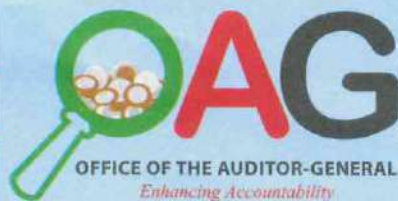


REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE
OF NYERI

FOR THE YEAR ENDED
30 JUNE, 2025

REPUBLIC OF KENYA

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



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

NRO/NYERI.C/EXE/2024/2025/(16)

06 January, 2026

The CEC Member- Finance and Economic Planning
Nyeri County Executive
P.O Box 1112-10100
NYERI.

Dear sir,

**REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF NYERI FOR
THE YEAR ENDED 30 JUNE, 2025**

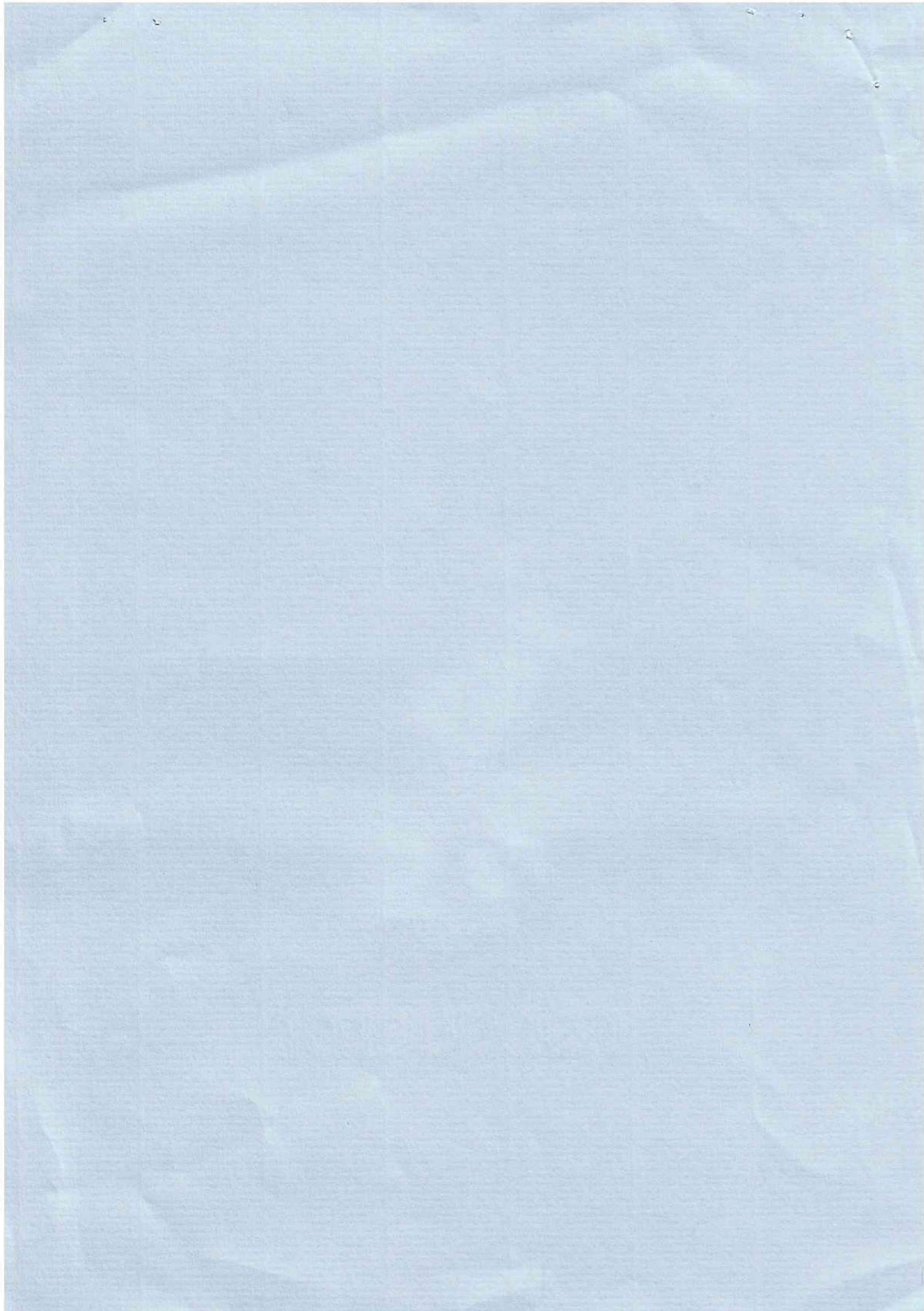
I transmit the report of the Auditor-General on the examination and audit of County Executive of Nyeri for the year ended 30 June, 2025 in accordance with the provisions of Article 229(7) of the Constitution of Kenya for the necessary action as required by Article 229(8) of the Constitution.

Yours sincerely

For **CPA D.K. Cherono**
FOR: AUDITOR-GENERAL

Copy to:

Mr. Jernard Mwiggen
Clerk to the County Assembly of Nyeri
P.O Box 1112-10100
NYERI.





COUNTY GOVERNMENT OF NYERI

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)**

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County Government of Nyeri
Nyeri County Executive
Annual Report and Financial Statements for the year ended June 30, 2025.

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

<i>Fiduciary Management</i>	<i>The key management personnel who had financial responsibility</i>
-----------------------------	--

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

2. Key Entity Information and Management

a) Background information

The County Government of Nyeri is a devolved unit established under the Constitution of Kenya, 2010. It operates in accordance with the County Governments Act, 2012, and is led by the Governor, who provides overall leadership in policy formulation, development planning, and the strategic direction of the County. As a key player in Kenya's devolution framework, the County Government is mandated to deliver services that promote social and economic development, enhance public participation, and ensure equitable access to resources and opportunities across all wards.

Guided by;

Vision

A wealthy County with healthy and secure people for shared prosperity

Mission

To create, enhance, and sustain an environment that unlocks the potential of the people of Nyeri to achieve progressive socio-economic growth by running an open and inclusive government.

The County Government has set out the following strategies to achieve its objectives:

- Improving productivity in agriculture and enhancing food and nutrition security
- Promoting shared economic growth and job creation
- Enhancing good governance and active citizen participation
- Strengthening basic infrastructure for effective service delivery
- Advancing climate action and environmental sustainability
- Improving financial sustainability and resilience
- Expanding access to quality, affordable health care services
- Scaling up institutional development, transformation, and innovation
- Promoting access to quality and affordable housing
- Enhancing the use of ICT and innovation in public service delivery

These priorities are pursued with a strong commitment to the County's core values: integrity, patriotism, innovation, teamwork, and accountability. These values shape the County's governance culture and ensure that all activities are implemented efficiently, transparently, and with a focus on delivering value for money.

To effectively deliver on its mandate, the County Executive is organized into various departments, each responsible for specific mandate as outlined below

No.	Department	Major Responsibility
1.	Office of the Governor and the Deputy Governor	Oversees the overall administration and strategic direction of the County.
2.	Office of the County Secretary	Provides administrative support to the Governor and coordinates departmental activities.
3.	Finance, Accounting & ICT	Manages financial resources, ensuring accountability and efficiency in the County's financial operations. ICT enhances the use of information and communications technology (ICT) and other innovations
4.	Economic Planning	Responsible for the County's economic development planning. It collects data and analyses economic trends, and develops plans to promote economic growth and development.
5.	Lands, Housing, Physical Planning & Urban Development	Manages the County's land resources, including land use planning, titling, and registration. It also provides housing and urban development services.
6.	Health Services	Ensures the provision of quality healthcare services across the County.
7.	Education, Training and Devolution.	Provides early childhood education and vocational training support by enhancing institutional capacity at the ECDE centres and vocational training institutions.

8.	County Public Service Management	Manages human resources, ensuring a competent and motivated workforce.
9.	Solid Waste Management	Oversees the collection, transportation, and disposal of solid waste and maintaining environmental cleanliness.
10.	Transport, Infrastructure, Public Works and Energy	Responsible for the County's transport infrastructure, public works, and energy. It maintains roads, bridges, and other infrastructure; and manages the County's energy sector.
11.	Agriculture, Livestock and Aquaculture Development	Responsible for the County's agriculture, livestock, and fisheries sectors. It also provides extension services to farmers, promotes livestock production, and regulates the fisheries sector.
12.	Trade, Tourism, Culture and Co-operatives development.	Promotes trade and investment, develops tourism, and supports co-operatives.
13.	Gender, Youth, Social Services & Sports	Responsible for the county's gender, social services, and youth development. It promotes gender equality, provides social services to vulnerable groups, and supports youth development. It also promotes sports and recreation.
14.	Water, Environment and Climate Change	Responsible for the County's water, irrigation, environment, and climate change. It provides water supply and sanitation services, promotes irrigation, conserves the environment, and mitigates the effects of climate change.
15.	Office of the County Attorney	Provides legal advice to the County Government. It also represents the County Government in court.
16.	Municipality of Nyeri	Create and maximise opportunities for socio-economic development while upholding an attractive, clean, sustainable and secure urban environment.

b) Key Management team

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

- Office of the Governor and Deputy Governor
- Office of the County Secretary
- County Government's Departments headed by County Executive Committee Members.

