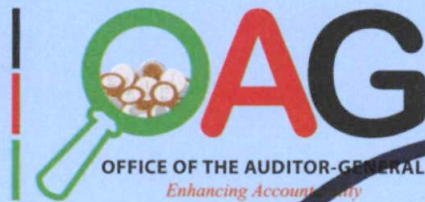


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REPORT

OF

THE AUDITOR-GENERAL

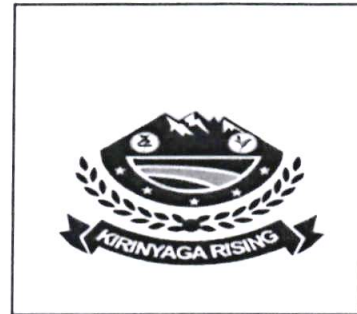
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CLERK OF THE TABLE	Abdirahman

COUNTY ASSEMBLY  
OF KIRINYAGA

FOR THE YEAR ENDED  
30 JUNE, 2025





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**KIRINYAGA COUNTY ASSEMBLY**

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

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



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

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

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

**A. Acronyms and Abbreviations**

<i>ADP</i>	<i>Annual Development Plan</i>
<i>AIE</i>	<i>Authority to Incur Expenditure</i>
<i>CA</i>	<i>County Assembly</i>
<i>CARA</i>	<i>County Allocation of Revenue Act</i>
<i>CBK</i>	<i>Central Bank of Kenya</i>
<i>CECM</i>	<i>County Executive Committee Member</i>
<i>CE</i>	<i>County Executive</i>
<i>CG</i>	<i>County Government</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>COG</i>	<i>Council of Governors</i>
<i>CRA</i>	<i>Commission on Revenue Allocation</i>
<i>CRF</i>	<i>County Revenue Fund</i>
<i>CT</i>	<i>County Treasury</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>MCA</i>	<i>Member of County Assembly</i>
<i>OAG</i>	<i>Office of the Auditor General</i>
<i>OCOB</i>	<i>Office of the Controller of Budget</i>
<i>OSR</i>	<i>Own Source Revenue</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>NT</i>	<i>National Treasury</i>
<i>WB</i>	<i>World Bank</i>
<i>KRB</i>	<i>Kenya Roads Board</i>
<i>Kshs</i>	<i>Kenya Shillings</i>
<i>FY</i>	<i>Financial Year</i>

**B. Definition of Key Terms**

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

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**2. Key Entity Information and Management**

**(a) Background information**

The County Assembly is constituted as per article 177 of the Constitution of Kenya 2010. It is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 32 Members of County Assembly (MCAs), where 20 are elected and 12 specially elected, to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies, and playing the oversight role over the County Executive.

**(b) Key Management Team**

The Kirinyaga county assembly day-to-day management is under the following key organs:

No.	Designation	Name
1.	Speaker of the County Assembly	-Hon Julius Murimi Muteti
2.	Clerk of the County Assembly	-Kamau Aidi
3.	DEPUTY CLERK-Administration and Legislative	-Ms Elizabeth Njoroge
4.	DEPUTY CLERK-Finance and Administration	-CPA Michael Munene Njogu
5.	HOD-Human Resource	Ms Ann Njue

**(c) Fiduciary Management**

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

No.	Designation	Name
1.	Accounting Officer- Clerk	-Kamau Aidi
2.	Deputy Clerk-Finance and Administration	-Cpa Michael Munene Njogu Mno 8031
3.	Principal Accountant	-Cpa Chris Mburu Kinyanjui Mno 15654
4.	Principal Auditor	-Cpa Peter Nyaga Njoroge Mno 5252

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

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**Key Kirinyaga county assembly Information and Management (Continued)**

**(a) Fiduciary Oversight Arrangements**

Assembly's operations are oversighted by:

- Audit committee
- Finance committee activities
- Public Accounts and Investment committee
- Budget and Appropriation committee

**(b) Kirinyaga county assembly Headquarters**

P.O. Box 55-10300

Kirinyaga County Assembly

Along Kutus-Karatina

**(c) Kirinyaga county assembly Contacts**

Telephone: (254)790523397

E-mail: kirinyagacountyassembly@gmail.com

Website: Info@kirinyagacountyassembly.go.ke

**(d) Kirinyaga county assembly Bankers**

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

**NAIROBI, KENYA**

2. Kenya Commercial Banks,

Kerugoya Branch,

P.O Box 90-10300

Kerugoya.

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

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**(e) Independent Auditor**

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

**(f) Principal Legal Adviser**

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

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

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**3. Governance Statement**

**a. Background and roles**

The County Assembly is constituted by the MCAs of Kirinyaga county assembly. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the county assembly service board while the county assembly clerk is the secretary. Section 10 (4) of the County Governments Act 2012 provides that a county assembly shall observe the following order of precedence.

- a) The speaker of the county assembly.
- b) The leader of the majority party; and
- c) The leader of the minority party.

The Roles of the county assembly are outlined in Section 8 of the County Governments Act 2012, and they include:

- i. Vet and approve nominees for appointment to county public office as may be provided for in this Act or any other law.
- ii. Perform the roles set out under Article 185 of the Constitution.
- iii. Approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution.
- iv. Approve the borrowing by the county government in accordance with Article 212 of the Constitution.
- v. Approve county development planning; and
- vi. Perform any other role as may be set out under the Constitution or legislation.

**b. Profiles**

Insert the profiles for the Speaker, Majority leader, minority leader and the Clerk (*insert their photos and qualifications in a tabular format*)

**c. Sectoral Committees**

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

The County Assembly has the following Select and Sectoral committees:

- i. Committee of Powers and Privileges
- ii. Audit Committee
- iii. Public Accounts/Investment Committee
- iv. Budget and Appropriations Committee
- v. 10 County Assembly Departmental Committee

**d. Select Committees**

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

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

**I. Committee of Powers and Privileges**

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held 16 meetings in FY 2024-25. The committee members during FY 2024-25 were:

<b>Name</b>	<b>Designation</b>	<b>Ward</b>
Hon. Muteti Murimi	Speaker/Chairperson	N/A
Hon. Timothy Kariuki	Vice Chairperson	Njuki-ini
Hon. Benson Ngahu	Member	Gathigiriri
Hon. Joseph Kiragu	Member	Thiba
Hon. David Kinyua	Member	Mutira
Hon. Lydia Muriithi	Member	Specially Elected
Hon. Milker Thoithi	Member	Specially Elected

**II. Public Accounts/Investment Committee**

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held 5 extra sittings to deal with arising matters. The members who served in the committee during the year were:

<b>Name</b>	<b>Designation</b>	<b>Ward</b>
Hon. Peter Njiru	Chairperson	Wamumu
Hon. Beatrice Mitaru	Vice Chairperson	Specially Elected
Hon. Grace Kamau	Member	Specially Elected
Hon. Bernard Gichangi	Member	Specially Elected
Hon. James Wambu	Member	Kangai
Hon. Isaiah Mbogo	Member	Kabare
Hon. Harrison Bundi	Member	Specially Elected

**III. Budget and Appropriations Committee**

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

The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were:

<b>Name</b>	<b>Designation</b>	<b>Ward</b>
Hon. Geoffrey Murimi	Chairperson	Kiini
Hon. Lucy Njeri	Vice Chairperson	Specially Elected
Hon. Peter Karinga	Member	Tebere
Hon. Jinaro Njamumo	Member	Mutithi
Hon. Daniel Mbungu	Member	Ngariama
Hon. Fredrick Maina	Member	Inoi
Hon. Irene Gathuku	Member	Specially Elected

**Iv. Audit Committee**

The audit committee was constituted in 2023. Its mandate is to advise the County Government on institutional risk management and compliance. The previous committee held 2 meetings in FY while the current audit committee has held 1 meeting in 2023. The current committee members during FY 2023 were:

<b>Member</b>	<b>Designation</b>
Mr. Mwangi Kumuta	Chairperson
M/s. Pamela Kiriungi	Member
Mr. John Kihanda	Member
M/s. Anne Gathambi	Member
Mr. Eliud Munene	Member

**I. County Assembly Departmental Committees**

They are 10 County Assembly Departmental Committees which play the oversight roles and their mandate as stipulated in the standing orders include;

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

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The functions of a County Assembly Departmental Committee shall be to-

- (a) Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned County departments;
- (b) Study the programme and policy objectives of County departments and the effectiveness of the implementation;
- (c) Study and review all county legislation referred to it;
- (d) Study, assess and analyze the relative success of the County departments as measured by the results obtained as compared with their stated objectives;
- (e) Investigate and inquire into all matters relating to the assigned County departments as they may deem necessary, and as may be referred to them by the County Assembly;
- (f) To conduct approval hearings and report on all appointments where the Constitution of Kenya or any law requires the County Assembly to approve, except those under Standing Order 182 (Committee on Appointments); and
- (g) Make reports and recommendations to the County Assembly as often as possible, including recommendation of proposed legislation.

