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REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF NANDI

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

PAPERS Laid	
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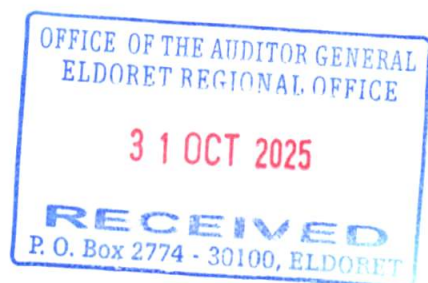
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COUNTY ASSEMBLY OF NANDI

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

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



COUNTY ASSEMBLY OF NANDI

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

Example

Fiduciary Management *The key management personnel who had financial responsibility*

(This list is an indication of acronyms, abbreviations, and key terms; the County County Assembly of Nandi should include all from the annual report and financial statements prepared)

2. Key Entity Information and Management

(a) Background information

The Nandi County Assembly is constituted as per the constitution of Kenya and is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. As per the Article 177 of the Constitution, the County Assembly was constituted at the beginning of the financial year comprised of 39 Members of County Assembly (MCAs) and the Speaker up-to August 9th 2022 and thereafter comprised of the 44 MCAs and a Speaker from the September 21st 2022 to June 30, 2023 following the General Election held on the Tuesday 9th of August 2022. The County Assembly Service Board employed 85 public officers to serve in the offices established. Members of the County Assembly Service Board include two members of either gender, both representing the members of the public. The mandate of the MCAs is to maintain close contact with the electorate and consult them on issues before or under discussion in the county assembly; to present views, opinions and proposals of the electorate to the county assembly; to attend sessions of the county assembly and its committees; to provide a linkage between the county assembly and the electorate on public service delivery; and to extend professional knowledge, experience or specialised knowledge to any issue for discussion in the county assembly. The mandate of the County Assembly in its entirety is to vet and approve nominees for appointment to county public offices; to perform the roles set out under Article 185 of the Constitution; to 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; to approve the borrowing by the county government in accordance with Article 212 of the Constitution; to approve county development planning; and to perform any other role as may be set out under the Constitution or legislation.

(b) Key Management

The Nandi County Assembly day-to-day management is under the following key organs:

- I. The Hon. Speaker
- II. The County Assembly
- III. The County Assembly Service Board and
- IV. The Clerk to the County Assembly.

(c) Fiduciary Management

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

No.	Designation	Name
1)	Clerk	Barnaba GK Kosgei
2)	Deputy Clerk	Henry Kipkorir Tarus
3)	Director, Finance	Wesley Cheruiyot Kimeto
4)	Assistant Director, Finance	Luke Kimutai Cherutich

(d) Fiduciary Oversight Arrangements

- County Assembly Service Board
- Internal Audit Reports
- County Assembly Inspection and Acceptance Committees

(e) County Assembly of Nandi Headquarters

P.O. Box 673 – 30300,
COUNTY ASSEMBLY
Jean-Marie Seroney Road, Bungei Street,
Kapsabet, KENYA

(f) County Assembly of Nandi Contacts

Telephone: (254) 0535252039
E-mail: info@nandiassembly.go.ke
Website: www.nandiassembly.go.ke

(g) County Assembly of Nandi Bankers

1. Central Bank of Kenya,
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Cooperative Bank of Kenya Ltd,
P. O. Box 869 – 30300,
KAPSABET
3. National Bank of Kenya Ltd,
P. O. Box 34– 30300,
KAPSABET

(h) Independent Auditors

Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

(j) County Attorney

The Nandi County Attorney,
County Government of Nandi,
PO Box 802-30300,
KAPSABET

3. Governance Statement

The County Assembly

The County Assembly is constituted by the 44 MCAs of County Government of Nandi. 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 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:

- (a) Vet and approve nominees for appointment to county public office as may be provided for in this Act or any other law.
- (b) Perform the roles set out under Article 185 of the Constitution.
- (c) 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.
- (d) Approve the borrowing by the county government in accordance with Article 212 of the Constitution.
- (e) Approve county development planning; and
- (f) Perform any other role as may be set out under the Constitution or legislation.

The County Assembly executes its mandate, through committees which are broadly classified into two.

a) Select Committees

Select committees are generally responsible for overseeing the work of government departments and agencies. A distinction is made of two categories of select committees.

- (a) Oversight committees (County Public Investment and Accounts committee, County budget and appropriation committee and Implementation committee)
- (b) House rules committees
- (c) County Assembly leadership committees

b) 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:

- (1) Agriculture and cooperative development committee
- (2) Land, environment, mining and natural resources committee
- (3) Health and sanitation committee
- (4) Transport and infrastructure committee

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- (5) Tourism, culture and social welfare committee
- (6) Education and vocational training committee
- (7) Trade, investment and industrialization committee
- (8) Youth, gender, sports and social services committee
- (9) Labour, justice and legal affairs committee
- (10) Administration and public service committee
- (11) Finance and economic planning committee
- (12) House business committee
- (13) Selection committee
- (14) County public investment and accounts committee
- (15) County budget and appropriation committee
- (16) Appointment committee
- (17) Members' facilities and services committee
- (18) Procedures and rules committee
- (19) Implementation committee
- (20) Delegated county legislation committee
- (21) Speaker's panel
- (22) Liaison committee
- (23) Powers and privileges committee

a) 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 44 meetings in FY 2024/2025. The committee members during FY 2024/2025 were:

Member	Designation	Ward
Hon. Philemon Cheruiyot Melly	Chairman	Speaker
Hon. Sang Wilson Kipkirui	Vice Chairman	Deputy Speaker
Hon. Kagoni Hassan Majani	Member	Kapbwareng
Hon. Keino Sarah Rubety	Member	Kosirai
Hon. Kipchumba Emmanuel	Member	Kilibwoni

b) Audit Committee

In addition to the above committees of the County Assembly, the County Assembly has an independent Audit Committee which was constituted in 5 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

The audit committee was constituted in 2024. Its mandate is to advise the County Assembly of Nandi on institutional risk management and compliance. The committee held 23 meetings in FY 2024/2025. The committee members during FY 2024/2025 were:

Member	Designation
CPA Felix Korir	Chairman
CPA Richard Samoei	Vice Chairman
CPA Hezekiah Tanui	Member
Mrs. Caroline Chepchumba Rop	Member
CPA Keneth Kiplimo Kosgei	Member

c) 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 25 extra sittings to deal with arising matters from review of the Financial Statements of at least 18 entities of both the County Government of Nandi on diverse dates for a number of financial years. The members who served in the committee during the year were:

Member	Designation	Ward
Hon. Kagoni Hassan Majani	Chairman	Kabwareng
Hon. Birech Paul Kipkemboi	Vice Chairman	Tindiret
Hon. Kevolve Geoffrey Imbuchi	Member	Kiptuiya
Hon. Chelulei Raymond Kipkoech	Member	Songhor/Soba
Hon. Chepkemboi Lisa	Member	Nominated Member
Hon. Jebet Joan	Member	Nominated Member
Hon. Kirwa Eliud	Member	Terik

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d) Budget and Appropriations Committee

The budget and appropriations committee provide 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:

Member	Designation	Ward
(1) Hon. Edwin Kipchumba Korir	Chairman	Kapsimatwo
(2) Hon. Ketter John Kiprotich	Vice Chairman	Chepkunyuk
(3) Hon. Kiplagat Walter	Member	Kabiyet
(4) Hon. Kuto Trufosa Jelagat	Member	Kemeloi/Maraba
(5) Hon. Jepkemei Lucy	Member	Chepterwai
(6) Hon. Ketter Julius Kipruto	Member	Chemundu/Kapng'etuny
(7) Hon. Sang Wilson Kipkirui	Member	Chepkumia

e) County Implementation Committee

The County Implementation committee provides scrutiny of the resolutions of the County Assembly (including adopted committee reports), petitions and the undertakings given by the County Executive Committee and examine.

- a) whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented; and whether such implementation has taken place within the minimum time necessary and
- b) whether or not legislation passed by the County Assembly has been operationalized and where operationalized, the extent to which such operationalization has taken place within the minimum time necessary.

The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Isaiah Maina	Chairman	O'llessos
Hon. Mathew Kiprotich Sang	Vice Chairman	Kobujoi
Hon. Kipkoech John Bittok	Member	Nominated
Hon. Pamela Chebichiy Magut	Member	Nominated

Member	Designation	Ward
Hon. Salima Faraj	Member	Nominated
Hon. Ezra Rotich Kiprotich	Member	Kurgung/Surung'ai

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 9 bills through public.

Risk management

The County Assembly has instituted robust arrangements centred on a County Assembly Service Board (CASB) and board sub- committees. County Assembly internal control is a process, effected by CASB, management and other personnel, designed to provide reasonable assurance. The Board approved a Risk Management Policy Framework on the 3rd February 2019 and it is on this basis that the Audit Committee championed the development of the Enterprise Risk Management Policy, In the Enterprise Risk Management policy to improve the ability to deliver the County Government's strategic goals in an effective and efficient manner by managing risks, enhancing risk awareness and entrenching a culture of risk awareness and management. In Chapter two of the ERM Policy approaches to managing risks. The County Assembly has committed to implement a comprehensive risk management framework, as an open and receptive approach to solving risk management problems and ensure that risk management is integrated into all County Assembly processes. The approach to risk management adopted is based on the best practices worldwide notably the COSO and ISO Framework approaches have been considered.

The County Assembly is exposed to ten broad types of risk. The first four of these risks are derived from the COSO framework namely:

- a) Strategic – Risks that are associated with achieving the strategic objectives of the operating departments and agencies and the County Government as a whole.
- b) Financial – Risks that are associated with the financial health and sustainability of departmental and the County Government's programmes.
- c) Compliance – Risks that are associated with Officers of the County Government complying with all statutory and regulatory requirements governing their work.
- d) Operational – Risks that are associated with the day-to-day operations, projects, or programmes deviating from and not achieving the short-, medium- and long-term County Assembly's goals.

Other additional types of risk include:

- e) Leadership – Risks that are associated with senior management (the Speaker, Clerk, Deputy Clerk and Directors) in the County Assembly always acting in the best interest of the County Assembly.
- f) Hazards – Risks that are associated with the safety and health of the County Assembly working environment and acts or omissions of county public servants.
- g) Reputation – Risks that are associated with acts or omissions of county public servants, putting the County Assembly to disrepute.
- h) External – Risks that are associated with the impact of other County Governments’ acts or omissions, National Government’s acts or omissions, regional markets impact, global markets impact or technological impact on the County Assembly.
- i) Fraud and Corruption- The risk that a perpetrator commits an act using deception or acts contrary to the interest of the County Assembly and abuses position of trust in order to achieve personal gain.
- j) Information Security-The potential that a given threat will exploit vulnerability to cause loss or damage to an information asset.