c) Fiduciary Management

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

No.	Designation	Portfolio	Name
1.	County Executive Committee Member	Finance and Economic Planning	Robert Thuo Mwangi
2.	Ag. Accounting Officer	Finance, Accounting & ICT	Ibrahim Adan Edin
3.	Ag. Accounting Officer	Economic Planning	Stephen Mathenge Mwai
4.	Accounting Officer	Lands, Housing, Physical Planning & Urban Development	Fredrick Macharia
5.	Accounting Officer	Health Services	Ibrahim Adan Eden
6.	Accounting Officer	Education and Training	James Kiretai
7.	Accounting Officer	Public Service Management	Joseph Kanyi King'ori
8.	Accounting Officer	Solid Waste Management	Mary Violet Koigi
9.	Accounting Officer	Transport, Infrastructure, Public Works and Energy	Anne Kihagi
10.	Accounting Officer	Agriculture, Livestock & Aquaculture Development	Wilson Maringa
11.	Accounting Officer	Trade, Tourism, Culture and Co-Operatives Development	George M. Mwangi
12.	Accounting Officer	Gender, Youth, Social Services & Sports	Joe Gethi
13.	Accounting Officer	Water, Environment and Climate Change	Bernard Kiama
14.	Accounting Officer	County Secretary's Office	Solomon N. Chengecha
15.	Accounting Officer	Governor's Office	Boniface Mwangi
16.	Accounting Officer	Office of the County Attorney	Solomon N. Chengecha
17.	Accounting Officer	Municipality of Nyeri	Perister Kigwa

d) Fiduciary Oversight Arrangements

The County Government of Nyeri has put in place robust fiduciary oversight arrangements to ensure transparency, accountability, and prudent management of public resources. Guided by the Public Finance Management Act, 2012, and other relevant laws, the County exercises strict oversight through various institutions to ensure and maximum utilization of the public resources while adhering to good governance. These structures work collectively to monitor budgeting, expenditure, procurement, and internal controls, safeguarding public funds and promoting value for money in service delivery. Some of the collaborative institutions includes

- **Audit and finance committee activities**

During the year ended 30th June 2025, the Audit and Finance Committee undertook various oversight and advisory roles to support sound financial management and ensure compliance with internal controls and statutory requirements. Key activities included:

- **Review of Financial Statements:** The Committee reviewed periodic financial statements to ensure accuracy, completeness, and compliance with relevant accounting standards and reporting requirements.
- **Budget Oversight:** The Committee assessed and provided input on the annual budget, monitored budget implementation, and ensured alignment with strategic objectives and available resources.
- **Internal Controls and Risk Management:** Evaluations were conducted on the effectiveness of internal controls and risk management frameworks. Recommendations were made to strengthen areas identified as high risk.
- **Audit Review:** The Committee reviewed internal and external audit reports, followed up on audit findings, and ensured the timely implementation of audit recommendations.
- **Policy and Compliance Monitoring:** Ensured compliance with financial policies, regulations, and applicable laws, and recommended updates to financial management policies as necessary.

The Committee continues to play a critical role in promoting transparency, accountability, and good governance in the financial operations of the County Government.

County Government of Nyeri
Nyeri County Executive
Annual Report and Financial Statements for the year ended June 30, 2025.

- **Parliamentary committee activities**

Parliamentary Committees have played a crucial oversight role in promoting transparency, accountability, and effective service delivery within the County Government of Nyeri. Through the Public Accounts Committee (PAC) and the Public Investments Committee (PIC), they reviewed audit reports from the Office of the Auditor-General, assessed financial compliance, and followed up on the implementation of audit recommendations. The Committees regularly engaged County Executive Members and accounting officers to clarify findings related to budget execution, procurement, and project implementation. Additionally, they monitored budget performance to ensure alignment with approved priorities and value-for-money principles, while also reviewing policies and legislation to strengthen governance and fiscal responsibility.

- **County Assembly**

The County Assembly plays a pivotal role in fiduciary oversight through its specialized committees. These committees are tasked with scrutinizing the financial activities of the County Executive to ensure that public funds are used efficiently and in accordance with established regulations.

- i. **Public Accounts Committee**

The committee has provided oversight on expenditure of public funds by the county executive for the year. This is by evaluating as to whether the County has attained value for money, adhered to the set financial regulations and procedures in funds utilization and preparation of the financial statements.

The committee constitutes of the listed members;

Member	Designation	Ward
Hon. Margaret Muthoni Kuruga	Chairperson	Kiganjo Mathari
Hon. Patrick Wachira Kanyi	Vice Chairperson	Thegu River
Hon. Agnes Wanjiku Wachira	Member	Gender Representative
Hon. Jackson Kabingu Gichuhi	Member	Magutu
Hon. Fidelis Wangui Nderitu	Member	Gender Representative
Hon. Janet Muthoni Kamiru	Member	Gender Representative
Hon. Jonah Kamau Taiti	Member	Kamakwa Mukaro
Hon. Watson Mburungo Weru	Member	Karatina Town
Hon. Patrick Karanja Maina	Member	Ethnic Minority

- ii. **Public Finance & Economic Planning Committees**

The Public Finance & Economic Planning Committees oversees the financial health and economic development of Nyeri County. This is by provision of oversight on revenue collection, imposition of taxes and charges, County Fiscal Planning and development including statistics; Consideration of the

debt management strategy paper, examination of the Finance Bill and the County Revenue Fund Bill, considering the financial and economic policies of the County.

The committee constitutes of the listed members:

Member	Designation	Ward
Hon. Atanasio Gichohi Kabaire	Chairperson	Mukurwe-ini West
Hon. Jonah Kamau Taiti	Vice Chairperson	Kamakwa / Mukaro
Hon. Wilfred Wambari Nyaga	Member	Iria-ini-Othaya
Hon. Jackson Kabingu Gichuhi	Member	Magutu
Hon. Meshack Kiruga Thuku	Member	Chinga
Hon. Clement Warutere Ndegwa	Member	Gatarakwa
Hon. Eunice Wagaki Wanderi	Member	Karima
Hon. Ziporah Wangechi Njithi	Member	Gatitu/Mururguru
Hon. Watson Mburungu Weru	Member	Karatina Town

- **Development partner oversight activities**

Our development partners engaged in oversight activities to monitor the utilization of funds allocated for specific projects and programs. They conducted periodic reviews, site visits, and evaluations to ensure that funds were used efficiently and effectively, and that project outcomes aligned with the intended goals.

During the financial year ended 30th June 2025, the fiduciary activities encompassed a range of initiatives, including but not limited to:

Financial Audits: Thorough financial audits were conducted to ensure accuracy and transparency in financial reporting.

Risk Assessments: Comprehensive risk assessments were performed to identify potential financial vulnerabilities and develop mitigation strategies.

Expenditure Reviews: Regular reviews of expenditures were conducted to verify that resources were allocated appropriately and in accordance with established budgets.

Compliance Monitoring: Continuous monitoring of compliance with legal and regulatory frameworks was undertaken to prevent financial irregularities.

Capacity Building: Capacity-building initiatives were implemented to enhance financial management skills across the organization.

County Government of Nyeri

Nyeri County Executive

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

The World Bank formed part of the major development partner during the year under review and has provided oversight for FLLoCA (Financing Locally Led Climate Action Program), Kenya Devolution Support Program (KDSP), Kenya Informal Settlement Improvement Project 2 (KISIP 2), Kenya Urban Support program (KUSP), County aggregated Industrial Park (CAIP), Urban Institute Grant (UIG) funds implementation among others.

e) County Executive of Nyeri

P.O. Box 1112-10100
Town Hall Building
Kenyatta Road/Highway
Nyeri, Kenya

f) County Executive Contacts

Telephone: (254) 0612030700
E-mail: infonyericounty@gmail.com
Website: www.nyeri.go.ke

g) County Executive of Nyeri Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank Nyeri Branch
Kenyatta Road
P.O Box 840-10100
3. Co-operative Bank of Kenya Nyeri Branch
Kenyatta Road
P.O Box 930-10100
4. Equity Bank Nyeri
Kenyatta Road
P.O Box 2064-10100

County Government of Nyeri
Nyeri County Executive
Annual Report and Financial Statements for the year ended June 30, 2025.

h) Independent Auditor

Auditor-General
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 and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
NAIROBI, KENYA

j) County Attorney.

County Government of Nyeri,
P.O BOX 1112-10100, Nyeri, Kenya.

3. Governance Statement

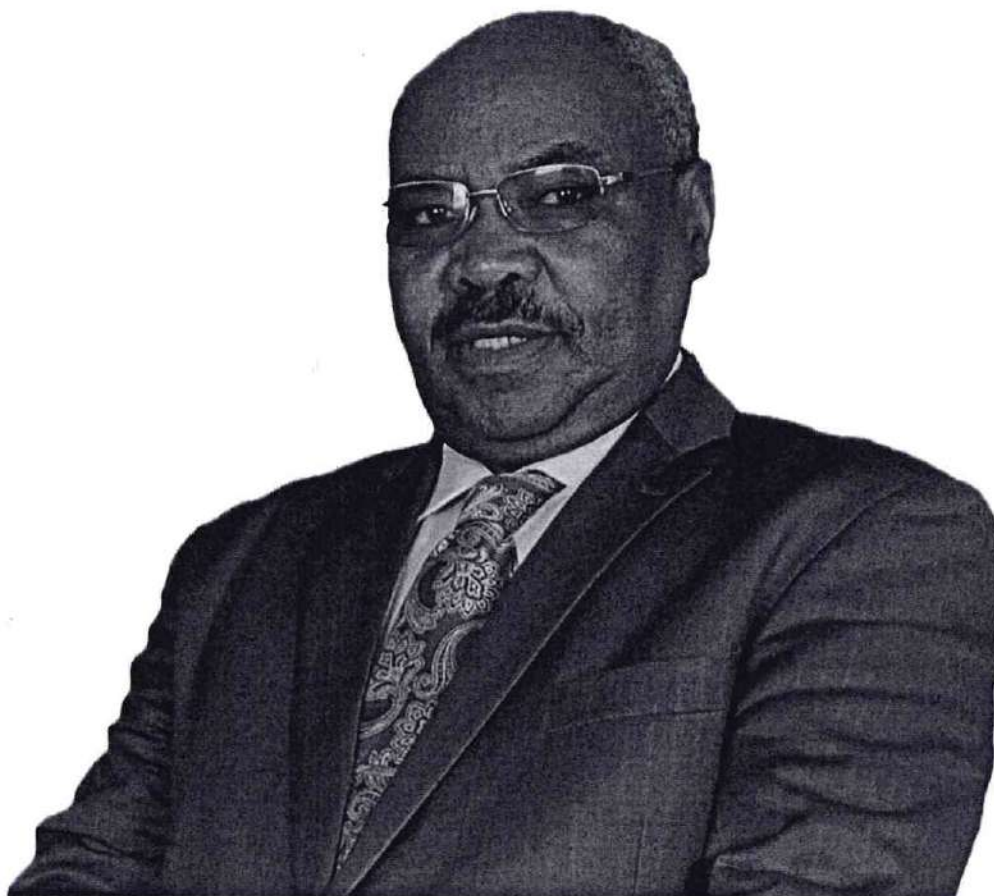
Nyeri County is established as per Section 176 of the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County.