**COUNTY ASSEMBLY DEPARTMENTAL COMMITTEES'**

**1. Committee on Agriculture, Livestock, Veterinary and Fisheries**

1. Hon. James Njiru Wambu - Chairperson
2. Hon. Irene Muthoni Gathuku - Deputy Chairperson
3. Hon. Fredrick Maina Karimi - Member
4. Hon. Peter Njiru Gitonga Member
5. Hon. Thomas Mwangi Member
6. Hon. Beatrice Njoki Mitaru Member
7. Hon. Daisy Githinji Member

**2. Committee on Medical Services, Public Health and Sanitation**

1. Hon. Isaiah Mbogo - Chairperson
2. Hon. Grace Kamau - Deputy Chairperson
3. Hon. Harrison Bundi

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

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4. Hon. Joseph kiragu
5. Hon. Daniel Mbungu           Members
6. Hon. Milker Thoithi
7. Hon. Kinyua Wangui

**3. Committee on County Finance and Economic Planning**

1. Hon Kenneth Mwendia   - Chairperson
  2. Hon. Susan Ndirangu   - Deputy Chairperson
  3. Hon. Jane Mugo
  4. Hon. Thomas Muriuki
  5. Hon. Waziri Moses Migwi
  6. Hon. Jeremiah Makimi
  7. Hon. Charles Nyamu
- } Members

**4. Committee on Sports, Culture and Social Services**

1. Hon. Fredrick Maina   - Chairperson
  2. Hon. Isaiah Mbogo     - Deputy Chairperson
  3. Hon. Caroline Muriithi
  4. Hon. Thomas Muriuki
  5. Hon. Kenneth Mwendia
  6. Hon. Harrison Bundi
  7. Hon. Jane Mugo
- } Members

**5. Committee on Lands, Physical Planning and Urban Development**

1. Hon. Peter Karinga     - Chairperson
  2. Hon. Geoffrey Gakuru   - Deputy Chairperson
  3. Hon. Lucy Mwaniki
  4. Hon. Jinaro Njamumo
  5. Hon. Kinyua Wangui
  6. Hon. James Wambu
  7. Hon. Milker Thoithi
- } Members

**6. Committee on Transport, Roads and Public Works**

1. Hon. Jeremiah Makimi   - Chairperson
  2. Hon. Bernard Gichangi   - Deputy Chairperson
  3. Hon. Joseph Kiragu
  4. Hon. Charles Nyamu
  5. Hon. Timothy Kathuri
  6. Hon. Irene Gathuku
  7. Hon. Lydia Muriithi
- } Members

**Kirinyaga County Assembly**  
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**7. Committee on Gender and Youth**

1. Hon. Benson Ngahu - Chairperson
  2. Hon. Harrison Bundi - Deputy Chairperson
  3. Hon. David Mathenge
  4. Hon. Milker Thoithi
  5. Hon. Grace Kamau
  6. Hon. Isaiah Mbogo
  7. Hon. Susan Ndirangu
- } Members

**8. Committee on Cooperative Development, Trade, Marketing, Tourism, Industrialization and Enterprise Development**

1. Hon. Joseph Kiragu - Chairperson
  2. Hon. Jane Mugo - Deputy Chairperson
  3. Hon. Jeremiah Makimi
  4. Hon. Kinyua Wangui
  5. Hon. Irene Gathuku
  6. Hon. Peter Gitonga
  7. Hon. Fredrick Maina
- } Members

**9. Committee on Education**

1. Hon. Charles Nyamu - Chairperson
  2. Hon. Lydia Muriithi - Deputy Chairperson
  3. Hon. James Wambu
  4. Hon. Bernard Gichangi
  5. Hon. Beatrice Mitaru
  6. Hon. Kenneth Mwendia
  7. Hon. Geoffrey Gakuru
- } Members

**10. Committee on Environment, Water & Natural Resources**

1. Hon. Timothy Kathuri - Chairperson
2. Hon. Peter Karinga Vice Chairperson

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

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- 3. Hon. Lydia Muriithi
  - 4. Hon. Geoffrey Gakuru
  - 5. Hon. Lucy Njeri
  - 6. Hon. Eric Muchina
  - 7. Hon. Bernard Gichangi
- } Members

In addition to the above committees of the County Assembly, the County Assembly has an independent Audit Committee which was constituted in 2023 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

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

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**e. Communication with all Stakeholders**

The County is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the County held an Annual consultative meeting in xxx where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

The County Assembly also subjected xxx bills through public participation (*a table with the bills may be included*)

S/N	BILL/ POLICY DOCUMENT
1	Kirinyaga County Appropriation Bill,2025
2	Kirinyaga County Supplementary Appropriation Bill,2025
3	Kirinyaga County Integrated Development Plan (CIDP) 2022-2027
4	Kirinyaga County Annual Development Plan (ADP) 2024/2025 FY

**f. Risk management**

**- Are there effective arrangements for risk management and internal control?**

There is an approved Risk Management Policy in place detailing how risks are identified, assessed, treated and managed.

**- Are there formal processes to identify and assess risks?**

The Assembly assesses its risk levels by use of a 5 by 5 matrix on Impact and Likelihood. This is arrived by allocating the impact and likelihood a score between 1 and 5 depending on the assessment by risk owner.

**- Are there formal processed to analyse risks as a basis for how they should be managed?**

The Assembly maintains a risk appetite matrix that takes into account the severity of the residual risk and the relative strategic importance of the activity. This matrix provides guidance on the acceptability of the proposed activity. The Management considers the current portfolio of risk in coming to a decision whether to accept new risk

**- Are there formal processes to assess changes in the internal and external environments which could give rise to risks?**

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

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These are assessed through the guidelines and directives provided internally by the County assembly management or externally by the regulatory bodies. An assessment on their impact to the assembly is thereafter assessed and necessary measures put in place

**- Risks identified and analysed in the period and how they were managed.**

The only identified risk that has had impact is delay in release of Funds by the exchequer that affects timely implementation of the programmes. All other were risks of very low impact

**g. Compliance**

The Kirinyaga county assembly should identify the relevant laws and regulations that governs it and disclose its compliance to these laws. There should also be a disclosure whether reports emanating from such compliance are prepared and discussed at the relevant levels or other government offices.

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

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

Clerk of the County Assembly comments

Include the following among others

**(i) Budget performance**

The assembly received 99% of the budget kshs.793,580,478 from the budget of kshs.807,492,795,with balance of kshs.13,912,317 which is 1% of the budget during the financial year under review.

<b>Programme/Sub-Programme</b>	<b>Final Budget</b>	<b>Indicators</b>	<b>Outcomes</b>	<b>Actual on comparable basis</b>	<b>Budget utilization difference</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Programme 1</b>	-	-	-		-
Legislation and Oversight	807,492,795			793,580,478	13,912,317
<b>TOTALS</b>	<b>807,492,795</b>			<b>793,580,478</b>	<b>13,912,317</b>

**(ii) Operational Performance**

Members of the Assembly have passed 28 bills, 2 ACTs this and some several policies and 24 motions this FY 2024/2025 which has enabled something operations of the county.

FY 2024/2025 Budget was approved on 23<sup>rd</sup> June, 2025.

Assembly has 26 committees, which plays different roles of oversight, representations and the legislative to the peoples of kirinyaga.

Assembly oversight Role including checking and scrutinizing the implementation of county policies, projects, programme, activities and Financial reports.

**(iii) Performance of key development projects**

The assembly has implemented the following projects:—constructions of ward offices and drilling of boreholes ,Renovation of canteen and power house construction, Installation of Hansard machine in chambers ,construction of perimeter wall ,completion of chambers and offices and refurbished offices for the staffs in current year.

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

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**(iv) Comment on value-for-money achievements**

There was value for money on fulfilment of assembly roles oversight, legislative and representations :the members participated in representation on public participation, outreach programme and other activities, on oversight members were facilitated on checking and scrutinizing various projects and activities done by the county and members through the county assembly have passed bills, motions and ACTS for the county.

**(v) Challenges and Recommended Way Forward**

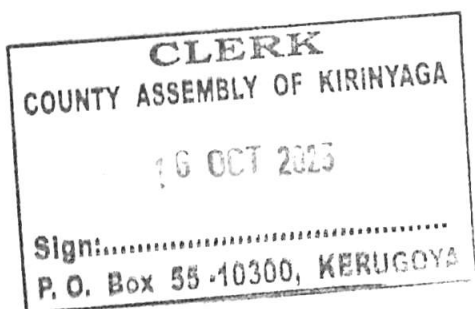
The only major challenges is the release of the fund through exchequer by the treasury in time, this can be solved by national treasury improving disbursements funds , also through fastening the budget making process by county treasury and clearances by controller of budget.