Risk Management Process

Risk Management Cycle



Risk Identification

The Management will identify potential events that, if they occur, will affect the County Assembly and determine whether they represent opportunities or whether they might adversely affect the County Assembly’s ability to successfully implement strategy and achieve objectives. Events with negative impact represent risks, which require management’s assessment and response. Events with positive impact represent opportunities, which management channels back into the strategy and objective setting processes. When identifying events, management considers a variety of internal and external factors that may give rise to risks and opportunities, in the context of the full scope of the County Assembly processes.

Risk Assessment

Risk assessment allows the County Government to consider the extent to which potential events will have an impact on achievement of objectives. Management assesses events from two perspectives, likelihood and impact, and normally uses a combination of qualitative and quantitative methods. The positive and negative impacts of potential events will be examined, individually or by category, across the County Government. Risks are assessed on both an inherent and a residual basis. In the process of prioritizing risks, the County Government will use a risk tool table of a three-by-three matrix that will allow assigning a risk to one of the nine cells based on a qualitative assessment of its relative impact (high, medium or low) and the likelihood of its occurrence (high, medium or low).

Compliance

The County Assembly of Nandi 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.

4. Foreword by the Clerk of the Assembly

The County Assembly in FY 2024-2025 caused payments appropriate on further training of new members while investing assets that will be crucial assets to assign staff and the new members elected on Tuesday the 9th of August 2024.

2.1 Budget performance

The Financial Statements for the FY 2024/2025, herein, reflect net decrease in cash and cash equivalents of **KShs. 8,331,807** from KShs. 42,129,234 on July 1, 2025, to **KShs. 50,461,041** as a result of the following.

- (a) Net cash flows from/ (used in) operating activities of **KShs. 15,363,094** because of expenditure of **KShs. 468,894,853** on Employee costs and **KShs. 257,435,719** on the Use of Goods and Services from total transfers of **KShs. 731,630,547**.
- (b) Net cash flows from/ (used in) investing activities of **KShs. (7,031, 198)** because of **KShs. (7,031,198)** on Purchase of PPE in FY 2024/2025
- (c) Net cash flows from financing Activities of **KShs. 89** because of returned transfer of **KShs. 89** to the County Revenue Fund.

2.2 Operational Performance

The Members of County Assembly and auxiliary staff attended 12 workshops on diverse dates on the following.

- (1) The form, content and format of the County Fiscal Strategy Paper and the use of the output of the approval process in the County Budgeting and Economic Planning,
- (2) Committee Services and Management
- (3) Processing of Reports and Bills including other legislative proposals like memoranda from the County Executive
- (4) Budget Making Process
- (5) The role of the MCAs
- (6) The public participation processes
- (7) The management of the Chamber
- (8) Parliamentary procedures and conduct of debates

Further the members of the County Assembly discussed on matters detailed below in the period under review.

- (i) PIC and PAC Report on Auditor General's Report Year Ended 30th June 2023
- (ii) Report Labour, Justice & Legal affairs on Defunct Nandi Local Authorities Staff Gratuities
- (iii) Roads Maintenance Levy Funds Projects
- (iv) The State of Tourism Attraction Sites in the County
- (v) Empowerment Kits Under Endeleva Jamii Initiative

Towards this end, the County Assembly enacted the following bills which were assented into law.

- (1) Nandi County Supplementary Appropriation Bill No. 1, 2019,
- (2) Nandi County Supplementary Appropriation Bill No. 2, 2019
- (3) Nandi County Appropriation Bill No. 3 of 2019,

- (4) Nandi County Health Service Bill, 2019,
- (5) Nandi County Universal Health Care and Wellness Fund Bill, 2019
- (6) Nandi County Immunization Bill, 2019
- (7) Nandi County Youth Service Bill, 2019,
- (8) Nandi County Finance Amendment Bill, 2019,
- (9) Nandi County Public Participation Bill, 2019
- (10) Nandi County Supplementary Appropriation Bill No. 1, 2020,
- (11) Nandi County Emergency Bill, 2020,
- (12) Nandi County Imprest Surrender Policy, 2019
- (13) Nandi County Emergency Response Committee on Covid-19 Bill, 2020.
- (14) Nandi County Coordination of Distribution of Food and Water in Pandemic Bill, 2021.

The County Budget was passed on the June 24th, 2024, and supplementary budget passed subsequently in March 2025.

2.3 Role of the County Assemblies

Members of County Assemblies have three major roles:

- Legislation,
- Representation and
- Oversight.

The Legislative Authority of County Assembly is vested in and exercised by its County Assembly. A county Assembly while respecting the Principle of Separation of Powers, may exercise Oversight over the County Executive Committee Members and any other Executive Organs.

5. Statement of Performance Against County Assembly Predetermined Objectives

Guidance

The County Assembly of Nandi aims to be a world class assembly that fulfils constitutional mandate to the people of Nandi County by promoting the growth and development of Nandi County through constitutional legislation, Oversight and representation.

The Nandi County Assembly embraces to observe the following values:

1. **Fairness:** In delivering services, we shall treat all equally irrespective of religion, tribe, race, gender background and abilities
2. **Commitment:** The Assembly is committed to adhere to the constitution in delivering its mandate to the people of Nandi County.
3. **Integrity:** We endeavour to be transparent and accountable in providing services to all our clients in an environment of fairness without taking any undue advantage of their vulnerability or abilities.
4. **Teamwork:** We shall always work together as one and to deliver results.

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government County Assembly of Nandi Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government County Assembly of Nandi’s performance against predetermined objectives.

The key mandate of the County Assembly of Nandi 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 2024/2025.

Program 1	Objective	Outcome	Indicator	Performance
Programme: P.1 Administration, Planning and Support Services	Improved efficiency in service delivery	Timely payment of MCAs and Staff monthly salaries	100%	100%
	Effectiveness in service delivery: Nandi County Assembly Strategic Plan	Formulate the Nandi County Assembly Strategic Plan	1	1

Program 1	Objective	Outcome	Indicator	Performance
	Effectiveness in service delivery: Institute County Assembly service charter	Institute County Assembly service charter	1	1
	Effectiveness in service delivery: Timeliness in committee meetings and public participation for a	Timeliness in committee meetings and public participation for a	100%	100%
	Effectiveness in service delivery: Customer satisfaction surveys	Customer satisfaction surveys	1	1
	Performance appraisal system (PAS) in place	No. of PAS evaluations done	4	4
	Efficient network established	Number of offices networked	100%	100%
Programme: P.2 Physical Infrastructure and Equipment	Improved Physical Infrastructure and Equipment for better working environment	Acquire piece of land for construction of speaker's residence	0	0
	Improved Physical Infrastructure and Equipment for better working environment	Speaker's residence Constructed	0	0
	Improved Physical Infrastructure and Equipment for better working environment	Acquisition of furniture for new offices	0	0

Program 1	Objective	Outcome	Indicator	Performance
	Improved Physical Infrastructure and Equipment for better working environment	County Assembly renovation & speaker's residence Alterations & Extensions	0	0
	Improved Physical Infrastructure and Equipment for better working environment	Construct of County Assembly Office Complex	0	0
	Improved Physical Infrastructure and Equipment for better working environment	Acquisition of Projects Monitoring and Evaluation vehicles	0	0
	Improved Physical Infrastructure and Equipment for better working environment	Acquisition of Computers, printers and IT equipment for MCAs	10	10
Programme: P.3 County Assembly Clerk Services	Effective and efficient delivery of services.	No. of bills passed	20	20
		No. of policies passed	20	20
	Effective and efficient delivery of services.	No. of cases litigated	100%	100%

Program 1	Objective	Outcome	Indicator	Performance
	Effective and efficient delivery of services.	No. of budgets prepared	1	1
	Effective and efficient delivery of services.	No. of payments effected	100%	100%
	Effective and efficient delivery of services.	No. of internal audits done	4	4
	Effective and efficient delivery of services.	No. of payments effected	100%	100%
	Research done	No. of Research Done	4	4
	Meetings held	No. of minutes of committee meetings	72	144
	Reports generated	No. of committee reports generated	80	80
Programme: P.4 County Assembly Service Board; Enhanced professionalism, staff development and member's welfare	Recruitment and placement done	No. of Employees recruited to vacancies	100%	100%

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Program 1	Objective	Outcome	Indicator	Performance
	Human resource structure established	No. of Human Resource Structures Established	10	0
	Members capacity built	No. of workshops attended	10	15

6. Environmental and Sustainability Reporting

a) Sustainability Strategy and Profile

The County Assembly of Nandi has been in the situation where it is having a broad range of programmes and priorities. The County Assembly occasionally employs practitioners working in private companies to share tangible evidence of achievement of its targets documented in the strategic planning documents that have to be achieved.

County Assembly of Nandi exists to legislate, represent and undertake oversight on behalf of the people of Nandi County. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on County Assembly of Nandi pillars:

- (i) Putting the citizen first,
- (ii) delivering relevant goods and Services
- (iii) Improving operational excellence.

The three pillars are explained as follows.

(i) Putting the citizen first

Making citizens the focus of policy interventions and involving them in the delivery and design is for County Assembly of Nandi a normative ideal; it is a worthy objective and sounds easy to achieve. The Constitution of Kenya 2010 calls for concerted efforts to ensure citizen-centric development.

By overseeing the activities of the County Executive, the Assembly can ensure that service delivery takes place, so that all citizens can live a better-quality life.

(ii) Delivering relevant goods and services

Timeliness in our endeavours; The Assembly strives to deliver timely decisions and to implement the decisions in a timely manner for the benefit of all its stakeholders.

(iii) Improving operational excellence

The County Assembly of Nandi shall undertake performance management, continuous improvement, culture, organizational excellence, and process excellence.

b) Environmental Performance

The County Assembly of Nandi aims to reduce environmental impact by quantifying, monitoring and controlling the ongoing environmental impact of our operations and undertake cost savings through better energy management, efficient use of resources such as water and reduced waste. The Assembly has been targeting to implement energy efficient technology on all its business.

c) Employee Welfare

The Assembly has had to undertake efforts aimed to make life worth living for work men and women, by ensuring the following is in place in the precincts and work environment of the County Assembly of Nandi.