The County Executive is structured in terms of departments, headed by a County Executive Committee Member (CECMs). The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution. The County Secretary is the head of the county public service and the principal administrative officer he coordinates implementation of executive decisions, manage interdepartmental functions, and ensure effective communication within the County Government. The County Secretary also serves as the secretary to the County Executive Committee.

a) Nyeri County Executive



The Governor
His Excellency Dr. Mwalimu Mutahi Kahiga, PhD, EGH



The Deputy Governor
His Excellency David Kinaniri Waroe



County Secretary
Mr. Benjamin Gachichio



CECM Finance, Economic Planning
& ICT
Mr. Robert Thuo Mwangi.



CECM Lands, Housing,
Physical Planning and Urban
Development
Mr. Simon Ndirangu Gachunia



CECM Health Services
Dr. Joseph Maina Kiragu



CECM Gender, Youth, Social
Service and Sports
Ms. Esther Ndung'u



CECM County public service
and Solid Waste Management
Mr. Peter Macharia Ngatia



CECM Agriculture, Livestock
and Aquaculture Development
Mr. James Wachihi



CECM Trade, Tourism, Culture and
Co-operatives Development
Ms. Tarichia Diana Kendi



CECM Education and Training
Ms. Macharia Margaret
Wangechi,



CECM Water, Environment and
Climate Change
Mr. Kinyua Fredrick Wanjohi



CECM Transport, Infrastructure,
Public Works and Energy
Eng. Abdi Hanif Hussein



County Attorney
Mr. Kimani Ruchuiya

- b) **Brief discussions of how the County deals with its stakeholders especially on matters that require public participation, whether there are policies on communication, stakeholder engagement and whistle blowing.**

The County Government of Nyeri has adopted a structured and inclusive approach to stakeholder engagement in alignment with the Constitution of Kenya (2010), the County Governments Act (2012), and the Public Finance Management Act (2012). Public participation is a crucial element in the County's governance processes, particularly in development planning documents such as the CIDP, Annual Development Plans, and Sectoral Plans, budget formulation, policy development, and project implementation. Engagements take place through public forums at the ward and sub-county levels, community barazas, stakeholder meetings, and digital platforms that facilitate citizen input. Key stakeholder groups such as local communities, civil society organizations, business associations, development partners, and marginalized populations are consulted through joint planning sessions, targeted forums, and collaborative dialogue, with relevant information shared in advance to support meaningful contributions.

In line with national anti-corruption measures, the County has adopted whistleblower provisions that enable confidential reporting of misconduct or unethical practices. Additionally, Nyeri County promotes accountability by publishing key documents including budgets, project reports and list of pending bills on its official website and disseminating them during public forums. Feedback mechanisms such as ward-based service desks, complaint and suggestion boxes, hotline numbers, and online portals are available to the public, reinforcing a culture of open, participatory, and responsive governance.

c) Safeguards against unethical conduct and corruption.

The County Government of Nyeri has put in place various mechanisms to safeguard against unethical conduct and corruption in line with national laws and good governance. These measures are designed to promote integrity, accountability, and transparency in service delivery and use of public resources through the following activities.

- Compliance with Legal and Regulatory Frameworks
- Internal Audit and Risk Management
- Ethics and Integrity Training
- Establishment of Whistleblower Mechanisms
- Transparent Procurement Processes
- Oversight and Accountability Structures
- Enforcement of Disciplinary Measures

d) Indicate your engagement with the County Assembly through its committees and the Senate including number of bills sponsored by the executive and any other matters presented for deliberations.

During the financial year 2024–2025, the Nyeri County Executive maintained robust engagement with the County Assembly, overseeing the tabling and approval of critical budget instruments, including the submitted and approved Programme-Based Budget and first supplementary estimates for FY 2024/25 to the Budget and Appropriations Committee. In the previous period the legislative activities continued with historic bills such as the Nyeri County Health Services Fund Bill, 2021, Forest Management and Conservation Bill, 2021, Climate Change Bill, 2021, and Inspectorate Bill, 2021, all being enacted; additionally, in mid-2025, the Nyeri County Finance Bill, 2023 was passed and assented, amending the County Revenue Administration Act of 2014. The Executive further engaged actively with Assembly committees including the Public Accounts and Investments Committee on matters such as staff car loans and mortgage schemes, County revenue fund on Audit queries, the Health Services Committee regarding facility upgrades at Mukurwe-ini Hospital and Mbiriri Dispensary, and the Finance Committee on financial oversight of the Elimu Fund and Enterprise Development Fund. These efforts reflect a sustained commitment to collaborative governance, budget accountability, and responsive service delivery throughout FY 2024/25.

The senate overall function is to provide oversight to the counties and the county governments as stipulated under article 96 of the Constitution of Kenya 2010. the County Government of Nyeri appeared on senate public accounts committee, and special funds committees for sermons on audit queries

e) Risk management

The County Government of Nyeri has put in place formal structures for risk management through the implementation of the Risk Management Policy, 2020, which has recently been operationalized and continues to be progressively strengthened. Risk management is further reinforced through the work of the Internal Audit Directorate, which conducts regular risk assessments and supports the development of internal controls to address both internal and external risks. These activities have significantly contributed to enhanced accountability, improved service delivery, and better protection of public assets. Additionally, the Audit Committee plays a critical role by ensuring compliance to internal control checks and ensuring that their recommendations are implemented. This ongoing oversight has proven vital in mitigating risks and strengthening governance across the County Government's operations.

To ensure risk levels are maintained at minimum further steps are needed to fully institutionalize risk management practices across all departments, encourage a proactive approach to risk, and embed a strong risk-aware culture throughout the county's operations.

f) Brief descriptions of appointment operation and membership of the audit committee and its charter.

The Audit Committee's work is essential in maintaining the trust of the public by ensuring that all financial practices adhere to the highest standards of transparency and accountability. This committee is responsible for overseeing the County's financial reporting, internal control systems, and risk management processes. It is responsible for overseeing financial reporting, internal control systems, and risk management.

Appointment and Membership

The committee consists of independent members with expertise in financial management and auditing. The County Executive comprises of 3 members and 1 chairperson. The County Governor has nominated one senior officer to sit in the audit committee. The County Treasury has also nominated one representative to sit in the audit committee. The Audit Committee reports to the Governor.

Operations

The committee operates in accordance with its composition, responsibilities, and reporting mechanisms. The audit committee plays a key role with respect to the integrity of the entity's financial information, its system of governance, risk and internal controls, and the legal and ethical conduct of management and employees. Depending on circumstances affecting an entity, the functions undertaken by an audit committee will generally encompass the following areas:

- Evaluating whether processes are in place to address key roles and responsibilities in relation to risk management.
- Evaluating the adequacy of the control environment to provide reasonable assurance that the systems of internal control are of a high standard and functioning as intended.
- Performing an independent review of the financial statements to ensure the integrity and transparency of the financial reporting process.

Audit Committee Charter

An Audit Committee Charter provides a blueprint on how an audit committee will operate. The five main components of an audit committee charter are objectives, membership, meeting frequency and responsibilities, ethics guidelines for members of the audit committee, and conflict of interest guidelines.

These are the members of the Audit committee during the financial year ended 30th June 2025

No.	Name	Designation
1.	Chrispus Mbogo	Chairman
2.	John K. Muchira	Secretary
3.	Pauline Wanjiru	Member
4.	Michael Chege	Member
5.	Margaret Macharia	Member
6.	Lucy K. Kangangi	Member
7.	Martha Wamuicho	Member

g) Compliance

The County Government of Nyeri operates within a comprehensive legal and regulatory framework that governs its operations in areas such as governance, financial management, procurement, service delivery, and environmental protection. The County has identified and adheres to all relevant laws and regulations applicable to its mandate. These include, but are not limited to: The Constitution of Kenya, 2010, The County Governments Act, 2012, The Public Finance Management (PFM) Act, 2012

The Public Procurement and Asset Disposal Act, 2015, Regulations and guidelines issued by the National Environment Management Authority (NEMA), Sector-specific legislation relevant to health, education, agriculture, infrastructure, and other devolved functions.

To ensure monitoring and reporting the County Government of Nyeri has established mechanisms to ensure compliance with these laws and regulations. These include: Internal audits and compliance reviews, carried out periodically by the Internal Audit Directorate, Preparation and submission of statutory reports and compliance documentation to relevant oversight bodies Timely reporting to key institutions including:

- The National Treasury
- The Controller of Budget
- The Office of the Auditor-General
- The County Assembly of Nyeri

All reports are submitted within stipulated timelines as required by law and regulatory frameworks. These reports include financial statements, implementation reports, procurement plans, budget execution reports, and audit responses.