**Sign**

**Kamau Aidi**

**Clerk of the County Assembly**



**5. Statement of Performance against County Assembly Predetermined Objectives**

**Strategic Development Objective**

The key mandate of the Kirinyaga County Assembly is legislation, oversight, and representation. To achieve this, the assembly's program was document in terms of objective, key performance indicators, and output. Below were the expected outputs of the assembly in FY 2023/2024

<b>Program 1</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<b>Legislation, oversight and representation</b>	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	No of bills passed in the County Assembly	In FY 23/24 MCA were trained on legislative drafting, mandate of committees, effective oversight and budget making
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	40 % increase in efficient Assembly operation	Fourth edition standing orders were reviewed and resulted to efficiency in assembly procedures and efficiency in dispensing of assembly business
	Scrutinize proposed legislation by sectoral committees	Input of respective committees in proposed legislation	No. of legislative proposals interrogated by the county assembly	County Assembly committees interrogated 15 legislative proposals

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

			committees	
	To facilitate public participation in the legislative process	Implementation of public participation	No of public participation forums facilitated	The County assembly held 21 public participation forums and received submissions from the public
	To conduct approval hearings	Committee sittings to conduct approval hearings	No. of approval hearing conducted	County Assembly committees conducted 14 approval hearings.
	Scrutinize and oversee county government action	Matters referred by committees to the County Assembly for consideration	No. of Credible oversight and accountability reports tabled in the Count Assembly	The County Assembly received and debated on 158 reports from the committees
	To facilitate conduct of site visits for oversight	Reports from committees	No of reports prepared and submitted to the county assembly	The County Assembly received 26 reports from committees on site visits conducted
	Provide office space for Members of the County	Conducive and reliable working space for MCAs in the ward	No. of offices leased and equipped	In the FY 2023/2024 the County Assembly provided ward

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

	Assembly at the ward level			offices for 20 elected Members of the County Assembly
<b>Program 2</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<b>General administration and support</b>	Staff capacity building	Increased ability for staff to offer secretariat services	No. of capacity building sessions held	Staff were trained on legislative drafting, keeping of records and budget process which resulted in better support for the legislative function
	To effectively manage transportation	Smooth running of the assembly business	Routine maintenance of assembly vehicles	Six assembly vehicles maintained and serviced quarterly
	Enhanced work environment for staff	Conducive working environment for staff	Improved service delivery	Wellness and safety of staff well catered for.
	Provide mortgage and car loan	Welfare of staff catered for	No. of staff facilitated with car loans and mortgage	Eight members of staff were facilitated with car and mortgage loans in the financial year 2023/2024
	Provide Medical insurance,	Provision of adequate	No. of staff and MCAs on	65 members of staff and 34

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

	Group life insurance including GPA	insurance cover	medical, Group life insurance and GPA	MCA's put on insurance including speaker
	Provide Utilities, supplies and services	Provision of a clean and conducive working environment	No. of monthly power, water and communication bills issued and services	All monthly bills for water, power and communication services paid and receipts issued
	Provide adequate office supplies	Provision of adequate office supplies	Records of office supplies purchased and issued	All requests for office supplies met
<b>Program 3</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<b>Human Resources</b>	Compensation of employees	Adequately compensated staff	No. of staff paid in the year	All staff salaries paid on time
	Payment of Pension and retirement benefits	Settlement of retirement benefit claims	No. of retirement benefits claims settled	All retirement benefits claims settled
	Service gratuities	Payment of service gratuities to staff who have exited the service	No. of service gratuities paid out	All service gratuities budgeted for paid out
<b>Program 4</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<b>Infrastructure And facilities</b>	To strengthen the institutional capacity and infrastructure	Renovation of the County Assembly Chambers	Project hand over reports	Completion of the phased renovation of the county assembly

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

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				chambers
<b>Program 5</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<b>Financial management and resource mobilization</b>	To enhance financial accountability and transparency	Financial management tools enhanced	Financial management enhancement reports	Annual reports of financial management produced

**6. Environmental and Sustainability Reporting**

**Corporate Social Responsibility Statement/Sustainability Reporting**

At the county assembly of Kirinyaga we understand that we have a responsibility to our society and we have made CSR an integral part of our organization's culture. However, our Corporate Social Responsibility Programme (CSR), the County Assembly works with employees and other stakeholders to identify areas that need participation and attention. As an institution, we are responsible for the community and environment in which we operate.

**a. Sustainability strategy and profile**

The CSR activities and policies are centered on improving the lives of the communities around given that one of our core responsibilities is representation of the people at the county level.

We have developed our CSR programs with our employees in mind and we strive to focus our energies and resources allocated to CSR to activities that make our employees proud.

We are very adaptive to the need of our communities and strive to ensure that we remain relevant and connect to the needs of our communities.

The County Assembly's CSR policy aims to meet and exceed the needs of our stakeholders such as, employees, Members of the County Assembly, suppliers and the community at large.

Our CSR programs are funded from resources allocated by the exchequer and before we engage in CSR, we ensure that our financial performance is capable of sustaining such initiatives. The County Assembly commits a substantial amount from its annual budgets to CSR activities.

**b. Environmental performance**

We are actively involved in environmental conservation programmes. We are aware that our some of activities affect the environment and for this reason, we embedded CSR in our operations, with the environment being at the center of our focus.

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

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Together with the Ministry of Environment and other partners, the County Assembly has embraced the national tree planting campaign. This is part of our contribution to ensuring improved forest cover and biodiversity in our areas of work and our surroundings.

The County Assembly has also worked with and other organizations to lead and sustain environmental clean-ups in the major towns within the county and to promote the use of alternatives to plastics.

We have further taken advantage of the latest technologies like the use of tablets, computers and smart phones to store and share our files to save on printing paper.

The county Assembly has also set the practice to strictly adhere to the laws and policies guiding the disposal and management of waste within the assembly precincts.

**c. Employee Welfare**

The County Assembly as a practice treats all its employees fairly and provides for a safe and conducive working environment. There is strict adherence to the public service code of conduct and professional standards guiding operations in public service. We actively encourage participation of CSR activities so that employees can volunteer their time and skills towards community service as well as contribute to develop a strategy for CSR initiatives for better outcomes in the community.

Hiring of staff is on merit with strict adherence to fair competition and merit as the basis of appointment and promotion within the County Assembly. We have managed also put in place measures to achieve the 2/3 gender principal and have attained a 50:50 ratio in terms of gender for our employees.

We do encourage our employees to develop their abilities and improve their skills and competencies by facilitating career planning through guidance, training, and mentorship and coaching programmes.

Career progression is based on performance, qualifications and other requirements as provided in the public service guidelines career progression guidelines

The safety and welfare of our employees is guaranteed with measures to be undertaken by both the management of the County Assembly and the employees provided for in our Human Resources Manual. We also have a Health and Safety Committee in place to ensure the management complies with the provisions of the Health and Safety Act 2007 and to advise on the adequacy of the safety measures undertaken by the management.

**d. Market Place Practices**

The Public Procurement and Disposal Act regulate the procurement process in the County Assembly.

We have also adopted best practices to provide ample room for the implementation of sustainable procurement practices and innovation. These include supplier integration, supplier accreditation, training and capacity building, and information sharing. Through these, the County Assembly has not only met its target but also reduced procurement costs in the process.

We have also put in place measures to avoid disadvantaging small and medium sized enterprises. Professionalism, integrity, efficiency, fairness and honesty are at the core of all our procurement processes. We have in place a structured supplier assessment process designed to effectively evaluate the capabilities of potential and existing suppliers.

**e. Community Engagements**

We are keen to implement corporate social responsibility initiatives that help strengthen partnerships with our partners and with local communities

The County Assembly has constantly participated in programs aimed at supporting the healthcare of the communities by collaborating with the Rotary Club of Kirinyaga to undertake a free medical camp on annual basis.

We are also actively involved in the promotion of sports talents amongst the youth through our participation and sponsorships to various sports ventures. For the third year, running the County Assembly has been a proud sponsor of the Kerugoya Spikers women volleyball team.

We do also conduct school outreach programs and encourage student visits to the County Assembly as part of our efforts to promote education.

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

##### **Compliance with Statutory Requirements**

Throughout the period, the County Assembly remained committed to fulfilling its statutory obligations, particularly in financial reporting, procurement, and legislative operations. Compliance with regulations from oversight authorities, including the Senate Public Accounts Committee, underscores the Assembly's adherence to ethical governance. Measures were taken to improve financial reporting accuracy and ensure transparency, addressing historical audit issues and enhancing accountability in spending and procurement.

##### **Major Risks Facing the Organisation**

The County Assembly faces significant risks, mainly driven by budget constraints and exchequer delays. Delays in fund disbursement have led to slowed progress on key projects, including the Speaker's residence and other operational plans. Budget shortfalls have strained resources designated for salaries, operational expenses, and critical programs, creating a challenge in maintaining service continuity.

##### **Material Arrears in Statutory and Other Financial Obligations**

The County Assembly has encountered material arrears in several areas, primarily in pending bills and statutory obligations. These include outstanding payments on wages and benefits, Members and Staff payables, and Trade payables obligations that have accumulated due to exchequer delays and the absence of a legal framework authorizing such payments. The Assembly is actively addressing these arrears, working to balance limited resources against pressing liabilities to prevent accrual of further debts.