- (i) Labour welfare includes various facilities, services and amenities provided to workers for improving their health, efficiency, economic betterment and social status.
 - To enhance the level of morale of employees.
 - To create a loyal, contented workforce in organization.
 - To develop a better image of the County Assembly in the minds of the employees.
 - To enable the workers to live comfortably and happily.
 - To develop efficiency of the workers.
- (ii) Welfare measures are in addition to regular wages and other economic benefits available to workers due to legal provisions and collective bargaining.
 - To reduce influence of trade unions over the workers.
 - To expose philanthropic and benevolent activities of the County Assembly.
 - To make the workers know that the County Assembly takes care of them.
- (iii) Labour welfare measures are flexible and ever-changing. New welfare measures are added to the existing ones from time to time.
 - To develop positive attitude towards job, County Assembly and management.
 - To reduce tax burden.
 - To develop a feeling of satisfaction of employees with the County Assembly.
- (iv) Welfare measures may be introduced by the employers, government, employees or by any social or charitable agency.
- (v) The purpose of labour welfare is to bring about the development of the whole personality of the worker to make him a good worker and a good citizen.

d) Marketplace practices-

To maximize legislations and approval of county executive plans and nominations for appointments, the County Assembly of Nandi must position its products or services in the marketplace in such a way that consumers believe they need a particular product for service or that a product or service they need has a particular benefit. The following is considered in implementation of any guidance, policy or circular on legislation, representation and oversight.

a) Responsible Supply chain and supplier relations-

The County Assembly primarily undertakes its supply chain management and upholds its supplier relations as per the Constitution, the Public Finance Management Act, 2012, Public Procurement and Disposal Act, 2015 and attendant regulations. All the tender forms to be filled by competing bidders are derived, with necessary modification/customization, from nationally prescribed and standard procurement forms. The County Assembly automated its procurement processes since 2019 and has since upheld transparency standards as anticipated by the law. Upon advertisement of opportunities with strict adherence to provisions on affirmative procurement opportunities, the County Assembly subjects bids to tender opening, tender evaluation by a constitution of relevant committees and due diligence on the successful bids. The head of supply chain management in the County Assembly thereafter delivers a professional opinion to the Accounting Officer. The Accounting Officer is availed with the opportunity to consider thoroughly the bidders' documentation, tender opening and tender evaluation committees' resolutions, due

diligence reports, the market surveys, and head of supply chain management opinion prior to deciding to award the tender to least evaluated and priced, most deserving and successful bidder by a way of 14-day notice. Thereafter receiving acceptance letter from the bidder, the accounting officer is obliged to enter into agreement with the successful bidder who then will be issued with any of;

- (i) Works commencement notices in respect of works,
- (ii) Local Purchase Orders in respect of goods, or
- (iii) Local Service Order in respect of services.

b) Responsible ethical practices

The County Assembly is a corruption free environment. During the course of executing programs in the last decade of its operations, the County Assembly has ensured that its state and public officers of the County Assembly Service Board undertake refresher courses in every year on 12 key ethical principles including emerging issues on: Honesty, fairness, leadership, integrity, compassion, respect, responsibility, loyalty, law-abiding, transparency, and environmental concerns. This is among the measures that the County Assembly Service Board to uphold discipline, etiquette and respect of the laws of the Republic of Kenya in their workplaces.

c) Stewardship of goods and services

- (i) To avoid pilferage and outright theft of the goods and services entrusted to its official stewardship by the Kenyan citizens pursuant to the constitution.
 - ❖ County Assembly has recruited six (6) full time employees of the Board under management of the Sergeant at Arms who were drawn from the disciplined forces,
 - ❖ Requested the County Commander to complement the security situation by deploying at least two police officers which it acknowledges their presence in manned gates.
 - ❖ Further the County Assembly has a fully constructed stone walls and installed both surveillance cameras and security incident biometric registers. It is also noteworthy that all guests have name tags issued to them as they submit idCounty Assembly of Nandi cards to ensure identification is full proof prior to entry to the County Assembly offices.
- (ii) To ensure that the County Assembly officers are responsible enough in both the custody and management of utilization of fixed assets including ensuring that those fixed assets are optimally used for the benefit of the County Assembly, the following measure are currently instituted.
 - ❖ Conducting an inventory at least once every three (3) years upon selecting an independent firm with specific industry and qualifications and experience and physical inventory and reconciliation expertise, including performing a detailed line by line reconciliation of the physical inventory to the fixed asset accounting records.
 - ❖ Affixing property tags to all untagged assets.
 - ❖ Consistently applying the capitalization threshold while conducting the inventory.
 - ❖ Recording all descriptive and locational information possible.
 - ❖ Completing the inventory as quickly as possible to minimize asset movement.

e) Community Engagements

The Members of County Assembly participated in various fundraising activities across the Nandi County in respect to matters of attempting to address community problems, for instance.

- ill-health citizens
- bright and needy children's school fees
- disasters
- funeral arrangements and
- Religious activities.

The County Assembly of Nandi avails at its registry department for inspection by any citizens the details of Community Social Responsibility activities carried out in the year and the impact to the society. The documentation classifies such activities in the manner in which they promote education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives.

The following photos show some of the activities in which members of the County Assembly participated in various initiatives across the various County Assembly wards.

7. Management Discussion and Analysis

Members of County Assembly (MCAs) in devolved systems play a pivotal role in local governance, representing constituents, legislating, and overseeing the functions of county government. Given their responsibilities, comprehensive training is essential to equip MCAs with the knowledge, skills, and tools necessary to execute their mandates effectively. Training programs for MCAs are designed to enhance their capacity to navigate the complexities of devolved governance, promote accountability, and foster sustainable development at the grassroots level. To this great extent training programs were designed during the period with outlines of the objectives, targets, and possible outcomes of such training programs, emphasizing their importance in strengthening democratic governance and public service delivery.

The County Assembly complies with the statutory obligations and is committed to fairness, transparency, equity, prudent use of resources and public participation as enshrined in Article 10 of the Constitution.

2.4 Performance of key development projects

The County Assembly of Nandi since its inception endeavoured to construct modern County Assembly chambers and related amenities and to date; a landmark building has come up in the background of the current Assembly location and is 95% complete. Key development project apart from the Construction of the modern County Assembly chambers includes but has not been limited to the purchase of land for the construction of the Speaker's residence.

To the ensure responsible competition practices, the county Assembly has made every effort to advertise all its procurement opportunities as well conducting public participation in approving all its bills and amendments of laws. In this connection, the County Assembly currently has cleared all its recurrent expenditure pending bills and only has a total of KShs. 21,832,222, a very insignificant 2.91% of its total budget.

2.5 Comment on value-for-money achievements

The construction of the County Assembly Office Chambers and its amenities have created employment opportunities for casual labourers, technicians and experts in built environment while availing market opportunities for the local producers and distributor stores of various products. The purchase of the land earmarked for the construction of the speaker's residence has already availed opportunities for land evaluations, speculations and enhanced value of the adjacent landowners as marketers of specific lands on sale utilize the location in site visits by agents.

The conduct of public participation in consideration of various proposed public affairs policies has endeared the public to the County Assembly of Nandi and created avenues in which the Members of the County Assembly can demonstrate to the public their work. The frequent participation of the County Assembly speaker in various talk shows has always been aimed at improving the public relations status.

2.6 Challenges and Recommended Way Forward

There have been persistent challenges experienced during the period under review including lack of sufficient office space, bureaucratic processes in procurement of works, goods and services and the

delays in exchequer releases. Further, budgeting for contingent expenses for COVID 19 virus hadn't been done at the beginning of the financial year especially given the recurrent expenditure ceilings instituted on the County Assembly. The purchase of goods and procurement of services towards effective combat of the spread of the novel virus could not be undertaken under the circumstances. This exposed the employees to the risk of contracting the virus and as such hampered the activities of the County Assembly.

As previously reported financially, the County Assembly is currently undertaking construction of a County Assembly Office Complex that will effectively address the perennial challenge of lack of office space. However, funding challenges were attributable to delayed release to Nandi County of the approved equitable share of nationally raised revenues. Going forward, the County Assembly shall liaise with the Senate, Commission on Revenue Allocation (CRA), Controller of Budget (COB), CAF and the National Treasury to improve on the achievement in exchequer releases within the timelines stipulated in the procurement plans, work plans, strategic plan County Assembly Service Board resolutions and the County Assembly approvals. The County Assembly shall further establish both the Service Charter and Alternative Dispute Resolution (ADR) mechanism with stakeholders to avoid being engaged in court battles over resolutions that can be amended.

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 County Assembly of Nandi 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 Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2025, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

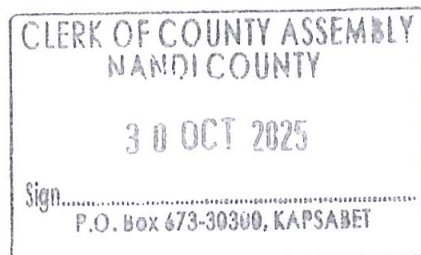
The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the quarter under audit were used for the eligible purposes for which they were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

Approval of the financial statements

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



BARNABA GK KOSGEI
Clerk of the County Assembly of Nandi.



REPUBLIC OF KENYA

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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 NANDI FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of County Assembly of Nandi set out on pages 1 to 59, which comprise of statement of financial position as at 30 June, 2025, statement of financial performance, and the statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of County Assembly of Nandi 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 Public Finance Management Act, 2012 and the County Government Act, 2012.

Basis for Qualified Opinion

1. Misstatement of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment of Kshs.472,105,604 as disclosed in Note 26 to the financial statements. However, the assorted assets that were fully depreciated which were not revalued and disclosed in property, plant and equipment.

In addition, a transfer and/or adjustment of Kshs.104,041,280 made up of motor vehicle of Kshs.65,047,500; furniture and fittings of Kshs.19,802,750 and computers and ICT equipment of 19,191,030 were not supported or explained. Further, management irregularly charged depreciation to work in progress (WIP) of Kshs.8,873,867 effectively understating the value of WIP by Kshs.8,873,867.

It was also noted that statement of comparison of budget and actual amounts reflects acquisition of property, plant and equipment of Kshs.9,485,587 while Note 26 to the financial statements on property, plant and equipment disclose Kshs.7,031,198 resulting to a variance of Kshs.2,454,389 which has not been explained.