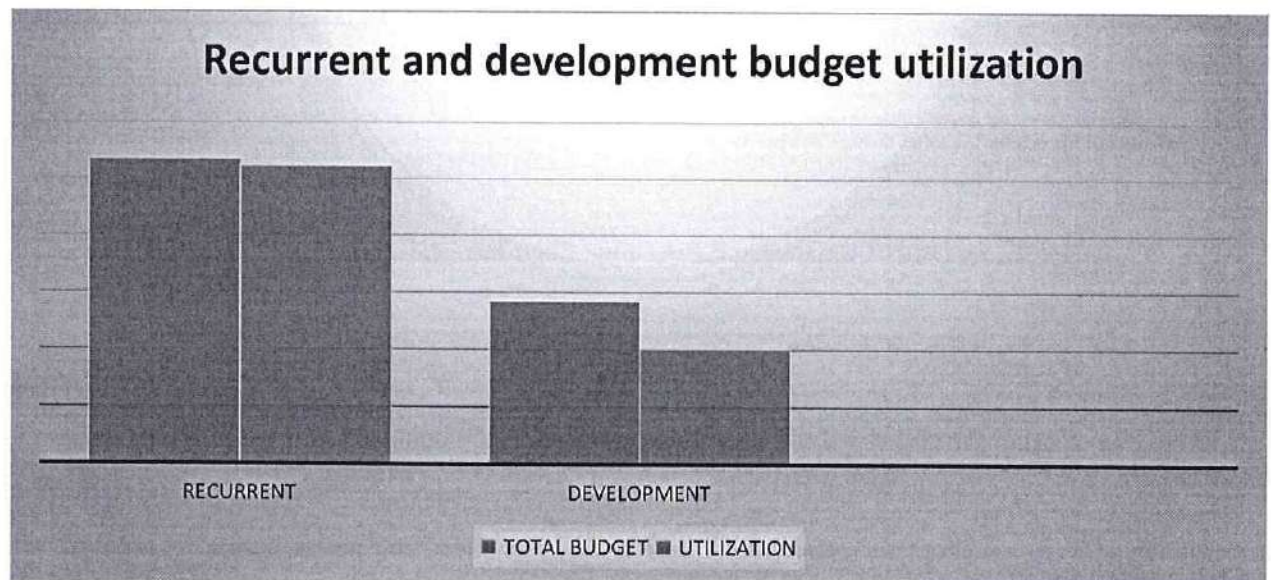
4. Foreword by CECM Finance and Economic Planning

The functions of the Nyeri County Government, as guided by the County Governments Act, 2012 and the Public Finance Management Act, 2012, include the prudent management of public resources and the promotion of accountability and transparency in financial operations. In relation to financial reporting, the County Treasury is mandated to prepare, maintain, and publish timely and accurate financial statements that reflect the County's fiscal position and performance. This involves budget formulation and implementation, revenue mobilization, expenditure control, and monitoring of financial activities across all departments. The County Executive Committee Member (CECM) for Finance and Economic Planning is responsible for overseeing these processes, ensuring compliance with financial regulations.

The County remains committed to be strictly guided by the fiscal responsibility principles by ensuring that the statements presented portray the true and fair financial position of the County Government for the FY 2024-2025.

Budget Performance

In the current financial year, the County Government of Nyeri Executive had an approved budget of Kshs, 8,207,408,969 comprising Kshs 5,359,750,022 for recurrent expenditure and Kshs 2,847,658,947 for development. As at the end of the reporting period, the actual revenue receipts amounted to Kshs, 7,185,429,067 representing 88% budget funding. Expenditure utilization stood at Kshs 7,251,269,505 approximately 88% of the total budget which comprised of Kshs 2,010,760,004 percentage of 71% utilization in development budget, while recurrent expenditure recorded Kshs 5,240,509,501 a 98% utilization rate.



Performance of key development projects.

Nyeri County Projects:

The County Government of Nyeri is committed to providing quality services to its citizens and improving the lives of all Nyeri residents. Below is an overview of the County Government's performance for the year 2024/25 and highlights its key achievements as indicated below per departments.

Health Services

The department of health Services is mandated to oversee and coordinate the overall health service delivery systems. The Department is focused on attaining the goal of "Health for all, by all" working with both the duty bearers and rights holders alike through a Primary Health Care (PHC) approach. This approach embraces curative and rehabilitative care concurrently with preventive and promotive care, a continuum of care through the populations' life cycle and a tiered and integrated people-centered health care system from households.

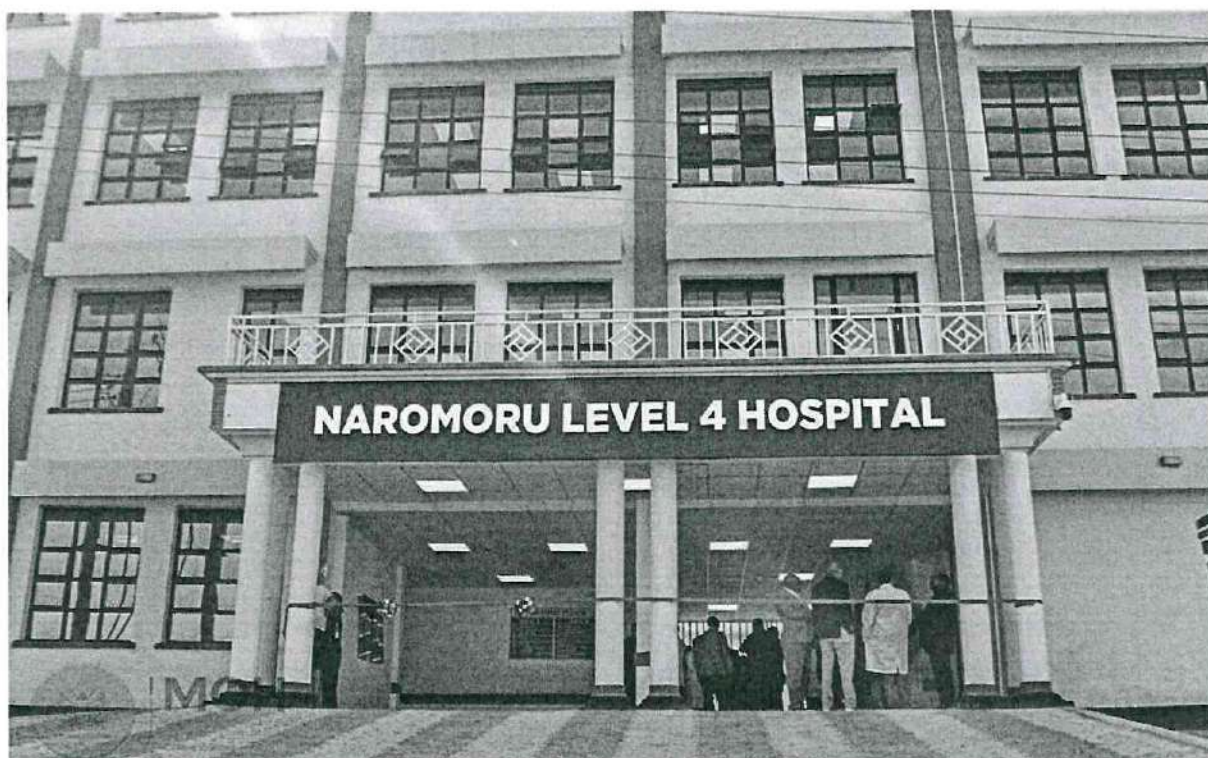
Sector Development Needs and Priorities

- i. To strengthen health systems, general planning logistical and other support.
- ii. Reduce incidence of preventable diseases
- iii. Provide quality clinical and emergency services and referrals.
- iv. To promote collaboration in resource mobilization and implementation of sector activities.
- v. To enhance adoption and integration of information communication and technology.

Financial Performance Report

In the financial year 2024/25, the department's approved budget amounted to Kshs 3,569,004,506 for recurrent and Kshs 538,093,812 for development.

By the end of the fourth quarter, the department spent Kshs. 2,729,473,560 on the recurrent while Kshs. 359,920,446 was spent on development. This represents an absorption rate of 98.78 percent of the total budget for the financial year 2024-2025 however since, inception of devolution the department has had several mega projects including the **Narumoru Level 4 Hospital** a transformative "mega project" designed to uplift regional healthcare infrastructure.





State-of-the-art 35-bed maternity facility has been constructed to decongest the Nyeri County Referral Hospital



The new mother and child Hospital at the Nyeri Health Centre at Nyeri Town

RENOVATION OF WARDS 1, 5 & 6 AT PGH



Proposed upgrade of Wamagana level 3 hospital to level 4 hospital



This development marks the transformation of the Wamagana Health Center from a Level 3 to a Level 4 facility. For decades, it has faithfully served the people of Tetu, and over time, the demand and workload it has handled have grown to match those of a Level 4 hospital.

The hospital is expected to serve a catchment population of 13,000 residents and handle an annual outpatient workload of more than 38,000 cases, effectively decongesting Nyeri County Referral Hospital.

IHURURU REHABILITATION CENTRE



Ihururu rehabilitation centre

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The state-of-the-art-facility which is almost complete is being funded jointly by the County Government of Nyeri and NACADA.

Executive Office of the Governor and Deputy Governor

The Governors' Office is responsible for setting the county's development agenda policy and strategic direction and ensuring that the agenda is clearly understood and owned by stakeholders, especially the citizenry, and implemented in an efficient, effective and responsive manner.

Governor's office strategic direction includes: To enhance good governance and to ensure an efficient, effective, and responsive public service.

Financial Performance Report

In the financial year 2024/25, the office's approved budget amounted to Kshs 169,351,070 for recurrent and Kshs 43,854,087 for development.

By the end of the quarter, the department's cumulative recurrent expenditure was Kshs. 155,968,890 and Kshs. 40,916,785 spent on development expenditure. This represents 92 percent absorption of the total budget earmarked for the financial year.

Office of the County Secretary/Head of Public Service

In the financial year 2024/25, the unit's approved budget amounted to Kshs 344,641,054 for recurrent and Kshs. 7,011,669 for development purposes.

