |              |                 |             |                           | 203,750,000          |
| <b>Total</b>                                 |                       |                                        | <b>1,870,000,000</b> | <b>1,870,000,000</b>               |              |                 |             |                           | <b>1,870,000,000</b> |



**Appendix V- Inter-Entity Confirmation Letter**



ISO 9001:2015 Certified

KCB Towers  
Kenya Road  
Upper Hill  
www.nca.go.ke

P.O.Box 21046 - 00100  
Nairobi, Kenya  
DL: +254 709 126/172/173  
info@nca.go.ke

The National Construction Authority wishes to confirm the amounts disbursed as at 30<sup>th</sup> June 2025 as indicated in the table below.

| Confirmation of amounts received by National Construction Authority (NCA) as at 30 <sup>th</sup> June 2025 |                |               |                 |                       |                          |                                             |                              |
|------------------------------------------------------------------------------------------------------------|----------------|---------------|-----------------|-----------------------|--------------------------|---------------------------------------------|------------------------------|
| Amounts Disbursed by State Department for Public Works (KShs) as at 30th June 2025                         |                |               |                 |                       |                          | Amount Received by NCA                      |                              |
| Reference Number                                                                                           | Date Disbursed | Recurrent (A) | Development (B) | Inter-Ministerial (C) | Total (KShs) (D)=(A+B+C) | (KShs) as at 30 <sup>th</sup> June 2025 (E) | Differences (KShs) (F)=(D-E) |
|                                                                                                            | (KShs)         | (KShs)        |                 |                       |                          |                                             |                              |
| FT24256SRPCY                                                                                               | 12.09.2024     | 136,000,000   |                 |                       | 136,000,000              | 136,000,000                                 | -                            |
| FT24256P4BT2                                                                                               | 12.09.2024     | 136,000,000   |                 |                       | 136,000,000              | 136,000,000                                 | -                            |
| FT24288CMZWB                                                                                               | 14.10.2024     | 135,500,000   |                 |                       | 135,500,000              | 135,500,000                                 | -                            |
| FT24346SCXYP                                                                                               | 11.12.2024     | 136,000,000   |                 |                       | 136,000,000              | 136,000,000                                 | -                            |
| FT25008S4462                                                                                               | 08.01.2025     | 136,000,000   |                 |                       | 136,000,000              | 136,000,000                                 | -                            |
| FT25013GDDC3                                                                                               | 13.01.2025     | 135,500,000   |                 |                       | 135,500,000              | 135,500,000                                 | -                            |
| FT25043GVVHD                                                                                               | 12.02.2025     | 136,000,000   |                 |                       | 136,000,000              | 136,000,000                                 | -                            |
| FT25073JLZ5M                                                                                               | 14.03.2025     | 136,000,000   |                 |                       | 136,000,000              | 136,000,000                                 | -                            |



*Annual Reports and Financial Statements for the Year Ended June 30, 2025*

|              |            |                      |  |  |                      |                      |   |
|--------------|------------|----------------------|--|--|----------------------|----------------------|---|
| FT25093K425R | 03.04.2025 | 135,500,000          |  |  | 135,500,000          | 135,500,000          | - |
| FT25127V72M8 | 07.05.2025 | 240,000,000          |  |  | 240,000,000          | 240,000,000          | - |
| FT25161G7SNB | 10.06.2025 | 203,750,000          |  |  | 203,750,000          | 203,750,000          | - |
| FT25178VFHVV | 27.06.2025 | 203,750,000          |  |  | 203,750,000          | 203,750,000          | - |
| <b>Total</b> |            | <b>1,870,000,000</b> |  |  | <b>1,870,000,000</b> | <b>1,870,000,000</b> |   |

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

**Head of Accounting department of beneficiary Entity:**

Name CHRISTINE KIRIMI Sign *[Signature]* Date 29<sup>th</sup> August 2025

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

| Project Name  | Project Description                                          | Project Objectives                                           | Project Activities |    |         |         |    | Source Of Funds | Implementing Partners |
|---------------|--------------------------------------------------------------|--------------------------------------------------------------|--------------------|----|---------|---------|----|-----------------|-----------------------|
|               |                                                              |                                                              |                    | Q1 | Q2      | Q3      | Q4 |                 |                       |
| Tree Planting | Increasing forest cover to 10% by 30 <sup>th</sup> June 2025 | Increasing forest cover to 10% by 30 <sup>th</sup> June 2025 | - Trees planted    |    | 500,000 | 700,000 | -  | AIA             | Kenya Forest Service  |