In the circumstances, the accuracy and completeness of property, plant and equipment of Kshs.472,105,604 could not be confirmed.

2. Inaccuracies in Transfers from County Government Entities

The statement of financial performance reflects transfers from County Revenue Fund of Kshs.731,630,547 as disclosed at Note 6 to the financial statements. However, the financial statements of County Revenue Fund for Nandi County reflect Kshs.766,630,547 resulting to unexplained variance of Kshs.35,000,000.

In the circumstances, the accuracy and completeness of transfer from CRF of Kshs.731,630,547 could not be confirmed.

3. Misstatements in Presentation and Disclosure of Financial Statements

Note 36 to the financial statements reflects deferred income of Kshs.56,027,772 which was not disclosed in the statement of financial position contrary to paragraph 27 of the International Public Sector Accounting Standards (IPSAS) 1 stipulates the financial statements shall present fairly the financial position, financial performance, and cash flows of an entity.

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

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section. I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several paragraphs were raised under the report on Lawfulness and Effectiveness in Use of Public Resources, Effectiveness of Internal Controls, risk management and Governance, Emphasis of matter and Other Matter. Even though Management has provided explanations on the progress made on the recommendations made by auditors, the issues have remained unresolved as relevant parliamentary committee had not discussed them. Refer to **Appendix I**

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, forward by the Clerk of the County Assembly, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Funds 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 thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Excessive Allocation to the County Assembly

Statement of financial performance reflects transfer from County Revenue Fund of Kshs.731,630,547 as disclosed in Note 6 to the financial statements which is 10% of the County Government's total revenue of Kshs.7,599,066,478 as disclosed in Note 6 in the County Government of Nandi financial statements. The allocation of Kshs.731,630,547 is excessive and should have been Kshs.541,363,996 or 7% of the County total revenue. The excess allocation of 3% or Kshs.225,266,550 is contrary to the provisions of Regulation 25(1)(f) of the Public Finance Management (County Governments) Regulations, 2015 which states that the approved expenditure of a County Assembly shall not exceed seven 7% per cent of the total revenue of the County Government or twice the personnel emoluments of that County Assembly, whichever is lower.

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

2. High Wage Bill

Statement of financial performance reflects employee cost of Kshs.468,894,853 which is 64% of the County Assembly total revenue of Kshs.731,630,547. The expenditure on employee cost therefore exceeded the 35% threshold prescribed by Public Finance Management (PFM) Act, 2012, and the related PFM Regulations of 2015 require that a public institution should not spend more than 35% of its total revenue on personal emoluments (PE) and benefits.

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

3. Stalled Construction of Modern County Assembly Chambers, Offices, and Auxiliary Amenities.

Statement of financial position reflects property, plant and equipment of Kshs.472,105,604 as disclosed in Note 26. Included in this balance is additions to work in progress (WIP) of Kshs.3,972,598 was paid to a subcontractor in respect of construction of buildings on 27 March, 2025. Review of procurement records revealed that the contract for proposed construction of Modern County Assembly chambers, offices and auxiliary amenities was awarded to a contractor at a contract sum of Kshs.469,469,934 with a revised contract a period of 449 weeks.

Project verification carried out on 24 July, 2025 revealed that despite the lapse of eight (8) years beyond its completion date, the project remains stalled with no contractor on site. This was contrary to Section 147(1) of the Public Finance Management Act, 2012 states that, subject to the Constitution, the accounting officer of a County Assembly shall monitor, evaluate and oversee the management of their public finances, including - (d) ensuring proper management and control of, and accounting for, their finances in order to promote the efficient and effective use of budgetary resources.

Audit review of the approved budget revealed that Kshs.60,000,000 had been budgeted for the project during the audit period, however only Kshs.3,972,592 was spend with no explanation on whether the Kshs.56,027,408 received or was diverted to other projects.

In addition, the following observations were noted;

- i. The project architect through a letter, granted the main contractor up to 17 extensions in three months until 17 April 2024 resulting to revised contract period of 395 weeks. However, during the audit in the month of July, 2025 the project was found to be approximately 85% complete of the contract price of Kshs.469,469,334 and with total certified works of Kshs.403,266,593. Pending works included ceiling works at the chambers, external cladding, heating and air conditioning (HVAC) works at the chambers, electronic private automatic branch exchange (EPABX) installation and structured cabling works.
- ii. The performance bond submitted by the contractor expired on 1 June, 2022 and had not been renewed as at the time of the audit.
- iii. A financial appraisal from the project quantity surveyor dated 18 March, 2024 revised the projected contract value to Kshs.547,319,493 which would exceed the upper ceiling of Kshs.500,000,000 allowed and authorized by the Commission on Revenue Allocation for construction of County Assembly.
- iv. As at 30 June, 2025, a total of Kshs.403,266,593 had been paid to the main contractor and sub-contractors representing 85% of the total original contract.

In the circumstances, there was no value for money of Kshs.403,266,593 already spent on the construction of Modern County Assembly Chambers, Offices, and Auxiliary Amenities.

4. Training Costs Omitted in the Procurement Plan

Statement of financial performance reflects use of goods and services of Kshs.264,608,355 as disclosed in Note 10 to the financial statements. Included in this amount, is training expenses of Kshs.12,868,934 that was budgeted for in the annual procurement plan. This was contrary to Regulation 51(2) of Public Finance Management (County Governments) Regulations, 2015 which states that, expenditure commitments for goods and services shall be controlled against spending and procurement plans approved by the responsible Accounting Officer, based on allocations and allotments from approved budgets.

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

5. Affirmative Action on Ethnic Composition and Diversity

The audit revealed that 95% of the staff of the Assembly were from one dominant ethnic community was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment should have more than one third of its staff from the same ethnic community.

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

6. Non-Compliance with One Third Basic Salary Rule

Review of staff payroll revealed that 56 employees received net pay less than one-third of their basic salary. This is contrary to Section (19)(3) of the, Employment Act 2007 which states that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of Subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a 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.

7. Irregularities in Staff Establishment

Comparison of staff establishment and payroll data established that the Assembly had 154 employees against a staff establishment authorized of 88 resulting to excess over-establishment in staffing of 66 employees. In addition, the Assembly adopted staff establishment for the period 2022-2027 however, the staff establishment is neither dated or approved.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weak Information Technology Internal Control Environment

Review of the information Technology Internal Control Environment revealed that Management had not developed and approved Emergency Procedure, IT continuity and disaster recovery plan which would be resorted to in case of disruption of service. In addition, the Assembly did not have an approved IT Strategy Committee, and IT Steering Committee which were crucial in performing the oversight function and formulation of policies to ensure that the IT investments and functions were directed towards achievement of the mandate of the Assembly.

In the circumstance, the reliability and effectiveness of the County Assembly's Information Technology internal controls could not be Confirmed.

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund'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 responsible for overseeing the Fund'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

19 November, 2025

Appendix I: Unresolved Prior Year Matters

	Financial Year	Audit Issue
		Qualified Opinion
1	2023/2024	Unsupported and Unauthorized Foreign Travel
2	2023/2024	Unsupported Training Expenses
		Report on Lawfulness and Effectiveness in Use of Public Resources
3	2023/2024	Recognition of Expenditure Incurred after End Year
4	2023/2024	Failure to Observe Ethnic Balance
5	2023/2024	Payment of Salary Outside IPPD
6	2023/2024	Non-Compliance with One-Third Basic Salary Rule
7	2023/2024	Lack of Prudence in Use of Public Resources
8	2023/2024	Delayed Construction of Modern County Assembly Chambers, Offices and Auxiliary Amenities
9	2023/2024	Irregular Procurement of Hotel and Conference Services
10	2023/2024	Insurance and Training Costs Omitted in Procurement Plan
11	2023/2024	Gaps in Procurement Plan
12	2023/2024	Ineligible Pending Bills Resolution Committee
		Report on Effectiveness of Internal Controls, Risk Management and Governance
13	2023/2024	Weak Information Technology Internal Control Environment

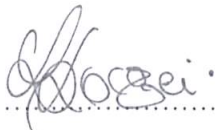
COUNTY ASSEMBLY OF NANDI

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

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

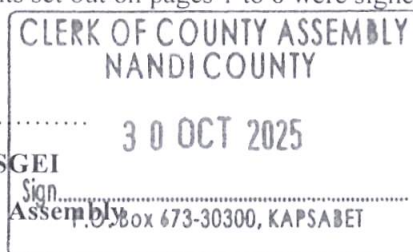
	Notes	2024-2025 Kshs
Revenue from non-exchange transactions		
Transfers from CRF	6	731,630,547
Miscellaneous Revenue	7	0
Revenue from exchange transactions		
Other income	8	0
Total revenue		731,630,547
Expenses		
Employee costs	9	468,894,853
Use of goods and services	10	264,608,355
Transfers to other Government Entities	11	0
Depreciation and amortization expense	12	9,485,587
Other Grants and Subsidies	13	0
Finance costs	14	0
Social Benefits	15	0
Total expenses		742,988,795
Gain/(loss) on sale of assets	16	0
Gain/Loss on Foreign Exchange	17	0
Gain/Loss on fair value of investments	18	0
Impairment loss	19	0
Surplus/Deficit for the year		(11,358,248)
Taxation	20	0
Net Surplus/Deficit		(11,358,248)

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



BARNABA GK KOSGEI

Clerk of The County Assembly




Wesley Cheruiyot Kimeto

Director, Finance and Accounting Services

ICPAK M/No.11505

In accordance with provisions of Paragraph 27 of IPSAS 33, the County Assembly of Nandi has elected not to present comparative figures of the previous financial year.