By the end of the financial year, the entity's recurrent expenditure was Kshs 341,162,652 while Kshs. 6,823,043 was spent on development. This represents 98 percent of the department's total budget

Finance, Economic Planning and ICT

In the financial year 2024/25, the department's approved budget amounted to Kshs 635,151,076 for recurrent and Kshs 22,135,334 for development. By the end of the financial year, the department's recurrent expenditure stood at Kshs 605,683,942 and Kshs. 20,995,324 was spent on development. This represents an absorption rate of 95 percent of the total budget during the financial year.

Lands, Housing, Physical Planning and Urban Development

The activities in this department affect the lives and livelihoods of the community by how they utilize the land as a resource to realize their social-economic goals.

Department's development priorities and strategies

- i. Promote access to quality, affordable and decent housing.
- ii. To promote controlled and sustainable land use management.

- iii. Develop a GIS data-based system.
- iv. Secure land tenure for public utilities.
- v. Urban areas development program.

In the financial year 2024/25, the department's approved budget amounted to Kshs. 84,880,179 for recurrent and Kshs 438,337,861 for development. By the end of the financial year, the department's cumulative recurrent expenditure stood at Kshs 84,386,214 and Kshs. 343,948,424 was spent on development. This represents 82 percent absorption of the total budget earmarked for the financial year.

Since the onset of devolution, the Department of Lands, Housing, Physical Planning, and Urban Development in Nyeri County has made notable strides across key sectors. Under the Kenya Informal Settlement Improvement Programme (KISIP 1), the department successfully issued over 700 title deeds to residents in informal settlements such as Ihwagi, Miiri, Githeri, Mweiga (Gikomo/Kiawara), Kiamwathi, and Njoguini. The continuation of this program through KISIP 2 has seen significant infrastructure development in five settlements Kiamwathi, Chorong'i, Kiawara, Mweiga, and Ihwagi. These developments include the construction of tarmac roads with proper drainage, installation of street and high-mast security lighting, construction of footpaths, water towers, ablution blocks, and establishment of waste management facilities aimed at improving the living conditions in these areas.

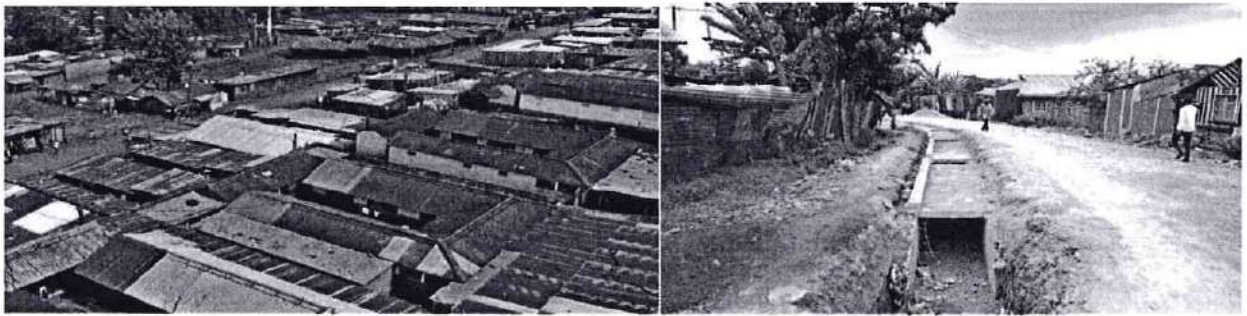
With regard to physical planning and land administration, the department has achieved considerable progress by planning 23 settlements and urban centers and surveying 20 of them. A total of 721 title deeds has been processed, and the County Spatial Plan has reached its final draft stage, complemented by the establishment of a GIS laboratory, which is awaiting full operationalization.

The department has also undertaken the preparation of eight local physical and land use plans for towns such as Naromoru, Mukurwe-ini, and Ngorano. Other initiatives include the ongoing survey and registration of colonial villages and conducting topographical surveys for 13 market centers across the county. These planning and surveying efforts are aimed at promoting orderly development and facilitating access to land ownership through proper documentation.

In housing development, the department is actively developing strategies for the renewal and redevelopment of aging county housing estates located in Karatina, Blue Valley, and Naromoru. To support sustainable construction practices, youth groups have been trained in the use of Alternative

Building Materials and Technologies (ABMT). This aligns with the county's goals under the CADP 2020/21, which prioritize the construction of affordable housing, promotion of cost-effective and locally appropriate building technologies, and the redevelopment of existing public housing estates.

Finally, as part of broader infrastructure development, the department completed the upgrade of 32 kilometers of roads within Nyeri Municipality and oversaw the construction of a bridge valued at Kshs 50 million. These infrastructure projects have enhanced accessibility, mobility, and economic activity within the county, contributing to the overall goal of sustainable urban development and improved service delivery for residents.

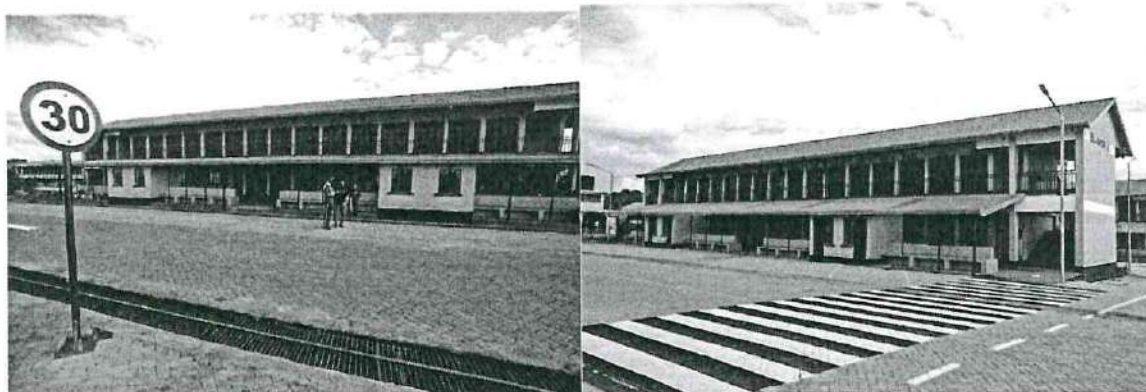


*Ground-level view of an informal settlement block, highlighting the terrain and existing shelter layout
KISIP Phase 1*



Informal settlement upgraded under KISIP II

provides a glimpse into improvements like formal roads, drainage, and title deed facilitation in these areas under KISIP 2.



Field marshal Muthoni Kirima bus termini

Gender, Youth, Sports and Social Services

Department's priorities and strategies is to increase access to social welfare services and community empowerment opportunities, to promote youth and gender inclusion, to prevent and mitigate against disasters and their effects, to harness sports talent and improve sports infrastructure.

In the financial year 2024/25, the department's approved budget amounted to Kshs 100,572,816 for recurrent and Kshs 125,929,510 for development.

By the end of the financial year, the department's cumulative recurrent expenditure stood at Kshs 96,204,364 and Kshs. 109,228,324 spent on development. This represents 91 percent absorption of the total budget earmarked for the financial year.

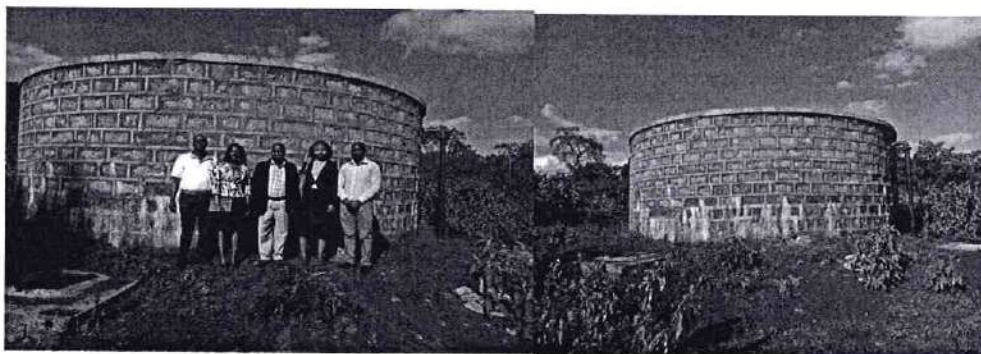
Nyeri County has proactively strengthened its disaster preparedness and response systems since 2018 to mitigate the impact of natural and human-made disasters on its residents. The County's efforts are

anchored on the establishment and operationalization of the County Disaster Management Committee (CDMC), which coordinates multi-sectoral responses and collaborates closely with the national government and partner agencies



Nyeri County fire engine

Water tank in Mathira, fully funded by County Government of Nyeri. It will supply both Kirimukuyu and Ruguru wards.





Promotion of Youth sports in Nyeri County KYISA games

County Public Service and Solid Waste Management

Department's priorities; Ensure an efficient, effective, and responsive public service, Create a good organizational culture within the county public service, Leverage on the use of ICT and innovation for efficient service delivery, To achieve sustainable solid waste management

In the financial year 2024/25, the department's approved budget amounted to Kshs 198,534,968 for recurrent and Kshs. 57,420,918 was allocated for development.