Efforts to address statutory obligations and other arrears are ongoing, with a focus on maintaining compliance with legal mandates while managing budget constraints. These steps are critical in sustaining the Assembly's operational integrity and financial stability.

##### **Review of the Economy and Sector**

The local economy and sector have seen moderate growth, though they remain influenced by wider national economic pressures. These challenges have impacted resource allocation and inflated the cost of basic services, presenting budgeting challenges for the Assembly.

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

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2024, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

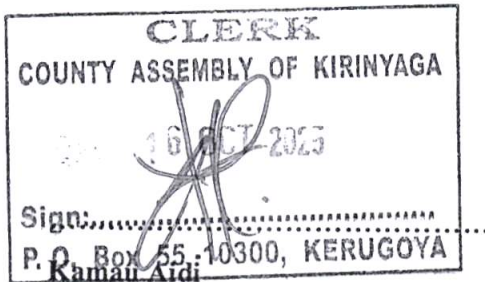
The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the quarter under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

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

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**Approval of the financial statements**

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 30th June, 2025.



Clerk of the County Assembly

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF KIRINYAGA 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 the 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 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.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

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

#### **Qualified Opinion**

I have audited the accompanying transitional IPSAS financial statements of County Assembly of Kirinyaga set out on pages 1 to 59, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, the 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, Cap 412B. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

### **Basis for Qualified Opinion**

#### **Expenditures Incurred After the End of the Financial Year**

The statement of financial performance reflects total payments of Kshs.744,026,264 out of which, an amount of Kshs.47,884,104 was paid after 30 June, 2025. The expenditure was backdated in the records of the County Assembly as incurred on 30 June, 2025. This was contrary to Regulation 97(1) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the accounts of the County Government entities shall record transactions which take place during a financial year running from the 1 July to 30 June.

In addition, Regulation 97(4), requires that an actual cash transaction taking place after the 30 June, shall not, however, be treated as pertaining to the previous financial year even though the accounts for that year may be open for the purposes referred to in Paragraphs (2) and (3) of this Regulation.

In the circumstances, the accuracy of the expenditure amounting to Kshs.744,026,264 could not be confirmed. In addition, the Management was in breach of the law.

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

### **Emphasis of Matter**

#### **Late Exchequer Releases**

The statement of financial performance reflects transfers from County Revenue Fund in form of exchequer releases amounting to Kshs.793,580,478. Review of revenue records

provided for audit revealed that funds amounting to Kshs.27,674,467 of the Exchequer releases were received during the month of July, 2025.

In the circumstances, the late disbursement of Exchequer releases by The County Treasury may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the basis for Qualified Opinion, I have determined that there were no key audit matters to communicate in my report.

### **Other Matter**

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

In the prior years' audit reports, the issue on non-compliance with law on ethnic diversity was raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the Assembly in 2024/2025 revealed that the matter remained unresolved.

### **Other Information**

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

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

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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 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. Lack of a Complete Assets Register**

The financial statements reflect historical costs of assets balance of Kshs.734,623,295 as disclosed in Annex 26. However, the assets register provided for audit review is not detailed and details of reference or identification numbers, date of purchase, cost, suppliers name, source of fund, location, nature and use including current status were missing. Further, ownership documents for the lands and buildings were also not provided for audit. This was contrary to Regulation 136(1) of the Public Finance Management (County Government) Regulations 2015 which provides that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

### **2. Irregular Payments of Subscription Fees**

The statement of financial performance reflects under Note 10, payments totalling to Kshs.341,374,179 relating to use of goods and services. Included in this amount are other operating expenses totalling to Kshs.13,402,200 out of which Kshs.838,000 was paid out as subscription fees to the County Assemblies Forum (CAF) and the Society of Clerks-At-The Table (SOCATT). However, at the time of the audit exercise, neither the enabling legislation establishing these bodies nor policies and guidelines for such payments had been enacted and the County Assembly therefore had no basis for making the payments.

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

### **3. Non-Compliance with Public Procurement Capacity Building Levy Order, 2023**

The Assembly did not cause to be paid levy by suppliers on all procurement contracts signed, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes contrary to Paragraph 5 & 6 of Public Procurement Regulatory Authority Circular No.01/2024. Further, the Management did not remit the Levy amounts to the Authority through the eCitizen payment platform by the 20th day of the subsequent month. In addition, the County Assembly did not file monthly returns by the 20th day of the subsequent month on all levy amounts deducted and remitted to the Authority through the Public Procurement Information portal contrary to Paragraph 5 & 6 of Public Procurement Regulatory Authority Circular No.01/2024.

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

### **4. Lack of Staff Ethnic Diversity**

The total number of employees at the County Assembly as at 30 June, 2025 was eighty (80) out of which seventy-eight (78) or ninety-eight percent (98%) were from the dominant

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

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

#### **5. Officers Earning Below a Third of Their Basic Pay**

A review of the County Assembly's payroll revealed that nineteen (19) officers drew salaries falling below a third of their basic as at 30 June, 2025. This was contrary to Section 19(3) of the Employment Act, 2007 which provides that the total amount of all the deductions which under the provisions of Sub-Section (1), may be made by the employer from the wages of his employee at any one time shall not exceed two thirds of such wages or such additional or any other amount as may be prescribed by the Minister either generally or in relation to specified employer or employee or class of employers or employees or any trade or industry.

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

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

### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, Cap 412B, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

#### **Lack of an Offsite Data Recovery Centre**

Audit revealed that County Assembly does not have an Offsite Data Recovery Center either within the Assembly location or with an offsite vendor to enable it obtain critical data from its back up store in the event of a disaster occurring in compliance with the Disaster Recovery Policy.

In the circumstances, the effectiveness of the Assembly's data recovery in case of unforeseen eventualities and the effect it may have on its efficiency and management of core functions could not be confirmed.

## **Basis for Conclusion**

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

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

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

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

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

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

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

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

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

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**06 December, 2025**

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

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

	Notes	2024-2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from CRF	6	793,580,478
Miscellaneous Revenue	7	-
<b>Total</b>		<b>793,580,478</b>
<b>Revenue from exchange transactions</b>		
Other income	8	-
<b>Total revenue</b>		<b>793,580,478</b>
<b>Expenses</b>		
Employee costs	9	336,749,457
Use of goods and services	10	341,374,179
Transfers to other Government Entities	11	50,000,000
Depreciation and amortization expense	12	-
Other Grants and Subsidies	13	-
Finance costs	14	4,763
Social Benefits	15	15,897,865
<b>Total expenses</b>		<b>744,026,264</b>
Gain/(loss) on sale of assets	16	-
Gain/Loss on Foreign Exchange	17	-
Gain/Loss on fair value of investments	18	-
Impairment loss	19	-
<b>Surplus/Deficit for the year</b>		<b>49,554,214</b>
Taxation	20	-
<b>Net Surplus/Deficit</b>		<b>49,554,214</b>

The Financial Statements set out on pages 1 to 7 were signed by:



Name: **KAMAU AIDI**

Clerk of The County Assembly

**CLERK**  
**COUNTY ASSEMBLY OF KIRINYAGA**  
**16 OCT 2025**  
 Sign:.....  
 P. O. Box 55 -10300, KERUGOYA



Name: **MICHAEL MUNENE**

**Director Accounting services**  
**ICPAK M/No:**

**COUNTY ASSEMBLY OF KIRINYAGA**  
**16 OCT 2025**  
 P.O. Box 55 - 10300.  
 KERUGOYA.

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

	Notes	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	21	<b>5,102,021</b>	5,106,783
Receivables from Exchange Transactions	22	4,550,868	4,550,868
Receivables from Non-Exchange Transactions	23	-	-
Inventories	24	-	-
Current portion of investments	25	-	-
<b>Total Current Assets</b>		<b>9,652,889</b>	<b>9,657,651</b>
<b>Non-Current Assets</b>			
Receivables from Exchange Transactions	22(b)	-	-
Non- Current portion of investments	25	-	-
Property, Plant and Equipment	26	49,558,977	-
Intangible Assets	27	-	-
Investment Property	28	-	-
Right-of-use assets	29	-	-
Biological Assets	30	-	-
Tangible Natural Resources	31	-	-
<b>Total Non- Current Assets</b>		49,558,977	-
<b>Total Assets (A)</b>		<b>59,211,866</b>	<b>9,657,651</b>
		-	-
<b>Liabilities</b>		-	-
<b>Current Liabilities</b>		-	-
Trade and Other Payables	32	<b>23,270,960</b>	20,865,060
Refundable Deposits and Prepayments	33	1,656,203	4,062,103
Current Provision	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Employee Benefit Obligation	37	-	-
Current Portion of Borrowings	38	-	-
<b>Total Current Liabilities</b>		<b>24,927,163</b>	<b>24,927,163</b>