COUNTY ASSEMBLY OF NANDI

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

11. Statement of Financial Position as at 30 June 2025

	Notes	2024-2025	Opening Statement 1 st July 2025
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	21	50,461,041	42,129,234
Receivables from Exchange Transactions	22	0	0
Receivables from Non-Exchange Transactions	23	0	0
Inventories	24	0	0
Current portion of investments	25	0	0
Total Current Assets		50,461,041	42,129,234
Non-Current Assets			
Receivables from Exchange Transactions	21(b)	0	0
Non- Current portion of investments	24	0	0
Property, Plant and Equipment	26	472,105,604	0
Right of Use Assets	26	0	0
Intangible Assets and Goodwill	27	0	0
Investment Property	28	0	0
Biological Assets	29	0	0
Tangible Natural Resources	30	0	0
Total Non- Current Assets		472,105,604	0
Total Assets (A)		522,566,645	42,129,234
Liabilities			
Current Liabilities			
Trade and Other Payables	32	19,292,884	0
Refundable deposits and prepayments	33	42,526,494	42,129,234
Current Provision	33	0	2,188,018
Lease Liabilities	34	0	0
Deferred Income	35	0	0
Employee Benefit Obligation	36	0	0
Current Portion of Borrowings	37	0	0
Total Current Liabilities		61,819,378	44,317,252
Non-Current Liabilities			
Non-Current Provisions	33	0	34,412,744
Lease Liabilities	34	0	0

COUNTY ASSEMBLY OF NANDI

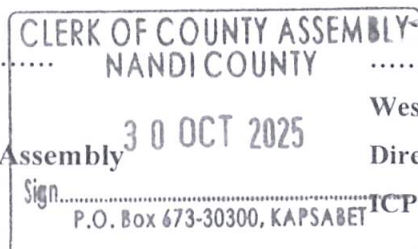
Annual Report and Financial Statements for the year ended June 30, 2025.

	Notes	2024-2025	Opening Statement 1 st July 2025
		Kshs	Kshs
Deferred Income	35	-	-
Non-Current Employee Benefit Obligation	36	0	0
Borrowings – Non-Current Portion	37	0	0
Service Concession Liability	38	0	0
Total Non- Current Liabilities		0	34,412,744
Total Liabilities (B)		61,819,378	78,729,996
Net Assets (A-B)		460,747,267	(36,600,762)
Represented by:			
Reserves		0	0
Accumulated Surplus		460,747,267	0
Capital Fund		0	0
Net Assets		460,747,267	0

The financial statements set out on pages 1 to 8 were signed by:


Barnaba GK Kosgei

Clerk of The County Assembly




Wesley Cheruiyot Kimeto
Director, Finance and Accounting Services

ICPAK M/No.11505

COUNTY ASSEMBLY OF NANDI

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

	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30 th June 2024 (cash basis)	-			-
Adjustments: (to recognize assets and liabilities)	472,105,604			472,105,604
As at July 1, 2025	472,105,604	0		472,105,604
Surplus/ deficit for the period	(11,358,248)			(11,358,248)
Returns to CRF	(89)			(89)
Additions during the period		0	0	0
Other changes		0	0	0
As at 30 Sep/Dec/March/ June, 2025	460,747,267	0	0	460,747,267
As at 30 th June 2024 (cash basis)	-			-

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

		2024-2025
Cash flows from operating activities		
Receipts		
Transfers from CRF		731,630,547
Miscellaneous Revenue		0
Other income		
Total receipts		731,630,547
Payments		
Employee costs		458,831,734
Use of goods and services		257,435,719
Transfers to other Government Entities		0
Other Grants and Subsidies		0
Finance costs		0
Social Benefits		0
Total payments		716,267,453
Net cash flows from/(used in) operating activities	40	15,363,094
Cash flows from investing activities		
Purchase of PPE		(7,031,198)
Purchase Intangible assets		0
Proceeds from sale of PPE		0
Proceeds from sale of Biological Assets		0
Purchase of investments		0
Sale of investments		0
Net cash flows from/(used in) investing activities		(7,031,198)
Cash flows from financing activities		
Returns to CRF		(89)
Proceeds from borrowings		0
Repayment of borrowings		0
Net cash flows from financing Activities		(89)
Net increase/(decrease) in cash &		8,331,807
Cash equivalents		
Cash and cash equivalents as at Period Start	20	42,129,234
Cash and cash equivalents as at Period End	20	50,461,041

(The County Assembly of Nandi has used direct method of cash flow preparation)

COUNTY ASSEMBLY OF NANDI
Annual Report and Financial Statements for the year ended June 30, 2025

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

Recurrent and Development Budgets Combined

Revenue/expense item	Original budget	Adjustments	Final budget	Actual on comparable basis	Budget utilization difference	% of utilization
	a	b	e= (a+b)	d	e=(c-d)	f=e/c *100
Revenues						
Opening balance (Non-refundable special purpose accounts)	-	-	-	-		
Transfers from CRF	1,001,813,047	(214,154,728)	787,658,319	731,630,547	56,027,772	7%
Miscellaneous Revenue	-	0	0	-		
Other income	-	0	0	-		
Total revenues	1,001,813,047	(214,154,728)	787,658,319	731,630,547	56,027,772	7%
			0		0	
			0		0	
Expenses						
Employee costs	468,898,872	0	468,898,872	468,894,853	4,019	0%
Use of goods and services	360,519,175	(86,359,728)	274,159,447	264,608,355	9,551,092	3%
Transfers to other Government Entities	-	-	-	-		
Other Grants and Subsidies	-	-	-	-		
Finance costs	-	-	-	-		
Social Benefits	-	-	-	-		
Total	829,418,047	(86,359,728)	743,058,319	733,503,208	9,555,111	1%
					0	
Capital items						
Acquisition of PPE	172,395,000	(127,795,000)	44,600,000	9,485,587	35,114,413	79%
Acquisition of Intangible assets	0	0	0	0	0	
Purchase of investments	0	0	0	-		

Revenue/expense item	Original budget	Adjustments	Final budget	Actual on comparable basis	Budget utilization difference	% of utilization
	a	b	c= (a+b)	d	e=(c-d)	f=e/c *100
Repayment of borrowings	0	0	0	-		
Total expenses Development	172,395,000	(127,795,000)	44,600,000	9,485,587	35,114,413	79%
Total Expenses	1,001,813,047	(214,154,728)	787,658,319	742,988,795	44,669,524	6%
Surplus/ deficit	0	0	0	(11,358,248)	11,358,248	

Reconciliation table

	Operating	Financing	Investing	total
<i>Actual amounts on comparable basis presented in the budget and actual comparative statement</i>	720,626,751	0	11,003,796	731,630,547
<i>Basis difference</i>	0	0	0	0
<i>Timing differences</i>	0	0	0	0
<i>Entity differences</i>	0	0	0	0
<i>Classification differences</i>	(89)	0	0	(89)
<i>Actual in the statement of cashflows</i>	720,626,663	0	11,003,796	731,630,459

15. Notes to the Financial Statements

1. General Information

Nandi County Assembly is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Nandi County Assembly is domiciled in Kenya, and its principal activities are legislative, representative and undertaking to oversight the County Executive arm of the County Government of Nandi.

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 County Assembly of Nandi has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the County Assembly of Nandi has taken advantage of the transition provisions outlined in IPSAS 33. (Nandi 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 30th August 2025.

Basis of Preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the County Assembly of Nandi. 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 a County Assembly of Nandi 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) because 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 *County Assembly of Nandi* pursues several policy targets and outcomes. However, the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the *County Assembly of Nandi* is clear on the cost it intends to incur, when payment will be made, and to whom and consequently has raised a valid expectation. Consequently, liabilities are not reported for costs associated with the *County Assembly of Nandi* policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the *County Assembly of Nandi's* future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

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

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. Entities commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

COUNTY ASSEMBLY OF NANDI
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Physical assets

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

3. Adoption of New and Revised Standards

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

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

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

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

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

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

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

Standard	Effective date and impact:
	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	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the County Assembly of Nandi's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

The County Assembly of Nandi did not early – adopt any new or amended standards in the financial year or the County Assembly of Nandi adopted the following standards early (state the standards, reason for early adoption and impact on County Assembly of Nandi's 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 County Assembly of Nandi 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 County Assembly of Nandi's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on *June 25, 2025*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the County Assembly of Nandi upon receiving the respective approvals to conclude the final budget. Accordingly, the County Assembly of Nandi recorded additional appropriations on the 2024/2025 budget following the Senate's approval. The County Assembly of Nandi's 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.

e) 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. After initial recognition, investment properties are measured using the cost model and are depreciated over 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 County Assembly of Nandi 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 County Assembly of Nandi incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the County Assembly of Nandi 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 County Assembly of Nandi 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 County Assembly of Nandi; the County Assembly of Nandi controls the tangible natural resource because of past events; and the tangible natural resource can be measured reliably. Where this criterion is not met, the County Assembly of Nandi 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 County Assembly of Nandi 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 County Assembly of Nandi. 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 County Assembly of Nandi also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the County Assembly of Nandi 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 County Assembly of Nandi expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the County Assembly of Nandi 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 County Assembly of Nandi 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 County Assembly of Nandi and a financial liability or equity instrument of another County Assembly of Nandi. At initial recognition, the County Assembly of Nandi 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 County Assembly of Nandi 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 County Assembly of Nandi's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an County Assembly of Nandi 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 County Assembly of Nandi 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 County Assembly of Nandi 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 County Assembly of Nandi 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 County Assembly of Nandi 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 these financial statements.

ii. Financial liabilities

Classification

The County Assembly of Nandi 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 *County Assembly of Nandi*.

k) Provisions

Provisions are recognized when the County Assembly of Nandi 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 County Assembly of Nandi 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 County Assembly of Nandi 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 County Assembly of Nandi 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 County Assembly of Nandi 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 County Assembly of Nandi creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

q) Foreign currency transactions

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

from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

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 *County Assembly of Nandi* regards a related party as a person or an County Assembly of Nandi with the ability to exert control individually or jointly, or to exercise significant influence over the *County Assembly of Nandi*, or vice versa. Members of key management are regarded as related parties and comprise *the Speaker of the County Assembly and, Clerk of the county Assembly, Directors and Senior Managers.*

t) Service concession arrangements.

The *County Assembly of Nandi* analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. Where a private party contributes an asset to the arrangement, the *County Assembly of Nandi* 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 *County Assembly of Nandi* 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 County Assembly of Nandi has elected to apply paragraph 79 of IPSAS 33, which allows for the election by an County Assembly of Nandi 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 after 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 County Assembly of Nandi's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The County Assembly of Nandi 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 County Assembly of Nandi. 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 County Assembly of Nandi.
- 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.