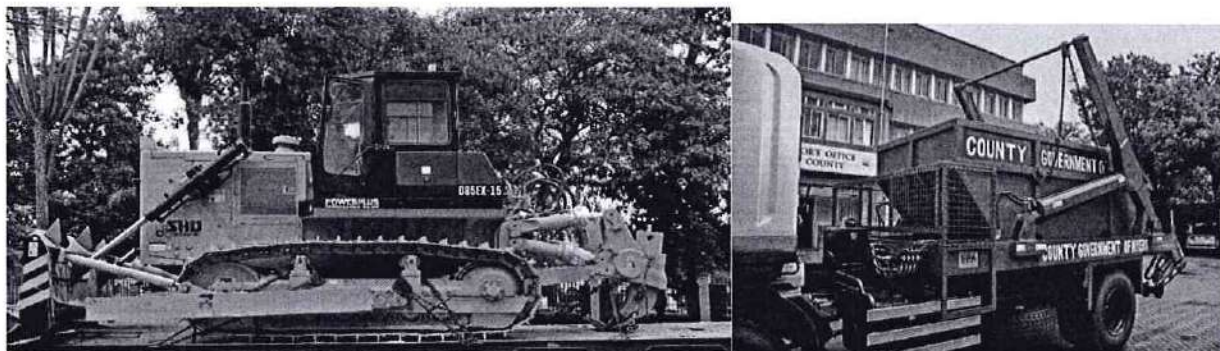
By the end of the financial year, the department's cumulative recurrent expenditure stood at Kshs. 197,087,356 and Kshs. 49,714,106 was spent on development representing 96 percent absorption of the total budget earmarked for the financial year

Since 2022, Nyeri County has embraced public-private partnerships to enhance its waste management systems. Partnerships were forged with PETCO (Kenya PET Recycling Company), WEEE Centre, Jupiter Neon, and Biogas International. These collaborations enabled the county to train residents and waste handlers, introduce color-coded bin systems, facilitate e-waste handling, and pilot an organic waste-to-biogas conversion project at the Karindundu dumpsite. To date, the county operates 53 skip bins, 15 waste chambers, and 8 collection trucks to improve collection efficiency.

Between 2019 and 2020, the county significantly scaled up its operational infrastructure. It acquired three specialized garbage trucks, in addition to seven inherited vehicles and installed 48 skip bins and 15 waste chambers to bolster collection and containment. The county also processed 35,000 tonnes of solid waste annually, which accounted for 85 percent of all waste generated. Enhancements at dumpsites included periodic compaction, maintenance of motorable access roads, construction of perimeter walls, floodlighting for security, and the creation of sorting sheds and an ablution block at Karindundu.

Reflecting on earlier initiatives, Nyeri County acquired a new side-loading garbage truck in July 2018 to strengthen its operational capacity in waste collection. The same year, the county began clearing

and relocating the Asian Quarters dumpsite, underscoring its commitment to reducing environmental hazards in urban areas.



bulldozer and garbage truck for dams and solid waste management

Agriculture, Livestock and Aquaculture Development

The Agriculture, Livestock and Aquaculture Development Department drives agricultural productivity and fortify food security. This department is structured around several crucial directorates; Agriculture, Livestock Production, Veterinary Services, Fisheries and incorporates key County Government institutions such as the Wambugu Agricultural Training Centre and Agriculture Mechanization Services (AMS)-Narumoru. Together, these entities are key in propelling forward the county's agricultural and livestock initiatives.

Central to the department's mission is the enhancement of crop production and productivity, the promotion of livestock development, and the advancement of aquaculture and fisheries. It is committed to deliver high-quality agricultural training and resources, which empower local farmers and foster sustainable agricultural practices. Additionally, the department prioritizes improving access to animal welfare services, including disease prevention and control, crucial for maintaining the health and productivity of livestock.

In the financial year 2024/25, the department's approved budget amounted to Kshs 246,021,416 for recurrent and Kshs 306,571,915 for development.

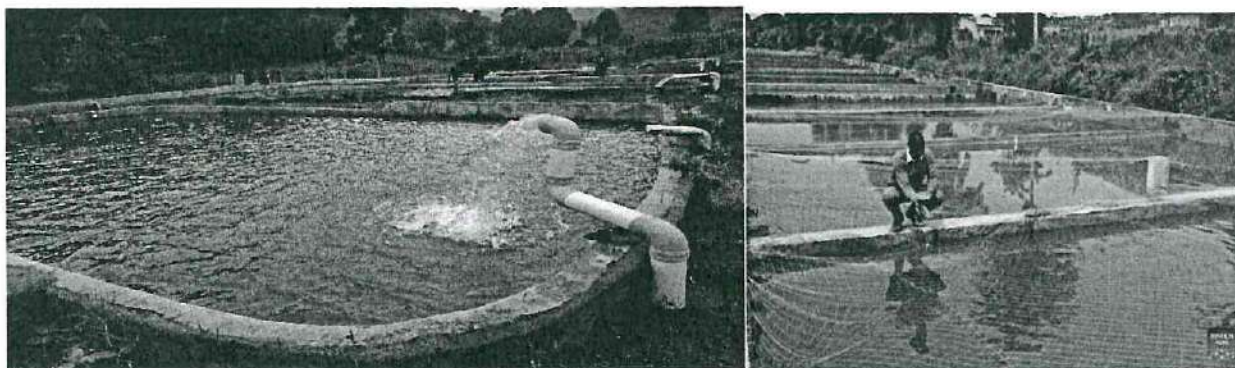
By the end of the financial year, the department's expenditure stood at Kshs 244,736,295 on recurrent while Kshs. 157,883,421 was incurred on development. This represents 73 percent absorption of the total budget earmarked for the financial year during the period under review.

Since the onset of devolution, Nyeri County has prioritized agricultural transformation through structured institutional frameworks. The Department of Agriculture, Livestock & Fisheries is driven

by a vision “to ensure food and nutrition security for the county citizen and job creation” and a mission aiming “to improve agricultural productivity through promotion of innovative, competitive and sustainable agriculture, livestock, and fisheries production systems” The county's priority value chains include dairy, coffee, tea, horticulture, aquaculture, Irish potatoes, and drought-escaping ventures like fodder and local chicken. Core functions span crop productivity enhancement, livestock production development, fisheries management, mechanization, pest and disease control, and post-harvest value addition.

The Directorate of Agriculture highlights Nyeri's diverse crop production. Kieni sub-counties have emerged as major floriculture hubs, thanks to expansive land holdings and crop diversity

On aquaculture and fisheries, the county government's investment directory underscores aquaculture (including fish farming, cage systems, and freshwater fisheries) as a key agribusiness opportunity This builds on the county's livestock and fisheries mandate, these efforts complement traditional livestock farming across both rural and peri-urban setting



Fish farming in action



PASTURE FARMING AT NAROMORU IN KIENI EAST



Animal feeds processing plant at Gakawa Ward

Innovation material to value chain groups in Kieni

Trade, Culture, Tourism and Co-operative Development

The department's mission is to create a sustainable socio-economic environment, transform Nyeri into a globally competitive tourist destination, and strengthen cooperatives through investment facilitation, heritage promotion, and enabling legal frameworks. It operates under three key directorates; Trade, Tourism & Culture, and Cooperative Development each tackling distinct but interrelated mandates

Through Trade & Enterprise development Nyeri County has established the Nyeri County Enterprise Development Fund, which has disbursed approximately KShs 78.6 million to 235 micro and small enterprises. The fund supports businesses, asset acquisition, LPO financing, and technology upgrades with attractive terms such as 5% interest rates and a maximum loan tenure of 24 months, and has also extended financing up to KSh 1 million for cooperatives.

In the financial year 2024/25, the department's approved budget amounted to Kshs 68,053,631 for recurrent and Kshs 110,502,269 for development.

By the end of the financial year, the department's cumulative recurrent expenditure stood at Kshs 58,888,388 and Kshs. 90,043,035 was spent on development. This represents 83 percent absorption of the total budget earmarked for the financial year 2024-2025

Nyeri County is advancing a significant County Aggregated Industrial Park (CAIP) project valued at KSh 500 million, located in Naromoru, Kieni Constituency, on 30 acres of land previously used for agricultural mechanization services. Funded equally by the development partners and county governments, the park aims to support key agricultural value chains such as coffee, avocado, dairy,

and Irish potatoes by providing aggregation centres, sorting and warehousing facilities, value addition services including cooling plants, and improved logistics infrastructure. Strategically positioned near the Nyeri–Isiolo highway and Chaka Railway Station, the industrial park is expected to enhance market access, increase shelf life of produce, and boost export potential. This initiative aligns with Nyeri’s 2023–2027 CIDP priorities that emphasize industrialization, including expanding Kenya Industrial Estates sites and supporting Jua Kali artisans through subsidized machinery and clustering. The project is anticipated to create new employment opportunities, strengthen producer-market linkages, and promote regional agro-processing, positioning Nyeri as a hub for agricultural transformation and economic diversification.

Education Training and Devolution

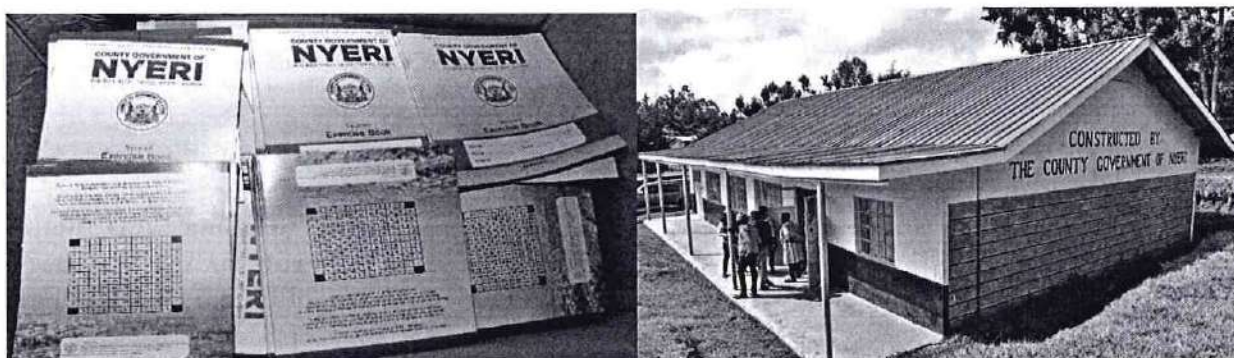
The Department of Education, Training, and Devolution in Nyeri County plays a critical role in driving inclusive development through quality early education, vocational skills training, and decentralized governance. Since the onset of devolution, the county has prioritized investments in Early Childhood Development Education (ECDE), Vocational Training Centres (VTCs), and bursary support to ensure equitable access to education for all learners. At the same time, the department oversees the implementation of devolution policies and coordinates functions that bring services closer to citizens at the grassroots. By aligning its strategies with the County Integrated Development Plans (CIDPs) and national education and governance frameworks, the department seeks to empower young people with practical skills, strengthen public service delivery, and deepen citizen participation in local development.