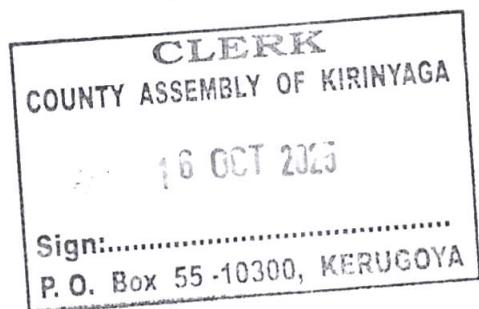
**Kirinyaga County Assembly**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

	Notes	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
<b>Non-Current Liabilities</b>			
Non-Current Provisions	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Non-Current Employee Benefit Obligation	37	-	-
Borrowings – Non-Current Portion	38	-	-
Service Concession Liability	39	-	-
<b>Total Non- Current Liabilities</b>			
<b>Total Liabilities (B)</b>		<b>24,927,163</b>	<b>24,927,163</b>
<b>Net Assets(A-B)</b>		<b>34,284,703</b>	<b>(15,269,511)</b>
<b>Represented By:</b>			
Reserves		-	-
Accumulated Surplus		34,284,703	(15,269,511)
Capital Fund		-	-
<b>Net Assets</b>		<b>34,284,703</b>	<b>(15,269,511)</b>

The financial statements set out on pages 1 to 7 were signed by:

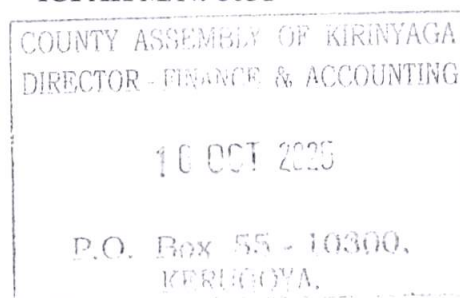


**Name: KAMAU AIDI**  
**Clerk of The County**  
**Assembly**




**Name: MICHAEL MUNENE**  
**Director Accounting Services**

**ICPAK M/N: 8031**



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

	<b>Accumulated Surplus</b>	<b>Reserves</b>	<b>Capital Fund</b>	<b>Total</b>
<b>As at 30<sup>th</sup> June 2024 (cash basis)</b>	<b>5,595,549</b>	-	-	<b>5,595,549</b>
Adjustments:	-	-	-	-
Recognition of assets	-	-	-	-
Recognition of liabilities	(20,865,060)	-	-	(20,865,060)
<b>As at July 1, 2024</b>	<b>(15,269,511)</b>	-	-	<b>(15,269,511)</b>
Return to CRF	--	-	-	-
Surplus/ deficit for the year	<b>49,554,214</b>	-	-	<b>49,554,214</b>
Other changes (specify)		-	-	-
<b>As at June 30, 2025</b>	<b>34,284,703</b>	-	-	<b>34,284,703</b>

*Note:*

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

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

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

		<i>2024-2025</i>
	Notes	Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from CRF		793,580,478
Miscellaneous Revenue		-
Other income		-
<b>Total receipts</b>		<b>793,580,478</b>
<b>Payments</b>		
Employee costs		336,749,457
Use of goods and services		341,374,179
Transfers to other Government Entities		50,000,000
Other Grants and Subsidies		-
Finance costs		4,763
Social Benefits		15,897,865
<b>Total payments</b>		<b>744,026,264</b>
<b>Net cash flows from/(used in) operating activities</b>	40	<b>49,554,214</b>
		-
<b>Cash flows from investing activities</b>		
Purchase of PPE		(49,558,977)
Purchase Intangible assets		-
Proceeds from sale of PPE		-
Proceeds from sale of Biological Assets		-
Purchase of investments		-
Sale of investments		-
<b>Net cash flows from/(used in) investing activities</b>		<b>(49,558,977)</b>
		-
<b>Cash flows from financing activities</b>		
Returns to CRF		-
Proceeds from borrowings		-
Repayment of borrowings		-
<b>Net cash flows from financing Activities</b>		-
		-
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>(4,763)</b>
Cash and cash equivalents at 1 July	21	5,106,784
<b>Cash and cash equivalents at 30 June 2025</b>	21	<b>5,102,021</b>

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

**Recurrent and Development Budgets Combined**

<b>Receipts/Payments Item</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Budget Utilization Difference</b>	<b>% Of Utilization</b>
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Budget carry overs (Special Purpose A/c)</b>	-	-	-	5,106,784	(5,106,784)	-
<b>Receipts</b>	-	-	-	-	-	-
Transfers from the CRF	827,396,226	-	807,492,795	793,580,478	13,917,135	98%
Other receipts	-	-	-	-	-	-
<b>Total Receipts</b>	<b>827,396,226</b>	-	<b>807,492,795</b>	<b>798,687,262</b>	<b>8,810,351</b>	<b>99%</b>
<b>Payments</b>	-	-	-	-	-	-
Compensation of employees	343,399,085	(6,634,477)	336,764,608	336,749,457	19,969	100%
Use of goods and services	282,120,513	(8,248,020)	273,872,493	341,374,179	(67,501,686)	125%
Subsidies	-	-	-	-	-	-
Transfers to other government units	50,000,000	-	50,000,000	50,000,000	-	100%
Other grants and transfers	-	-	-	-	-	-
Social security benefits	16,000,000	-	16,000,000	15,897,865	102,135	99%
Acquisition of assets	135,876,628	(5,020,934)	130,855,694	49,558,977	81,296,717	38%
Finance costs, including loan interest	-	-	-	4,763	(4,763)	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
<b>Total</b>	<b>827,396,226</b>	<b>(19,903,431)</b>	<b>807,492,795</b>	<b>793,585,241</b>	<b>13,912,372</b>	<b>98%</b>
<b>Surplus</b>	-	-	-	<b>5,102,021</b>	-	-

**Reconciliation table**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	5,102,021
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	<b>5,102,021</b>

**Budget Notes**

1. *Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14).*
2. *Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29).*

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

### **1. General Information**

County assembly is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Kirinyaga county assembly is domiciled in Kenya.

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

#### **Statement of compliance**

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

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

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

*These financial statements were authorised for issue by the accounting officer on 30<sup>th</sup> June, 2025.*

#### **Basis of Preparation**

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

#### **Reporting period**

The reporting period for these financial statements is for the period ended **June 30, 2025**.

**Notes to the financial statements**

**Critical accounting judgements**

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

Recognition of revenue

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

Recognition of non-exchange expenses and liabilities

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

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

Purpose and nature of financial instruments

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

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Climate change obligations

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

Physical assets

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

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**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.***

<b>Standard</b>	<b>Effective date and impact:</b>
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 cashflows of an Kirinyaga county assembly. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</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 assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p>

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<b>Standard</b>	<b>Effective date and impact:</b>
Measurement	<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*

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Kirinyaga county assembly shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector</p>

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Standard	Effective date and impact:
	employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1<sup>st</sup> January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the Kirinyaga county assembly financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol>

***iii) Early adoption of standards***

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

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

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2024/25 was approved by the County Assembly on 16<sup>th</sup> July 2024. Subsequent revisions 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 Kirinyaga county assembly upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Kirinyaga county assembly did not record any additional appropriations on the 2024/25 budget following the governing body's approval. The Kirinyaga county assembly budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

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

**Budget information (continued)**

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

**c) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a *one* year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**d) Property, plant and equipment**

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

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

**e) Right of use asset**

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

**f) Tangible Natural Resources**

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

**Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Kirinyaga county assembly. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Kirinyaga county assembly also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Kirinyaga county assembly will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**i) Financial instruments**

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

**i. Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

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

**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

**Fair value through surplus or deficit**

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

**Impairment**

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

**ii. Financial liabilities**

**Classification**

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

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

**j) Inventories**

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

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

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

**k) Provisions**

Provisions are recognized when the Kirinyaga county assembly 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 Kirinyaga county assembly expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**l) Contingent liabilities**

The Kirinyaga county assembly 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.

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

**m) Contingent assets**

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

**n) Nature and purpose of reserves**

The Kirinyaga county assembly creates and maintains reserves in terms of specific requirements.