Notes to the Financial Statements (Continued)

6. Transfers from County Revenue Fund

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers Current FY
			KShs
Recurrent	727,657,949	370	727,658,319
Development	3,972,598	56,027,402	60,000,000
Special purpose transfers		0	0
Total	731,630,547	56,027,772	787,658,319

7. Miscellaneous Revenue

Nature of Revenue	2024-2025
	KShs
In kind grants and donations	0
Refunds & Reimbursements	0
Revenues not classified anywhere else	0
Total	00

8. Other Incomes

Description	2024-2025
	Kshs
Insurance recoveries	0
Sale of tender documents	0
Services concession income	0
Other incomes not specified elsewhere	0
Total other income	00

Notes to the Financial Statements (Continued)

9. Employee Costs

Description	2024-2025
	KShs
Basic salaries of permanent employees	226,806,935
Basic wages of temporary employees	1,035,448
Personal allowances – part of salary	177,493,807
Pension and other social security contributions	14,969,349
Employer contributions to compulsory national social security schemes	28,650,700
Employer contributions to compulsory national health insurance schemes	0
Other social benefit schemes	19,938,614
Other personnel costs	0
Employee costs	468,894,853

10. Use of Goods and Services

Description	2024-2025
	Kshs
Utilities, supplies and services	1,350,610
Communication, supplies and services	2,629,757
Domestic travel and subsistence	119,359,417
Foreign travel and subsistence	40,686,407
Printing, advertising, and information supplies & services	2,528,114
Rentals of produced assets	0
Training expenses	12,968,934
Hospitality supplies and services	19,980,407
Insurance costs	24,023,120
Specialized materials and services	1,000,002
Other operating expenses <i>including bank Charges</i>	15,512,321
Office and general supplies and services	4,392,682
Fuel Oil and Lubricants	11,033,815
Routine maintenance – vehicles and other transport equipment	9,142,769
Total	264,608,355

11. Transfers to Other Government Entities

Description	2024-2025
	KShs
Transfers to other County Government entities	0
Transfers to self-reporting projects	0
Transfers to car loans and mortgage schemes	0
Total	0

12. Depreciation and Amortization Expense

COUNTY ASSEMBLY OF NANDI

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Description	2024-2025
	Kshs
Property, plant and equipment	9,485,587
Intangible assets	0
Investment property carried at cost	0
Total	9,485,587

13. Other Grants and Subsidies

Description	2024-2025
	Kshs
Membership dues and subscriptions to international organizations	0
Scholarships and other educational benefits	0
Emergency relief and refugee assistance	0
Grants to small businesses, cooperatives, and self employed	0
Subsidies to Public entities	0
Subsidies to Private entities	0
Total Grants and Subsidies	0

14. Finance Costs

Description	2024-2025
	Kshs
Interest Payments on Guaranteed Debt Taken over by Govt	0
Interest on Domestic Borrowings (Non-Govt)	0
Interest on Borrowings from Other Government Units	0
Interest on bank overdrafts	0
Interest on loans from commercial banks	0
Total finance costs	0

15. Social Benefits

Description	2024-2025
	KShs
Transfers to the elderly	0
Transfers to orphans	0
Transfers to the physically challenged	0
Total social benefit expenses	0

16. Gain/Loss on Sale of Assets

Description	2024-2025
	KShs
Property, plant and equipment	0
Intangible assets	0
Other assets not capitalised	0

COUNTY ASSEMBLY OF NANDI

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

Total gain on sale of assets	0
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17. Gain/Loss on Foreign Exchange

Description	2024-2025
	KShs
Gain or loss on foreign exchange transactions	0
Gain or loss on balances in foreign exchanges	0
Total	0

18. Gain/Loss on Fair Value Investments

Description	2024-2025
	Kshs
Investments at Fair Value	0
Total Gain	0

19. Impairment Loss

Description	2024-2025
	Kshs
Property, Plant and Equipment	0
Intangible Assets	0
Total Impairment Loss	0

20. Taxation

Description	2024-2025
	KShs
Current income tax charge	0
Tax charged on rental income	0
Tax charged on interest income	0
Original and reversal of temporary differences	0
Income tax expense reported in the statement of financial performance	0

21. Cash and Cash Equivalents

Description	Current FY	Opening Statement 1 st July 2025
	Kshs	Kshs
Recurrent Account	7,930,528	0
Development Account	0	0
Deposits Account	42,526,494	42,129,234
Special Purpose Accounts	0	0
Commercial Bank Accounts	4,019	0
Total	50,461,041	42,129,234

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

Financial Institution	Account number	Current FY	Opening Statement 1 st July 2025
		Kshs	Kshs
Recurrent Accounts			
Central Bank of Kenya, County Assembly of Nandi, KShs	1000197056	7,930,528	0
Development Accounts			
Central Bank of Kenya, County Assembly of Nandi, KShs	1000197048	0	0
Deposits Accounts			
Central Bank of Kenya, County Assembly of Nandi, KShs	1000416308	42,526,494	42,129,234
Other operating commercial accounts			
National Bank of Kenya	01020212740800	4,019	0
Total		50,461,041	42,129,234

Pursuant to PFM Act, 2012 Section 136, the annual budget of the County Assembly of Nandi for FY 2024-2025 lapsed on June 30, 2025, and therefore upon payments of trade payables, the only retention monies in deposit accounts are available as opening bank balances.

Notes to the Financial Statements (Continued)

22. Receivables from Exchange Transactions

Description	FY 2024-2025	Opening Statement
	Kshs	1 st July 2025 Kshs
Total receivables		
Other exchange debtors	0	0
Less: impairment allowance	0	0
Total receivables	0	0
a) Current receivables	0	0
b) Non-current receivables	0	0
Total Receivables (a+b)	0	0

i) Ageing analysis for Receivables

Description	FY 2024-2025		Opening Statement	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	0	%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (a+b)	0	%	0	%

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance	Insert Current FY
	Kshs
At the beginning of the year	0
Additional allowance during the year	0
Recovered during the year	0
Written off during the year	0
At the end of the year	0

Notes to the Financial Statements (Continued)

23. Receivables from Non-Exchange Transactions

Description	FY 2024-2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Other debtors (non-exchange transactions)	0		0	
Less: impairment allowance	0		0	
Total receivables from non- exchange transactions	0		0	
Ageing Analysis- Receivables from non-exchange transactions	FY 2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	0	%	0	%
Between 1-2 years	0	%	0	%
Over 3 years	0	%	0	%
Total	0	%	0	%

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

Description	FY 2024-2025
	Kshs
At the beginning of the year	0
Additional provisions during the year	0
Recovered during the year	0
Written off during the year	0
At the end of the year	0

24. Inventories

Description	FY 2024-2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Spare parts	0	0
Goods held for distribution	0	0
Less: allowance for impairment	0	0
Total	0	0

Detailed disclosure on inventories

	FY 2024-2025
Opening balance	0
Additional Inventory in the year	0
Inventory expensed in the year	0
Write-downs in the year	0
Others	0
Closing balance	0

25. Investments

Description	FY 2024-2025	Opening Statement 1 st July 2025
	Kshs	Kshs
a) Investment in Treasury bills and bonds	0	0
Financial institution	0	0
CBK	0	0
CBK	0	0
Sub- total	0	0
b) Investment with Financial Institutions/ Banks	0	0
Bank x	0	0
Bank y	0	0
Sub- total	0	0
c) Equity investments	0	0
Equity/ shares in County Assembly of Nandi xxx	0	0
Sub- total	0	0
Grand total	0	0
Analysed as:	0	0
Current portion of Investment	0	0
Non-current portion of investment	0	0

d) Movement of Equity Investments

	FY 2024-2025
	Kshs
At the beginning of the year	0
Purchase of investments in the year	0
Sales of investments during the year	0
Increase / (decrease) in fair value of investments	0
At the end of the year	0

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 County Assembly of Nandi 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
County Assembly of Nandi A	0	0	0	0	0	0
County Assembly of Nandi B	0	0	0	0	0	0
County Assembly of Nandi C	0	0	0	0	0	0
	0	0	0	0	0	0

COUNTY ASSEMBLY OF NANDI
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Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

	Land	Buildings	Motor Vehicles, Including Motorcycles	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
Depreciation Rate		2-10%	10%	10%	20%	20%	2%	20%	20%
Cost	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
Opening Bal as 1 st July 2024	27,000,000	0	72,275,000	19,802,750	19,802,750	0	439,720,773	0	578,601,273
Additions	0	0	0	0	3,058,600	0	3,972,598	0	7,031,198
Disposals	0	0	0	-	-	0	0	0	0
Transfer/Adjustments	0	0	0	0	0	0	0	0	0
As At 30 Jun 2025	27,000,000	0	72,275,000	19,802,750	22,861,350	0	443,693,371	0	585,632,471
Depreciation And Impairment									0
Depreciation	-	0	0	0	611,720	0	8,873,867	0	9,485,587
Disposals	-	0	-	-	-	0	-	-	0
Impairment	0	0	0	0	0	0	-	-	0
Transfer/Adjustment			65,047,500	19,802,750	19,191,030	0	-	0	104,041,280
As At 30 Sep/Dec/Mar/June 2025	0	0	65,047,500	19,802,750	19,802,750	0	8,873,867	0	113,526,867
Net Book Values									0
Opening Bal as at 1 st July 2025	27,000,000	0	7,227,500	0	3,058,600	0	434,819,504	0	472,105,604

COUNTY ASSEMBLY OF NANDI
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Notes to the Financial Statements (Continued)

27. Intangible Assets

Description	FY 2024-2025
	Kshs
Cost/Opening balance at the beginning of the year	0
Additions	0
Disposal	0
At end of the year	0
Additions–internal development	0
Disposal	0
At end of the year	0
Amortization and impairment	0
At beginning of the year	0
Amortization	0
At end of the year	0
Impairment loss	0
At end of the year	0
NBV	0

28. Investment Property

Description	FY 2024-2025
	Kshs
Cost/Opening balance at the beginning of the year	0
Additions	0
Disposal during the year	0
Depreciation	0
Impairment	0
At end of the year	0

29. Right-of-use assets

	Buildings	Motor vehicles	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2025	0	0	0	0
Additions	0	0	0	0
As at June 2025	0	0	0	0
Accumulated Depreciation				
As at 1 July 2025	0	0	0	0

COUNTY ASSEMBLY OF NANDI

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Charge for the year	0	0	0	0
As at June 2025	0	0	0	0
	0	0	0	0
Carrying Amount	0	0	0	0
As at June 2025	0	0	0	0

30. Biological Assets

Description	FY 2024-2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Trees	0		0	
Total	0		0	

Notes to the Financial Statements (Continued)

31. Tangible Natural Resources

	Sub- soil assets	Water	Wildlife	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2025	0	0	0	0
Additions	0	0	0	0
As at June 2025	0	0	0	0
Accumulated Depreciation				
As at 1 July 2025	0	0	0	0
Charge for the year	0	0	0	0
As at June 2025	0	0	0	0
Carrying Amount				
As at June 2025	0	0	0	0