During the financial year 2024/2025, the Department of Education, Training, and Devolution in Nyeri County was allocated a total budget of Kshs 579,379,454, comprising Kshs 470,692,113 for recurrent expenditure and Kshs 108,687,341 for development. By the close of the financial year, the department had spent Kshs 431,865,081 on recurrent activities and Kshs 72,099,445 on development initiatives. This brings the overall budget absorption rate to approximately 87% indicating effective utilization of funds in line with planned programs, including support for ECDEs, vocational training, and administrative coordination under the devolution docket.

Since devolution, the Department of Education, Training & Devolution in Nyeri County has been instrumental in expanding access to early education and technical skills. The department's vision of empowering youth with multi- skills has translated into concrete commitments: supplying 650 chairs

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and tables for ECDE teachers, distributing 10,000 exercise books, and enhancing infrastructure across Early Childhood Development Education (ECDE) centers and Vocational Training Centers (VTCs). It also supports vocational training by offering 500 youths technical and vocational instruction and providing 200 startup kits for income-generating activities. These efforts are complemented by the Elimu Fund, which provides bursaries to 15,500 needy students to improve retention and completion rates in learning institutions



Water, Environment and Climate Change

The Water, Environment, and Climate Change Department of Nyeri County plays an integral role in enhancing the quality of life for its residents by providing essential services across three primary directorates: Water Supply, Irrigation Services, Environment and Climate Change. This department is dedicated to delivering impactful solutions that improve local living conditions, focusing on sustainable water supply systems, efficient irrigation, and robust environmental management, all while ensuring value for money and optimal service delivery.

In the financial year 2024/2025, the Department of Water, Environment, and Climate Change in Nyeri County was allocated a total budget of Kshs 455,036,347, comprising Kshs 78,118,595 for recurrent expenditure and Kshs 376,917,752 for development. By the close of the financial year, the department had spent Kshs 76,361,373 on recurrent operations and Kshs 187,237,080 on development projects. This resulted in an overall budget absorption rate of 58%, indicating that just over half of the allocated funds were utilized during the fiscal year. The relatively low development expenditure may be linked to the multi-year nature of major water and climate-related infrastructure projects, procurement

timelines, or delays in funding disbursement. Nevertheless, the department made progress in expanding access to clean water, enhancing environmental conservation efforts, and initiating climate change resilience programs across the county.

In the early years following devolution, Nyeri County allocated over Kshs 270 million to the Department of Water, Environment & Natural Resources to enhance water services, environmental conservation, and sanitation infrastructure. Key deliverables included the rehabilitation of dams (Kiguru and Biricha costing Kshs 7.66 million), construction of 22 masonry water tanks (100–225 m³ capacity) across multiple sub-counties at a cost of Kshs 56.7 million, development of two water treatment plants in Narumoru and Titie (totaling ~Kshs 40 million), and drilling 15 boreholes 12 of which were completed—supported by pump procurement through the Rural Electrification Authority. The county also distributed over 93,000 seedlings, including indigenous and fruit trees planted across riparian zones, schools, and community forests.

The county has also initiated river and spring rehabilitation under the Financing Locally-Led Climate Action (FLLoCA) programme. In 2024–25, springs such as Hathia, Gachie, Wamagana, Ituu, Gaikuru, Kinoria, Kiguongo, and Kanjata received upgrades including fencing, drainage culverts, gabions, and cattle troughs to enhance water security and environmental resilience

County Public Service Board

The County Public Service Board (CPSB) of Nyeri plays a central role in county governance by establishing and abolishing offices within the public service and appointing qualified individuals to serve in those roles. The board's key priorities include ensuring an efficient, effective, and responsive public service, fostering a positive organizational culture, and leveraging ICT and innovation to enhance service delivery across county departments.

In the financial year 2024/2025, the board was allocated a total budget of Kshs 53,843,913, with Kshs 47,843,913 designated for recurrent expenditure and Kshs 6,000,000 for development. By the end of the financial year, the board had recorded a recurrent expenditure of Kshs 47,592,369 and Kshs 5,907,387 in development spending, translating to an overall budget absorption rate of 99%. This high utilization rate reflects the board's commitment to delivering on its mandate efficiently while maintaining prudent financial management.

Transport, Public Works, Infrastructure and Energy

The Department of Transport, Public Works, Infrastructure, and Energy in Nyeri County is pivotal to the county's socio-economic development, focusing on the construction, maintenance, and management of critical transport networks, public infrastructure, and energy services. Since devolution, the department has been instrumental in enhancing road connectivity through upgrading and rehabilitating road networks, bridges, and drainage systems, thereby improving access to markets, schools, and health facilities. It also oversees the development and maintenance of public buildings, markets, and other county assets to ensure sustainable urban and rural development.

On the energy front, the department promotes renewable energy initiatives, rural electrification and solar street lighting projects to expand access to affordable and reliable power, which is essential for economic growth and improved quality of life.

In the financial year 2024/2025, the Department of Transport, Public Works, Infrastructure, and Energy in Nyeri County was allocated a total budget of Kshs 625,402,620, comprising Kshs 99,035,154 for recurrent expenditure and Kshs 526,367,466 for development projects. By the end of the financial year, the department had utilized Kshs 98,379,616 on recurrent activities and Kshs 507,336,701 on development initiatives. This reflects an overall budget absorption rate of 97%, indicating strong financial management and substantial progress in executing critical infrastructure and energy projects.

The department's investments during this period focused on road network upgrades, bridge construction, public facility refurbishments, and energy expansion programs, all contributing to improved service delivery and socio-economic growth across the county.

Since devolution, the department has made significant strides in improving the county's infrastructure to boost economic growth and enhance the quality of life for its residents. A major focus has been on upgrading and maintaining the road network, with over 150 kilometres of roads improved across urban and rural areas. Within Nyeri Municipality, key roads have been tarmacked and widened to reduce congestion and facilitate smoother movement of people and goods. The department has also constructed and rehabilitated critical bridges in flood-prone zones, ensuring year-round accessibility and improving safety for residents and traders alike. Additionally, feeder roads in remote parts of the

county have been developed, providing better access to farms, schools, and health facilities, while drainage systems have been installed alongside roads to mitigate flooding and prolong their lifespan. Public works have also seen considerable progress, with the construction and refurbishment of county administrative offices and other public buildings aimed at improving service delivery. Modern market facilities and transport hubs, such as the field Marshall Muthoni Kirima Terminus, have been developed to enhance urban transport efficiency and stimulate local trade. The department has invested in street lighting across major towns, which has contributed to increased public safety and enabled extended business hours, thereby promoting economic activities in the evenings. These infrastructure developments have not only improved the physical environment but have also strengthened the delivery of county services to residents.

Energy initiatives form a critical part of the department's agenda, focusing on expanding access to affordable and reliable power, particularly in rural areas. The department has partnered with national agencies to extend the electricity grid to underserved communities, thereby supporting socio-economic activities that depend on energy access. Renewable energy solutions have been promoted, including the installation of solar-powered streetlights and solar systems in public institutions. These efforts aim to reduce reliance on traditional biomass energy, lower carbon emissions, and foster sustainable energy use in the county.

In the financial year 2024/25 alone, the department achieved significant milestones, including the completion of over 32 kilometres of road upgrades within Nyeri Municipality and the construction of key bridges that improve connectivity and safety. There has also been an expansion of solar-powered street lighting systems and continued rehabilitation of drainage and flood control infrastructure. Through consistent collaboration with national bodies, the department has enhanced rural electrification and energy infrastructure development. Overall, these projects demonstrate the department's commitment to building resilient transport networks, modern public infrastructure, and sustainable energy systems that collectively drive Nyeri County's development forward.



Upgrade of parking areas Opp Nyeri star hotel and Gicigo area, Mwiyo/Endarasha Ward road



Recarpeting of Nyeri town roads



Installation of high mast street lights

Office of the County Attorney

The Office of the County Attorney serves as the principal legal adviser to the County Governor, with its main priority being the strengthening of the county's policy and legal framework. In the financial year 2024/25, the office was allocated a budget of Kshs 48,657,778 for recurrent expenditure. By the end of the fourth quarter, the office had spent Kshs 42,165,113 representing an absorption rate of 87% of the total recurrent budget for the year.

Nyeri Municipality

Budget performance

During the 2024/25 financial year, the Municipality of Nyeri was allocated a dedicated municipal vote amounting to Kshs.215,315,893. This allocation consisted of a conditional grant of Kshs.99,823,519 and County funding of Ksh.115,492,374. Out of the total conditional grant, Kshs.64,823,519 was not

received within the reporting year, resulting in actual receipts totalling Kshs.118,435,184. This marked a significant milestone in enhancing structured planning, streamlined budget execution, and improved accountability in service delivery.

The Municipality utilized Kshs.89,566,694 of the funds received. This reflects a utilization rate of approximately 42% of the total budget, this low absorption was due inadequate funding from the development partner.