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

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

**p) Employee benefits**

**Retirement benefit plans**

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

**q) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using

## **Kirinyaga County Assembly**

### **Annual Reports and Financial Statements for the year ended June 30, 2025.**

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)**

##### **r) Borrowing costs**

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

##### **s) Related parties**

The *Kirinyaga county assembly* regards a related party as a person or an Kirinyaga county assembly with the ability to exert control individually or jointly, or to exercise significant influence over the *Kirinyaga county assembly*, or vice versa. Members of key management are regarded as related parties and comprise *the Governor, Deputy governor, County Secretary, County Executive Committee Members and Chief Officers, Speaker of the county assembly and, Clerk of the county Assembly, Directors and senior managers.*

##### **t) Service concession arrangements.**

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

##### **u) Cash and cash equivalents**

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

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

**v) Comparative figures**

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

**w) Subsequent events**

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

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

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

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

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

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

**Provisions**

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

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

Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.  Kshs	Amount deferred under deferred income.  Kshs	Total transfers 2024-2025
			Kshs
Recurrent	744,021,501	-	744,021,501
Development	49,558,977	-	49,558,977
Special purpose transfers	-	-	-
<b>Total</b>	<b>793,580,478</b>	<b>-</b>	<b>793,580,478</b>

7. Miscellaneous Revenue

Nature of Revenue	2024-2025
	Kshs
In kind grants and donations	-
Refunds & Reimbursements	-
Revenues not classified anywhere else	-
<b>Total</b>	<b>-</b>

8. Other Incomes

Description	2024-2025
	Kshs
Insurance recoveries	-
Sale of tender documents	-
Services concession income	-
Other incomes not specified elsewhere	-
<b>Total other income</b>	<b>-</b>

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

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

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

**9. Employee Costs**

<b>Description</b>	<b>2024-2025</b>
	<b>Kshs</b>
Basic salaries of permanent employees	214,051,722
Basic wages of temporary employees	-
Personal allowances – part of salary	122,697,735
Pension and other social security contributions	-
Employer contributions to compulsory national social security schemes	-
Employer contributions to compulsory national health insurance schemes	-
Employer contribution to compulsory housing scheme	-
Other social benefit schemes	-
Other personnel costs	-
<b>Total Employee costs</b>	<b>336,749,457</b>

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

**10. Use of Goods and Services**

<b>Description</b>	<b>2024-2025</b>
	<b>Kshs</b>
Utilities, supplies and services	715,051
Communication, supplies and services	3,825,800
Domestic travel and subsistence	182,445,120
Foreign travel and subsistence	-
Printing, advertising, and information supplies & services	28,595,294
Rentals of produced assets	-
Training expenses	15,569,615
Hospitality supplies and services	19,231,896
Insurance costs	27,872,890
Specialized materials and services	3,524,100
Other operating expenses <i>including bank Charges</i>	4,763
Office and general supplies and services	31,299,860
Fuel Oil and Lubricants	9,727,849
Routine maintenance – vehicles and other transport equipment	4,229,741
Routine maintenance – other assets	930,000
Other operating expenses	13,402,200
<b>Total</b>	<b>341,374,179</b>

Notes to the Financial Statements (Continued)

**11. Transfers to Other Government Entities**

Description	2024-2025
	Kshs
Transfers to other County Government entities	-
Transfers to self-reporting projects	-
Transfers to car loan and mortgage schemes	50,000,000
Others (specify)	-
<b>Total</b>	<b>50,000,000</b>

**12. Depreciation and Amortization Expense**

Description	2024-2025
	Kshs
Property, plant and equipment	-
Intangible assets	-
Investment property carried at cost	-
<b>Total</b>	<b>-</b>

**13. Other Grants and Subsidies**

Description	2024-2025
	Kshs
Membership dues and subscriptions to international organizations	-
Scholarships and other educational benefits	-
Emergency relief and refugee assistance	-
Grants to small businesses, cooperatives, and self employed	-
Subsidies to Public entities	-
Subsidies to Private entities	-
<b>Total Grants and Subsidies</b>	<b>-</b>

**14. Finance Costs**

Description	2024-2025
	Kshs
Interest Payments on Guaranteed Debt Taken over by Govt	-
Interest on Domestic Borrowings (Non-Govt)	-
Interest on Borrowings from Other Government Units	-
Interest on bank overdrafts	4,763
Interest on loans from commercial banks	-
<b>Total finance costs</b>	<b>4,763</b>

*Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)*

Notes to the Financial Statements (Continued)

15. Social Benefits

Description	2024-2025
	Kshs
Transfers to the elderly	-
Transfers to orphans	-
Transfers to the physically challenged	-
<i>Add any other category(Gratuity)</i>	15,897,865
<b>Total social benefit expenses</b>	<b>15,897,865</b>

16. Gain/Loss on Sale of Assets

Description	2024-2025
	Kshs
Property, plant and equipment	-
Intangible assets	-
Other assets not capitalised	-
<b>Total gain on sale of assets</b>	<b>-</b>

17. Gain/Loss on Foreign Exchange

Description	2024-2025
	Kshs
Gain or loss on foreign exchange transactions	-
Gain or loss on balances in foreign exchanges	-
<b>Total</b>	<b>-</b>

18. Gain/Loss on Fair Value Investments

Description	2024-2025
	Kshs
Investments at Fair Value	-
<b>Total Gain</b>	<b>-</b>

19. Impairment Loss

Description	2024-2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<b>Total Impairment Loss</b>	<b>-</b>

**Kirinyaga County Assembly**  
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**Notes to the Financial Statements (Continued)**

**20. Taxation**

Description	2024-2025
	Kshs
Current income tax charge	-
Tax charged on rental income	-
Tax charged on interest income	-
Original and reversal of temporary differences	-
<b>Income tax expense reported in the statement of financial performance</b>	<b>-</b>

**21. Cash and Cash Equivalents**

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Recurrent Account	5.8	0.5
Development Account	0	0
Deposits Account	0.5	2,705.10
Special Purpose Accounts	0	0
Other operating commercial accounts ( <i>Specify</i> )	0	0
<b>Total</b>	<b>6.3</b>	<b>2,705.60</b>

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

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

Financial Institution	Account number	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
Recurrent Accounts			
<i>CBK00001</i>	1000195614	5.8	0.5
Development Accounts		-	-
<i>CBK00002</i>	1000195622	-	-
Deposits Accounts		-	-
<i>CBK00003</i>	1264256833	<b>0.5</b>	<b>2,705.10</b>
Special Purpose Accounts		-	-
<i>CBK00004</i>	-	-	-
<i>CBK00005</i>	-	-	-
Other operating commercial accounts ( <i>Specify</i> )		-	-
<i>Cash on Hand</i>		5,102,021	5,104,078
<b>Total</b>		<b>5,102,027.30</b>	<b>5,106,783.60</b>

Notes to the Financial Statements (Continued)

22. Receivables from Exchange Transactions

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Total receivables</b>	4,550,868.0	4,550,868.0
Other exchange debtors ( <i>Specify</i> )	-	-
Less: impairment allowance	-	-
<b>Total receivables</b>		
a) Current receivables	-	-
b) Non-current receivables	-	-
<b>Total Receivables (a+b)</b>	4,550,868.0	4,550,868.0

i) Ageing analysis for Receivables

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (a+b)</b>	-	-	-	-

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance	2024-2025
	Kshs
At the beginning of the year	-
Additional allowance during the year	-
Recovered during the year	-
Written off during the year	-
At the end of the year	-

Notes to the Financial Statements (Continued)

23. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Other debtors (non-exchange transactions)	-		-	
Less: impairment allowance	-		-	
<b>Total receivables from non-exchange transactions</b>	-		-	
	-		-	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>Insert Current FY</b>	<b>% of the total</b>	<b>Opening Balance</b>	<b>% of the total</b>
Less than 1 year	-	-	-	-
Between 1-2 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	-	-	-	-

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

Description	2024-2025
	Kshs
At the beginning of the year	-
Additional provisions during the year	-
Recovered during the year	-
Written off during the year	-
At the end of the year	-

**Kirinyaga County Assembly**  
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**Notes to the Financial Statements (Continued)**

**24. Inventories**

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Spare parts	-	-
Goods held for distribution	-	-
Less: allowance for impairment	-	-
<b>Total</b>	-	-

Detailed disclosure on inventories

	2024-2025
Opening balance	-
Additional Inventory in the year	-
Inventory expensed in the year	-
Write-downs in the year	-
Others specify	-
Closing balance	-

**25. Investments**

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>a) Investment in Treasury bills and bonds</b>		
Financial institution	-	-
CBK	-	-
CBK	-	-
Sub- total	-	-
<b>b) Investment with Financial Institutions/ Banks</b>		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
<b>c) Equity investments (specify)</b>		
Equity/ shares in Kirinyaga county assembly xxx	-	-
Sub- total	-	-
<b>Grand total</b>	-	-
<b>Analysed as:</b>	-	-
Current portion of Investment	-	-
Non-current portion of investment	-	-

**d) Movement of Equity Investments**

	<i>2024-2025</i>
	<b>Kshs</b>
At the beginning of the year	-
Purchase of investments in the year	-
Sale of investments during the year	-
Increase /(decrease ) in fair value of investments	-
At the end of the year	-

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

**e) Shareholding in other entities**

For investments in equity share listed under note 25 above, list down the equity investments under the following categories.