32. Trade and Other Payables

Description	FY 2024-2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Trade payables	0		0	
Payments received in advance			0	
Employee payables	10,063,119		0	
Third-party payments	7,821,859		0	
Other payables	1,407,906		0	
Total trade and other payables	19,292,884		0	
Ageing analysis: (Trade and other payables)	Current FY	%	Opening balance	% of the Total
Under one year	19,292,884	100%	0	0%

COUNTY ASSEMBLY OF NANDI

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1-2 years	0	%	0	0%
2-3 years	0	%	0	0%
Over 3 years	0	%	0	0%
Total (tie to above total)	0		0	

33. Refundable Deposits and Prepayments

Description	FY 2024-2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Customer deposits	0			
Prepayments	0			
Other deposits	42,526,494			
Total deposits	42,526,494		0	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Opening Balance	% of the Total
Under one year				
1-2 years	397,226	0.93%	5,528,506	13.12%
2-3 years	5,528,506	13.00%	2,188,018	5.19%
Over 3 years	2,188,018	5.15%	34,412,744	81.68%
Total	34,412,744	80.92%	0	0.00%
	42,526,494	100.00%	42,129,268	100.00%

34. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	0	0	0	0
Additional provisions	0	0	0	0
Provision utilised	0	0	0	0
Change due to discount and time value for money	0	0	0	0
Total provisions year end	0	0	0	0
Current Provisions	0	0	0	0
Non-Current Provisions	0	0	0	0

35. Lease Liabilities

Description	FY 2024-2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Balance at the beginning of the year	0	0

COUNTY ASSEMBLY OF NANDI

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Discount interest on lease liability	0	0
Paid during the year	0	0
At end of the year	0	0

Maturity Analysis

Period	Amount
Year 1	0
Year 2	0
Year 3	0
Year 4	0
Year 5 and onwards	0
Less: unearned Interest	0
	0

Notes to the Financial Statements (Continued)

Analysed as:

Description	Amount
Current	0
Non- Current	0
Total	0

36. Deferred Income

Description	FY 2024-2025	Opening Statement
	Kshs	1 st July 2025 Kshs
National Government	56,027,772	56,027,772
International Funders	0	0
Public Contributions and Donations	0	0
Total Deferred Income	56,027,772	56,027,772

The deferred income movement is as follows:

	National government	International funders	Public contributions and donations	Total
	KShs	KShs	KShs	KShs
Balance Brought Forward	0	0	0	0
Additions	56,027,772	0	0	56,027,772
Transfers To Capital Fund	0	0	0	0
Transfers To Income Statement	0	0	0	0
Other Transfers	0	0	0	0

Description	Amount
Current	0
Non-Current	0
Total	0

Analysed as:

Balance Carried Forward	56,027,772	0	0	56,027,772
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COUNTY ASSEMBLY OF NANDI
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

37. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	Insert Current FY	Opening Statement 1 st July 2025
	KShs	KShs	KShs	KShs	KShs
Current Benefit Obligation	0	0	0	0	0
Non-Current Benefit Obligation	0	0	0	0	0
Total Employee Benefits Obligation	0	0	0	0	0

Retirement benefit Asset/ Liability (Applicable to Pensions)

The County Assembly of Nandi operates a defined benefit scheme for all full-time employees from July 1, 2025. The scheme is administered by CPF Financial Services while Laptrust Fund are the custodians of the scheme. The scheme is based on:

- 12% percentage of salary of an employee monthly till retirement, deductible from employee salary.
- 15% percentage of salary of an employee monthly till retirement, payable from the employer.
- 31% of 60% percentage of salary of an employee monthly till lapse of contracts.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at June 2025 by 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:

	FY 2024-2025	Opening Statement 1 st July 2025
Discount Rates	0	0
Future Salary Increases	0	0
Future Pension Increases	0	0
Mortality (Pre- Retirement)	0	0
Mortality (post-retirement)	0	0
Withdrawals	0	0
Ill Health	0	0
Retirement	xx years	xx years

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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>FY 2024-2025</i>	<i>Opening Statement 1st July 2025</i>
Description	Kshs	Kshs
The return on defined plan assets	0	0
Actuarial gains/ losses arising from changes in demographic assumptions	0	0
Actuarial gains/ losses arising from changes in financial assumptions	0	0
Actuarial gains and losses arising from experience adjustments	0	0
Others	0	0
Adjustments for restrictions on the defined benefit asset	0	0
Remeasurement of the net defined benefit liability (asset)	0	0

b) Amounts recognized in the Statement of Financial Position

	<i>FY 2024-2025</i>	<i>Opening Statement 1st July 2025</i>
Description	Kshs	Kshs
Present value of defined benefit obligations(a)	0	0
Fair value of plan assets(b)	0	0
Funded status(=a-b)	0	0
Restrictions on asset recognised	0	0
Others	0	0
Net asset or liability arising from defined benefit obligation	0	0

The County Assembly of Nandi also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The County Assembly of Nandi's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at **KShs. 456,480** per employee per month. Other than NSSF the County Assembly of Nandi also has a defined contribution scheme operated by CPF Financial Services Ltd. 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	FY 2024-2025
	Kshs
a) External borrowings	
Balance at beginning of the year	0
External borrowings during the year	0
Repayments during the year	0
Balance at end of the year	0
	0
b) Domestic borrowings	0
Balance at beginning of the year	0
Domestic borrowings during the year	0
Repayments during the year	0
Balance at end of the year	0
	0
Balance at end of the period- domestic and External borrowings c = (a+b)	0

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

	FY 2024-2025	Opening Statement 1 st July 2025
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	0	0
Sterling Pound Denominated Loan From 'Y Organization'	0	0
Euro Denominated Loan from Z Organization'	0	0
Domestic Borrowings	0	0
Kenya Shilling Loan From KCB	0	0
Kenya Shilling Loan from Barclays Bank	0	0
Kenya Shilling Loan from Consolidated Bank	0	0
Total /Balance at end of The Year	0	0

COUNTY ASSEMBLY OF NANDI
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Description	FY 2024-2025	Opening
	Kshs	Kshs
Short Term Borrowings (Current Portion)	0	0
Long Term Borrowings	0	0
Total	0	0

(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	FY 2024-2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	0	0
Net carrying amount	0	0
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	0	0
Service concession liability at end of the year	0	0

40. Cash Generated from Operations

	FY 2024-2025
	KShs
Surplus for the year before tax	(11,358,248)
Adjusted for:	9,485,587
Depreciation	0
Non-cash grants received	0
Contributed assets	0
Impairment	0
Gains and losses on disposal of assets	0
Contribution to provisions	0
Contribution to impairment allowance	0
Working capital adjustments	0
Increase in inventory	0
Increase in receivables	0
Increase in deferred income	0
Increase in payables	0
Increase in payments received in advance	0
Net cash flow from operating activities	(1,872,661)

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

COUNTY ASSEMBLY OF NANDI
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

41. Financial Risk Management

The County Assembly of Nandi's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The County Assembly of Nandi's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The County Assembly of Nandi 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 County Assembly of Nandi's financial risk management objectives and policies are detailed below:

i) Credit risk

The County Assembly of Nandi 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, 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 County Assembly of Nandi's management based on prior experience and their assessment of the current economic environment.

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

	Total amount	Fully performing	Past due	Impaired
	KShs	KShs	KShs	KShs
As at 30 June 2025				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

(NB: The totals column should tie to the individual elements of credit risk disclosed in the County Assembly of Nandi's 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

COUNTY ASSEMBLY OF NANDI
Annual Reports and Financial Statements for the year ended June 30, 2025.

the County Assembly of Nandi has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The County Assembly of Nandi has significant concentration of credit risk on amounts due from xxxx. The board of directors sets the County Assembly of Nandi's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the County Assembly of Nandi's directors, who have built an appropriate liquidity risk management framework for the management of the County Assembly of Nandi's short, medium and long-term funding and liquidity management requirements. The County Assembly of Nandi manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the County Assembly of Nandi 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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Trade payables	19,292,884	0	0	19,292,884
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	19,292,884	0	0	19,292,884

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

The County Assembly of Nandi has put in place an internal audit function to assist it in assessing the risk faced by the County Assembly of Nandi 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 County Assembly of Nandi's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The County Assembly of Nandi's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the County Assembly of Nandi's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The *County Assembly of Nandi* 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 *County Assembly of Nandi* 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.

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Notes to the Financial Statements (Continued)

Financial Risk Management

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

Current FY 2024-2025

	In KShs	Other currencies	Total
	KShs	KShs	KShs
As at 30 June 2025			
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total Financial Assets	0	0	0
Financial Liabilities	0	0	0
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Total Financial Liabilities	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

Financial Risk Management

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

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2025			
Euro	10%	0	0
USD	10%	0	0
2025-1			
Euro	10%	0	0
USD	10%	0	0

Notes to the Financial Statements (Continued)

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

The County Assembly of Nandi 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.

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 *County Assembly of Nandi's* market assumptions. These two types of inputs have created the following fair value hierarchy:

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

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	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Financial Assets	0	0	0	0
Quoted Equity Investments	0	0	0	0
Non- Financial Assets	0	0	0	0
Investment Property	0	0	0	0
Land And Buildings	0	0	0	0
	0	0	0	0

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 County Assembly of Nandi's capital risk management is to safeguard the County Assembly of Nandi's ability to continue as a going concern. The County Assembly of Nandi capital structure comprises of the following funds:

	<i>FY 2024-2025</i>	<i>Opening Statement</i>
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	0	0
Capital Reserve	0	0
Total Funds	0	0
Total Borrowings	0	0
Less: Cash And Bank Balances	0	0
Net Debt/(Excess Cash And Cash Equivalents)	0	0
Gearing	0	0

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Notes to the Financial Statements (Continued)

42. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *County Assembly of Nandi* 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 *County Assembly of Nandi*, holding 100% of the *County Assembly of Nandi's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the County Assembly of Nandi, both domestic and external.