Name of Kirinyaga county assembly where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Kshs	Kshs
Kirinyaga county assembly A	-	-	-	-	-	-
Kirinyaga county assembly B	-	-	-	-	-	-
Kirinyaga county assembly C	-	-	-	-	-	-
	-	-	-	-	-	-

Kirinyaga County Assembly  
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infr astr uctu re asset s	Furniture and fittings	Computers & ICT Equipment	Heri tage asset s	Wor k in prog ress	Servi ce conce sion asset s	Total
<b>Depreciation Rate</b>		2-10%	10-16.67%	2- 20%	12.5%	33.3%	x%			
<b>Cost</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Ksh s</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Ksh s</b>	<b>Ksh s</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Opening Bal as 1<sup>st</sup> July 2024</b>	21,000,000	528,656,254	63,475,504	-	19,141,409	52,791,151	-	-	-	685,064,318
Additions	-	38,193,743	-	-	6,994,300	4,370,934	-	-	-	49,558,977
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-	-
<b>As At /Jun 2025</b>	<b>21,000,000</b>	<b>566,849,997</b>	<b>63,475,504</b>	<b>-</b>	<b>26,135,709</b>	<b>57,162,085</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>734,623,295</b>
<b>Depreciation And Impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-	-
<b>As At Jun 2025</b>	<b>21,000,000</b>	<b>566,849,997</b>	<b>63,475,504</b>	<b>-</b>	<b>26,135,709</b>	<b>57,162,085</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>734,623,295</b>
<b>Net Book Values</b>	<b>21,000,000</b>	<b>566,849,997</b>	<b>63,475,504</b>	<b>-</b>	<b>26,135,709</b>	<b>57,162,085</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>734,623,295</b>
<b>Opening Bal as at 1<sup>st</sup> July 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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	Land	Buildings	Motor vehicles	Infr astr uctu re asset s	Furniture and fittings	Computers & ICT Equipment	Heri tage asset s	Wor k in prog ress	Servi ce conce sion assets	Total
<b>Depreciation Rate</b>		2-10%	10-16.67%	2- 20%	12.5%	33.3%	x%			
<b>Cost</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Ksh s</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Ksh s</b>	<b>Ksh s</b>	<b>Kshs</b>	<b>Kshs</b>
<b>As At 30 June 2025</b>	<b>21,000,000</b>	<b>566,849,997</b>	<b>63,475,504</b>		<b>26,135,709</b>	<b>57,162,085</b>				<b>734,623,295</b>

**Kirinyaga County Assembly**  
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**Notes to the Financial Statements (Continued)**

**27. Intangible Assets**

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

**28. Investment Property**

Description	2024-2025
	Kshs
<b>Cost/Opening balance at the beginning of the year</b>	-
Additions	-
Disposal during the year	-
Depreciation	-
Impairment	-
<b>At end of the year</b>	-

*(This note applies to investment property held at cost. For investment property held at fair value, changes in fair value should go through the statement of financial performance).*

Kirinyaga County Assembly  
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Notes to the Financial Statements (Continued)

29. Right-of-use assets

	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Plant and equipment</i>	<i>Total</i>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Cost</b>	-	-	-	-
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As at 30 June 2025	-	-	-	-
	-	-	-	-
<b>Accumulated Depreciation</b>	-	-	-	-
As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
As at 30 June 2025	-	-	-	-
	-	-	-	-
<b>Carrying Amount</b>	-	-	-	-
As at 30 June 2025	-	-	-	-

30. Biological Assets

<b>Description</b>	<i>2024-2025</i>	<i>Opening Statement</i> <i>1<sup>st</sup> July 2024</i>
	<b>Kshs</b>	<b>Kshs</b>
Specify	-	-
Specify	-	-
	-	-
<b>Total</b>	-	-

31. Tangible Natural Resources

	<i>Sub- soil assets</i>	<i>Water</i>	<i>Wildlife</i>	<i>Total</i>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Cost</b>	-	-	-	-
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As at 30 June 2025	-	-	-	-
<b>Accumulated Depreciation</b>	-	-	-	-
As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
As at 30 June 2025	-	-	-	-
<b>Carrying Amount</b>	-	-	-	-
As at 30 June 2025	-	-	-	-

Notes to the Financial Statements (Continued)

32. Trade and Other Payables

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Trade payables	23,270,960		20,865,060	
Payments received in advance	-		-	
Employee payables	-		-	
Third-party payments	-		-	
Other payables	-		-	
<b>Total trade and other payables</b>	<b>23,270,960</b>		<b>20,865,060</b>	
<b>Ageing analysis: (Trade and other payables)</b>	<b>2024-2025</b>	<b>%</b>	<b>Opening balance</b>	<b>% of the Total</b>
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (tie to above total)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

33. Refundable Deposits and Prepayments

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Customer deposits	1,656,203		4,062,103	
Prepayments	-		-	
Other deposits	-		-	
<b>Total deposits</b>	<b>1,656,203</b>		<b>4,062,103</b>	
<b>Ageing analysis: (Refundable deposits)</b>	<b>2024-2025</b>	<b>% of the Total</b>	<b>Opening Balance</b>	<b>% of the Total</b>
<b>Under one year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**34. Provisions**

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
<b>Balance b/f</b>	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
<b>Total provisions year end</b>	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

**35. Lease Liabilities**

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Balance at the beginning of the year</b>		-
Discount interest on lease liability		-
Paid during the year		-
<b>At end of the year</b>		-

**Maturity Analysis**

Period	Amount
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: unearned Interest	-
	-

**Analysed as:**

Description	Amount
Current	-
Non- Current	-
<b>Total</b>	-

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

**36. Deferred Income**

<b>Description</b>	<b>2024-2025</b>	<b>Opening Statement 1<sup>st</sup> July 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
National Government	-	-
International Funders	-	-
Public Contributions and Donations	-	-
<b>Total Deferred Income</b>	<b>-</b>	<b>-</b>

The deferred income movement is as follows:

	<b>National government</b>	<b>Internationa l funders</b>	<b>Public contribution s and donations</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Balance Brought Forward	-	-	-	-
Additions	-	-	-	-
Transfers To Capital Fund	-	-	-	-
Transfers To Income Statement	-	-	-	-
Other Transfers	-	-	-	-
Balance Carried Forward	-	-	-	-

Analysed as:

<b>Description</b>	<b>Amount</b>
Current	-
Non- Current	-
<b>Total</b>	<b>-</b>

Notes to the Financial Statements (Continued)

37. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
<b>Total Employee Benefits Obligation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Retirement benefit Asset/ Liability (Applicable to Pensions)**

The Kirinyaga county assembly operates a defined benefit scheme for all full-time employees from July 1, 2024. The scheme is administered by CPF while Co-operative bank & Kenya Commercial bank are the custodians of the scheme. The scheme is based on 12% percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at 30th June 2024 by Laptrust actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (Pre- Retirement)	-	-
Mortality (post-retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	-	-

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

**Recognition of Retirement Benefit Asset/ Liability**

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

	<i>2024-2025</i>	<i>Opening Statement 1<sup>st</sup> July 2024</i>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial gains/ losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
<b>Remeasurement of the net defined benefit liability (asset)</b>	-	-

b) Amounts recognized in the Statement of Financial Position

	<i>2024-2025</i>	<i>Opening Statement 1<sup>st</sup> July 2024</i>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others	-	-
Net asset or liability arising from defined benefit obligation	-	-

The Kirinyaga county assembly also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Kirinyaga county assembly obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 360 per employee per month. Other than NSSF the Kirinyaga county assembly also has a defined contribution scheme operated by County Pension Fund. Employees contribute 12% while employers contribute 15% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

Notes to the Financial Statements (Continued)

38. Borrowings

Description	2024-2025
	Kshs
<b>a) External borrowings</b>	
Balance at beginning of the year	-
External borrowings during the year	-
Repayments of during the year	-
<b>Balance at end of the year</b>	-
<b>b) Domestic borrowings</b>	
Balance at beginning of the year	-
Domestic borrowings during the year	-
Repayments during the year	-
<b>Balance at end of the year</b>	-
<b>Balance at end of the period- domestic and External borrowings c = (a+b)</b>	-

The analyses of both external and domestic borrowings are as follows:

	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>External Borrowings</b>		
Dollar Denominated Loan From 'X Organisation'	-	-
Sterling Pound Denominated Loan From 'Y Organisation'	-	-
Euro Denominated Loan from Z Organisation'	-	-
<b>Domestic Borrowings</b>		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
<b>Total /Balance at end of The Year</b>	-	-

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

Description	2024-2025	Opening Statement
	Kshs	1 <sup>st</sup> July 2024 Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

(NB: the total of this statement should tie to note 41 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

**39. Service Concession Arrangements Liability**

Description	2024-2025	Opening Statement
	Kshs	1 <sup>st</sup> July 2024 Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

**40. Cash Generated from Operations**

	2024-2025
	Kshs
<b>Surplus for the year before tax</b>	<b>49,554,214</b>
<b>Adjusted for:</b>	-
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
<b>Working capital adjustments</b>	-
Increase in inventory	-
Increase in receivables	-
Increase in deferred income	-
Increase in payables	-

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	<i>2024-2025</i>
	<b>Kshs</b>
Increase in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>49,554,214</b>

*(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)*

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

**41. Financial Risk Management**

The Kirinyaga county assembly activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Kirinyaga county assembly 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 Kirinyaga county assembly 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 Kirinyaga county assembly financial risk management objectives and policies are detailed below:

**i) Credit risk**

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

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

**Kirinyaga County Assembly**  
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	<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 exchange transactions	4,550,868.00	4,550,868.00	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	<b>4,550,868.00</b>	<b>4,550,868.00</b>	<b>-</b>	<b>-</b>

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the Kirinyaga county assembly statement of financial position)*

**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 Kirinyaga county assembly has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Kirinyaga county assembly has significant concentration of credit risk on amounts due from xxxx. The board of directors sets the Kirinyaga county assembly 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 Kirinyaga county assembly directors, who have built an appropriate liquidity risk management framework for the management of the Kirinyaga county assembly short, medium and long-term funding and liquidity management requirements. The Kirinyaga county assembly manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Kirinyaga county assembly 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.

	<b>Less than 1 month</b>	<b>Between 1-3 months</b>	<b>Over 5 months</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>As at 30 June 2025</b>				
Trade payables	-	-	23,270,960	23,270,960
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	<b>23,270,960</b>	<b>23,270,960</b>

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

**Financial Risk Management**

**iii) Market risk**

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

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

**a) Foreign currency risk**

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

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

**Financial Risk Management**

The carrying amount of the Kirinyaga county assembly foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**Current FY**

	<b>In Kshs</b>	<b>Other currencies</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>As at 30 June 2025</b>	-	-	-
<b>Financial Assets</b>	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
<b>Total Financial Assets</b>	-	-	-
<b>Financial Liabilities</b>	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
<b>Total Financial Liabilities</b>	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

**Financial Risk Management**

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

	<b>Change in currency rate</b>	<b>Effect on Profit before tax</b>	<b>Effect on Equity/Net assets</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>2024</b>		-	-
Euro	10%	-	-
USD	10%	-	-
<b>2025</b>		-	-
Euro	10%	-	-
USD	10%	-	-

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

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Financial Risk Management**

**Sensitivity analysis**

The Kirinyaga county assembly analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs. (20xx: KShs ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs. (20xx – KShs)

**Fair value of financial assets and liabilities**

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

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

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

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

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

**Financial Risk Management**

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

	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2025</b>	-	-	-	-
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
	-	-	-	-

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

**iv) Capital Risk Management**

The objective of the Kirinyaga county assembly capital risk management is to safeguard the Kirinyaga county assembly ability to continue as a going concern. The Kirinyaga county assembly capital structure comprises of the following funds:

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	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash And Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	-	-

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

**42. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the *Kirinyaga county assembly* 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 *Kirinyaga county assembly*, holding 100% of the *Kirinyaga county assembly* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Kirinyaga county assembly*, both domestic and external.

**Other related parties include:**

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

	2024-2025
	Kshs
<b>Transactions with related parties</b>	
<b>a) Sales to related parties</b>	
Others (specify) e.g. interest and bank charges	4,763
<b>Total</b>	<b>4,763</b>
<b>B) purchases from related parties</b>	
Purchases of electricity from KPLC	542,401
Purchase of water from govt service providers	172,650
Rent expenses paid to govt agencies	-
Training and conference fees paid to govt. Agencies	-

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	<b>2024-2025</b>
	<b>Kshs</b>
Others (specify)	
<b>Total</b>	715,051
<b>b) Grants /transfers from the government</b>	-
Grants from national govt	-
Grants from county government	-
Donations in kind	-
<b>Total</b>	-
<b>c) Expenses incurred on behalf of related party</b>	-
Payments of salaries and wages for xxx employees	-
Payments for goods and services for xxx	-
<b>Total</b>	-
<b>d) Key management compensation</b>	-
Compensation to key management	-
<b>Total</b>	-

**43. Segment Information**

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

**44. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

	<b>2024-2025</b>
	<b>Kshs</b>
<b>Contingent Assets</b>	-
Insurance Reimbursements	-
Assets Arising from Determination Of Court Cases	-
Reimbursable Indemnities and Guarantees	-
Receivables From Other Government Entities	-
Others (Specify)	-
<b>Total</b>	-

*(Give details)*

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**Contingent Liabilities**

	<i>2024-2025</i>
	<b>Kshs</b>
<b>Contingent Liabilities</b>	-
Court Case against the Kirinyaga county assembly	-
Bank Guarantees in Favour of Subsidiary	-
Contingent Liabilities arising from Contracts Including PPPs	-
Others (Specify)	-
<b>Total</b>	-

*(Give details)*

**45. Capital Commitments**

<b>Capital Commitments</b>	<i>2024-2025</i>
	<b>Kshs</b>
Authorised for	-
Authorised and contracted for	-
<b>Total</b>	-
	-

*(NB: 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 and ongoing)*

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

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

*This disclosure note is for entities implementing Programs for Results (PforR). Implementing entities are required to make disclosures in accordance with their respective financing agreements. The disclosure should capture the program's goal and expenditures designated in the expenditure framework.*

Name of PforR:		Name of Financing Partners:				
Expenditure Details*	Opening Cumulative for Previous FYs		Current FY		Total Cumulative	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>Program code</b>						
Sub-program						
Sub-program						
<b>Sub-total</b>						
<b>Program code</b>						
Sub-program						
Sub-program						
<b>Sub-total</b>						
<b>Total</b>	-	-	-	-	-	-

*Expenditure Details\* - Provide the details per your expenditure framework requirements. (Program, sub-program, and or economic Item)*

**47. Events after the Reporting Period**

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

**48. Ultimate And Holding Kirinyaga county assembly**

The Kirinyaga county assembly ultimate parent is the Government of Kenya.

**49. Currency**

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

16. Appendix

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/CRO/KRGA.C/ASSB/3E/(20)	Failure to update policy documents.	The audit committee actually reviewed all the policy documents immediately after induction in September 2023. The minutes of the meeting were hereby attached.	Resolved	31/03/2025
OAG/CRO/KRGA.C/ASSB/3E/(20)	Lack of approved ICT strategic policy document.	The ICT steering committee held their meeting during the year under review and developed the ICT strategic policy document.	Resolved	31/03/2025
OAG/CRO/KRGA.C/ASSB/3E/(20)	Prior year audit issues	The queries were addressed in the Amended Financial statement on page 42 and an extract of the same was annexed	Resolved	31/03/2025
OAG/CRO/KRGA.C/ASSB/3E/(20)	Non-implementation of	The senate delayed in making a formal	Resolved	31/03/2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	audit recommendations.	communication on its directives during the appearance before the County Public Accounts committee, however the Board has implemented the recommendations as per the discussions and further gone ahead to request for a formal communication		
OAG/CRO/KRGA.C/ASSB/3E/(20)	Variance between the financial statements and integrated financial management (IFMIS) reports.	Our figures show a variance of ksh 1,245,235 which is a result of IFMIS system issues.	Resolved	31/03/2025
OAG/CRO/KRGA.C/ASSB/3E/(20)	Non-compliance with the law on staff ethnic diversity	The county assembly service board made a decision to gradually comply with this provision and the percentages of other tribes has increased from 1% to 4.6% in the last 3 years. This is by ensuring	Resolved	31/03/2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		that persons from other tribes are considered in every recruitment exercise. We are committed to ensuring that we comply as is required of us.		

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Kirinyaga county assembly responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report

**CLERK**  
 to County Treasury  
**COUNTY ASSEMBLY OF KIRINYAGA**

16 OCT 2025

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Accounting Officer.....  
 Date: P.O. Box 55 -10300, KERUGOYA

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

**Appendix II: Projects implemented by** *(The Kirinyaga county assembly)*

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor	Consolidated in these financial statements (Yes/No)
-	-	-	-	-	-	-
-	-	-	-	-	-	-

**Status of Projects completion**

*(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)*

Project	Total	Total	Completion %	Budget	Actual	Sources of
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

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

Name of the MDA/ Donor Transferring the	Date received as per bank	Nature: Recurrent/ Development	Total Amount - KES		Statement of Financial Perfo	Where Recorded/recognized				Total Transfers during
						Defer red Inco me	Recei vable s	Other s - must be specif ic		
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-

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

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q 1	Q 2	Q 3	Q 4		
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-

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**Appendix VII: Disaster Expenditure Reporting Template**

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

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**Appendix VIII: Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2023/24</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Transfers in/(out) during the year</b>	<b>Historical Cost c/f (Kshs) 2024/25</b>
Land	21,000,000		-	-	<b>21,000,000</b>
Buildings and structures	528,656,254	38,193,743	-	-	<b>566,849,997</b>
Transport equipment	63,475,504		-	-	<b>63,475,504</b>
Office equipment, furniture and fittings	19,141,409	6,994,300	-	-	<b>26,135,709</b>
ICT Equipment	52,791,151	4,370,934	-	-	<b>57,162,085</b>
Machinery and Equipment	-	-	-	-	-
Biological assets	-	-	-	-	-
Infrastructure Assets- Roads, Rails	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Work in Progress	-	-	-	-	-
<b>Total</b>	<b>685,064,318</b>	<b>49,558,977</b>	-	-	<b>734,623,295</b>