Other related parties include:

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

	FY 2024-2025
	Kshs
Transactions with related parties	
a) Sales to related parties	
Interest and bank charges	0
Total	0
B) purchases from related parties	0
Electricity purchases from KPLC	0
Purchase of water from govt service providers	0
Rent expenses paid to govt agencies	0
Training and conference fees paid to govt. Agencies	0
Others	0
Total	0
b) Grants /transfers from the government	0
Grants from national govt	0
Grants from county government	0
Donations in kind	0
Total	0
c) Expenses incurred on behalf of related party	0
Payments of salaries and wages for Nandi County Assembly employees	0
Payments for goods and services for xxx	0
Total	0
d) Key management compensation	0
Compensation to key management	0
Total	0

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43. Segment Information

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

44. Contingent Assets and Contingent Liabilities

Contingent Assets

	<i>FY 2024-2025</i>
	Kshs
Contingent Assets	0
Insurance Reimbursements	0
Assets Arising from Determination Of Court Cases	0
Reimbursable Indemnities and Guarantees	0
Receivables From Other Government Entities	0
Others	0
Total	0

Contingent Liabilities

	<i>FY 2024-2025</i>
	Kshs
Contingent Liabilities	0
Court Case xx against the County Assembly of Nandi	0
Bank Guarantees in Favour of Subsidiary	0
Contingent Liabilities arising from Contracts Including PPPs	0
Others	0
Total	0

45. Capital Commitments

	<i>FY 2024-2025</i>
	Kshs
Capital Commitments	0
Authorised for	0
Authorised and contracted for	0
Total	0

(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)

COUNTY ASSEMBLY OF NANDI
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46. Program for Results (PforR) Disclosure

BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES: RECURRENT

Nandi County Ledger
Entity: 4423-Nandi - County Assembly
Period: JUL-24 To JUN-25

Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference
			KShs	KShs	KShs	KShs	KShs
0725004410		County Assembly Service Board	881,813,047.00	(154,154,728.00)	727,658,319.00	731,630,457.50	89.50
	0725014410	Personnel services	881,813,047.00	(154,154,728.00)	727,658,319.00	731,630,457.50	89.50
		Grand Total	881,813,047.00	(154,154,728.00)	727,658,319.00	731,630,457.50	89.50

BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES: DEVELOPMENT

Nandi County Ledger
Entity: 4423-Nandi - County Assembly
Period: JUL-24 To JUN-25

Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference
			KShs	KShs	KShs	KShs	KShs
0725004410		County Assembly Service Board	120,000,000.00	(60,000,000.00)	60,000,000.00	3,972,598.00	56,027,402.00
	0725014410	Personnel services	120,000,000.00	(60,000,000.00)	60,000,000.00	3,972,598.00	56,027,402.00
		Grand Total	120,000,000.00	(60,000,000.00)	60,000,000.00	3,972,598.00	56,027,402.00

The Statement has been prepared, reviewed and approved by the following:

Prepared By: ISAAC KIPLAGAT TUM

Date: OCTOBER 30, 2025

Reviewed By: WESLEY CHERUIYOT KIMETO

Date: OCTOBER 30, 2025

Approved By: BARNABA GK KOSGEI

Date: OCTOBER 30, 2025

COUNTY ASSEMBLY OF NANDI
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47. Events after the Reporting Period

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

48. Ultimate And Holding County Assembly of Nandi

The County Assembly of Nandi ultimate parent is the Government of Kenya.

49. Currency

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

COUNTY ASSEMBLY OF NANDI

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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	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame
18.16	Unexplained variances between the Statement of comparison of Budget and Actual Amounts and Budget Execution Statement by Programmes and Sub-Programmes.	There were errors in financial reporting that included payments of June 30, 2021, which were paid at the start of the year 2020-2021	Barnaba GK Kosgei Clerk to the County Assembly	Resolved	July 2023-June 2024
18.2	Unexplained Difference Between Figures in the Financial Statements and IFMIS Report.	There were errors in financial reporting that included payments of June 30, 2021 which were paid at the start of the year 2020-2021	Barnaba GK Kosgei Clerk to the County Assembly	Resolved	July 2023-June 2024
18.3	Failure to include Other Disclosures to the Financial Statements.	The matter requires configuration of IFMIS and measures to address the back log in thorough clearing up of unrequired data in IFMIS. For example the delayed configuration of IFMIS to include CM user modules to Sep 2020, caused backlog in FO 30 Bank Reconciliations downloads. This will be addressed before the subsequent audits opinions	Barnaba GK Kosgei Clerk to the County Assembly	Resolved	July 2023-June 2024
18.4	Undisclosed Clearance of Pending Bills Brought Forward	The financial reporting template only provided from disclosure of	Barnaba GK Kosgei	Resolved	July 2023-June 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame
		pending bills and no disclosure of clearance were only included in this revised template. The County Assembly endeavours to present in subsequent financial years, all details pertaining disclosure on pending bills.	Clerk to the County Assembly		
18.5	Failure to attach the Imprests warrants to the payment voucher	The same were kept in separate files for that purpose. We have since stopped the practice. Further, the relevant payment vouchers cited by the Auditors have attached warrants.	Barnaba GK Kosgei Clerk to the County Assembly	Resolved	July 2023-June 2024
18.6	Unsupported payments totalling KShs. 8,541,021 to the staff who attended Kampala in Uganda Training.	The boarding passes, air tickets, invitations, programs, clearance of the ministry of foreign affairs that were kept in separate files have been attached to the relevant payment vouchers, The signed payment schedules in respect of the travel to Kampala by attendees of a Sport event have all been attached as appropriate to the payment voucher, Imprests warrants then issued but kept in separate payment vouchers	Barnaba GK Kosgei Clerk to the County Assembly	Resolved	July 2023-June 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame
		have now been attached to payment vouchers and Certificates if any, issued after the training are now provided			
18.7	Unsupported Foreign Travel Subsistence Allowances in respect of a Mission to Singapore	While the payments were done the account holder and Imprests warrants were issued to the participant as evidenced in the attachment to the certified copy of the Payment Voucher.	Barnaba GK Kosgei Clerk to the County Assembly	Resolved	July 2023-June 2024
18.8	Insurance Premium paid and charged by provider for grounded vehicle Reg. No. 29 CG 059 A	The comprehensive insurance cover paid for in the FY 2019-2020 in respect of the grounded vehicle Reg. No. 29 059A that was included in the payment of KShs. 1,318,805 was against particular risks including theft, fire and damage from spilt liquids.	Barnaba GK Kosgei Clerk to the County Assembly	Resolved	July 2023-June 2024

COUNTY ASSEMBLY OF NANDI
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame
18.9	<p>(a) Detail orders did not show litters, in some instances,</p> <p>(b) the said vehicles drew fuel without detail orders,</p> <p>(c) fuel statements from petrol stations included repair and maintenance costs and</p> <p>(d) That the fuel register had not been provided for audit review.</p>	<p>Indication of both the fuel pump price and litters to be drawn by the vehicle would easily cause confusion should a driver issued with detail order to draw fuel of specific amount find the price of the litters different from those indicated, especially given fluctuations in prices.</p> <p>This was based on an isolated case that the fuel drawn was not indicated in the work tickets has informed an amendment of Section 4 of the fleet management policy. Drivers' records will be checked to ensure that work tickets document the fuel drawn.</p> <p>This was true but regretfully so because of the replacement of fuel filters, spark plugs, tyre was made to supplier of fuel, it is the submission of the County Assembly that the replacements are within the scope of the contract of the fuel supplier. Journal entries include transfer of the Routine Maintenance of Motor Vehicles to correct this error in financial reports.</p>	Barnaba GK Kosgei Clerk to the County Assembly	Resolved	July 2023-June 2024

COUNTY ASSEMBLY OF NANDI
Annual Reports and Financial Statements for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame
		The fuel register is herein attached as Appendix 8: Fuel Registers for the Period between July 1, 2019, and June 30, 2020			
18.10	Payments vouchers in respect of the Construction of Buildings were not supported by certificates of works and details of certified works as appropriate	All payments were made in our view based on both valuations and interim certificates issued by project management consultancy and approval of the Public Works department.	Barnaba GK Kosgei Clerk to the County Assembly	Resolved	July 2023-June 2024

Barnaba GK Kosgei

.....
 BARNABA GK KOSGEI,
 Accounting Officer
 Date: 30/10/2025

CLERK OF COUNTY ASSEMBLY
 NANDI COUNTY
 30 OCT 2025
 Sign.....
 P.O. Box 673-30300, KAPSABET

COUNTY ASSEMBLY OF NANDI
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Appendix II: Projects implemented by The County Assembly of Nandi.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Construction of Modern County Assembly chambers, offices and its auxiliary amenities	1	County Assembly of Nandi	8 years	3 years	No	Yes
Construction of Speaker's Residence	2	County Assembly of Nandi	3 years	2 years	No	Yes

**COUNTY ASSEMBLY OF NANDI
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Status of Projects completion

Project	Total project Cost	Total project expended to date	Completion % to date	Budget	Actual	Sources of funds
Construction of Modern County Assembly chambers, offices and its auxiliary amenities Assembly chambers, offices and its auxiliary amenities	469,469,934	443,693,371	94.5%	60,000,000	3,972,598	0001001

COUNTY ASSEMBLY OF NANDI
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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Deferred Income	Receivables	Others must be specific		

COUNTY ASSEMBLY OF NANDI
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Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities				Source Of Funds	Implementing Partners
			Q1	Q2	Q3	Q4		

COUNTY ASSEMBLY OF NANDI
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Appendix VII: Disaster Expenditure Reporting Template

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

COUNTY ASSEMBLY OF NANDI
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Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f	Additions during the year	Disposals during the year	Transfers in/(out) during the year	Historical Cost c/f
	(KShs)	(KShs)	(KShs)		(KShs)
	Previous Year				FY 2024-2025
Land	27,000,000	0	0	0	27,000,000
Buildings and structures	0	0	0	0	00
Transport equipment	72,275,000	0	0	0	72,275,800
Office equipment, furniture and fittings	19,802,750	0	0	0	19,802,750
ICT Equipment	19,802,750	3,058,600	0	0	22,861,350
Machinery and Equipment	0	0	0	0	0
Biological assets	0	0	0	0	0
Infrastructure Assets- Roads, Rails	0	0	0	0	0
Heritage and cultural assets	0	0	0	0	0
Intangible assets	0	0	0	0	0
Work in Progress	439,720,773	3,972,598	0	0	443,693,371
Total	578,60,273	7,031,198	0	0	585,632,471

The Property Plant and Equipment have been charged for depreciation in the FY 2024-2025 in accordance with the provisions of IPSAS 45 and the County Assembly elected to use straight line depreciation basis on each of the historical costs of the above components.