Outputs, outcomes and impacts

Since the operationalization of the Municipality, there has been tangible and measurable outputs. These developments have contributed to improved urban governance, better service delivery, and institutional growth. The achievements reflect the combined effort of the County Government, the Municipal Board, and the development partners such as;

The finalization of the Integrated Development Plan (IDeP) 2024–2029 was a key milestone, providing a strategic roadmap for long-term planning. A comprehensive induction program for board members was successfully conducted, enhancing their capacity to govern effectively. Additionally, the development and adoption of the Traffic Management Bylaws marked a significant legislative achievement, setting the foundation for improved urban mobility.

The Municipality upgraded 6.98 kilometers of roads. Notable ongoing projects include Field Marshal Mutungi Road, Kirichu Shopping Centre, and Muringato Access Road by the end of the financial year.

In the area of urban renewal, the department completed Phase 1 of the Smart Transport Terminus through funding from the Kenya Urban Support Programme (KUSP). The modern facility includes 240 matatu bays, 528 business kiosks, six restaurants, an ICT hub, sanitation facilities, water tanks, refuse points, a powerhouse, and 60 street lights. This project has not only expanded Nyeri's Central Business District (CBD) but also significantly reduced urban congestion and enhanced the town's commercial environment by creating a more organized transport system and business-friendly infrastructure.

Additionally, the department has completed the draft Valuation Roll for Nyeri Municipality. As part of the County Integrated Development Plan (CIDP) 2018–2022, key targets met include conducting

feasibility studies for the redevelopment of a county housing estate, training youth in alternative building technologies, refurbishing public housing units, and upgrading urban infrastructure, including roads, drainage systems, and street lighting.



In the year under review, 10,075 tons of solid waste was collected. The Municipality successfully organized quarterly clean-up campaigns in Nyeri Town. These campaigns fostered greater citizen participation and heightened environmental awareness within the community. The active involvement of residents, local organizations, and schools demonstrated a growing commitment to maintaining a clean and healthy urban environment.



Town Clean-Up Exercise in partnership with Nyewasco as part of its Corporate Social Responsibility (CSR) initiative.

During the reporting year, the municipality undertook a comprehensive tree planting exercise as part of its environmental conservation and climate change mitigation efforts. This initiative was conducted in collaboration with local schools, community institutions, and environmental groups. A total of over 500 indigenous and ornamental tree species were planted in strategic locations, including school compounds, public institutions, road reserves, and community parks.



Tree planting exercise at Muruguru Girls secondary school

The “Adopt a Roundabout/Street” initiative led to the beautification of five public spaces through public-private partnerships. These efforts not only enhanced the aesthetic appeal of the urban environment but also significantly reduced maintenance costs.



Four citizen forums were held during the year, providing vital platforms for participatory budgeting, feedback on service delivery, and transparency. These engagements helped strengthen accountability mechanisms and ensured that development priorities aligned with community needs.



Public participation on the financial & development trajectory



Tazama- Nyamachaki road

Signalling recent upgrades in street infrastructure and overall urban improvement.

e) Value-for-money achievements

Nyeri County has made progress in ensuring value-for-money through responsible public finance management, strategic investment, and effective service delivery across sectors. The County's departments have demonstrated prudent use of resources by aligning expenditures with key priorities such as healthcare, infrastructure, education, and urban development.

Successful implementation of flagship projects like the Field Marshall Muthoni Kirima Terminus, modern health facilities, rural road upgrades, and ward-based services has contributed to improved livelihoods and local economic growth. Transparent procurement processes and growing focus on monitoring and evaluation have further enhanced accountability and project efficiency.

However, to fully optimize the impact of development funds, the County must continue improving development budget absorption rates and strengthen implementation capacity. Overall, Nyeri's commitment to fiscal discipline and impactful service delivery reflects a strong foundation for sustained, inclusive development.

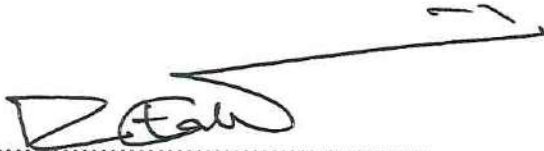
f) Challenges and Recommendations

Budget implementation in Nyeri County was significantly constrained by delays in fund disbursements from the National Treasury, which affected the timely commencement and progress of development projects. The late approval of the Division of Revenue Bill and related legislations further disrupted the flow of funds, negatively impacting service delivery. Additionally, the county continues to grapple with a high wage bill, which limits the fiscal space available for development spending. Addressing this challenge will require sustained efforts to increase own-source revenue to targeted levels without compromising essential services. Further, the delayed release of conditional loans and grants where some were occurring after the end of the financial year meant that planned activities under these funds could not be executed.

To enhance the effectiveness of project implementation, better intergovernmental coordination and the timely release of funds are strongly recommended.

a) Risk management strategies applied by the County Executive

The County Executive has implemented key risk management strategies focused on strengthening internal controls and conducting regular audits to ensure accountability and prevent financial mismanagement. Comprehensive monitoring and evaluation systems have been established to track project progress and identify risks early, while capacity-building initiatives equip staff with skills for effective risk mitigation. Additionally, contingency planning and active stakeholder engagement are employed to prepare for unforeseen challenges and enhance coordinated responses, thereby promoting efficient service delivery and sustainable development in Nyeri County.



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CECM Finance, Economic Planning and ICT

County Government of Nyeri

5. Statement of Performance against Predetermined Objectives

Strategic development objectives

The County's 2023-2027 CIDP has identified four (4) key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's Vision 2030, SDGs and the MTP IV.

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the 2023-2027 County's CIDP are to:

1. Ensure an efficient, effective, and responsive public service
2. Create a good organizational culture within the county public service.
3. Leverage on the use of ICT and innovation for efficient service delivery.
4. Enhance good governance

Below we present the progress made in attaining the objectives of the 2023-2027 CIDP for Nyeri County

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Office of the Governor

S/No	Strategic Objective as per CIDP (present the objectives on a high and strategic level)	Targeted Outcome	Performance/Progress made up since inception from the latest CIDP	Remarks (Explain the reasons underperformance/ Overperformance)
1	Ensure an efficient, effective, and responsive public service	Enhanced employee productivity and customer service.	Have promoted staff welfare by promoting 10 staff who were due for promotion and trained more than 20 officers.	Staff training is undertaken after a Training needs assessment is carried out
2	Create a good organizational culture within the county public service	An efficient workforce.	Have carried out 2 surveys (year 2023 and 2025) to establish the index and provide recommendations for improving it.	A team of experts in the county carries out these surveys and ensures continuous follow-up on level of implementation for survey recommendations.
3	Leverage on the use of ICT and innovation for efficient service delivery.	Enhance service delivery through automation	-In the process of establishing a knowledge management unit. Departmental champions have been identified and trained. -Have promoted automation in service delivery by ensuring all	These commitments are achieved through ensuring it is a target in performance contracts.

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				departments commit to digitalizing service delivery processes.	
4	Enhance good governance	Strengthened compliance and an informed citizenry	-This is a continuous process of citizen engagement. So far have held more than 500 public engagement fora. -Strengthened oversight bodies like the Performance Management Unit and embraced performance contracting. -The county in coordination with the national Government is developing guidelines on intra and inter-governmental relations.	The performance management oversees the coordination of performance in the county and has scaled up the achievement of these targets.	

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Department of Gender Youth and Social services

<i>Strategic Objective as per CIDP (present the objectives on a high and strategic level)</i>	<i>Targeted Outcome</i>	<i>Performance/Progress made up since inception from the latest CIDP</i>	<i>Remarks (Explain the reasons underperformance Overperformance)</i>
To increase access to social welfare services and community empowerment opportunities	Trained staff	Annual staff training Over 28 fire officers trained in ICS 41 officers trained on First Aid Induction training for all new recruited staff 2 officers trained in Sign language 11 officers trained on Gender mainstreaming and development. KSG training for officers KIBIT refresher co	Limited resources limit the number of officers that can undertake KSG and refresher courses per every financial year.
	Households provided with food and non-food items	Provided food and non-food items to over 368 households	
	Provision of basic and tertiary education to the vulnerable children	The department supports 68 children at Karatina children's home	The Children home is supported through a collaboration between the department and the community. Limited space to hold more vulnerable children

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	Provision of health care, food, and other items to the vulnerable children	The department supports 68 children at Karatina children's home	
	Capacity Building on socio-economic empowerment opportunities conducted	Trained over 1,600 youth, women and PWDs on AGPO, business skills and ICT. Trained over 1,500 widowers and women over on available economic opportunities.	
	Empowerment merchandise to affirmative action groups provided	Provided empowerment tools and equipment to over 200 Self Help Groups between 2023 to June 2025.	
	County Libraries Equipped	All the four libraries have been equipped.	
To promote gender and youth inclusion	Policies and legislations developed	The Gender and Development policy was launched in June 2024. The Youth Development policy was launched in November 2024.	
	Community Sensitized on Gender and Youth Issues	Held over 28 forums	
	Sanitary towels provided to women and girls	Over 2,800 vulnerable girls and women were sensitized on various topics and were also	These activities done have been done in collaboration with development partners to

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			issued with dignity kits.	ensure a holistic approach. During the dignity kits campaigns it was noted that the boy child is at risk and thus in FY 24/25 we incorporated them where over 400 boys were sensitized and issued with hygiene packs.
To prevent and mitigate against disasters and their effects		Awareness created	Held sensitization campaigns in all the sub counties. Conducted drills for various departments, institutions and organizations.	Limited resources limit sensitizations forums starting at the ward level.
		Disaster response, facilities constructed, and equipment procured	The Disaster unit has responded to over 600 disasters. The operationalization of Kiawara fire station	
To harness sports talent and improve sports infrastructure		Identification and nurturing of talent	The Talanta Hela games attracted over: - 200 teens aged below 18 yrs. - 25 boys and 25 girls were selected and went up to the National level. - Out of 25, 2 were	Limited resources play a major challenge in conducting games from the ward level.

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		selected to attend a camp in Spain KYISA – During the KYISA games in 2024, 32 men and 32 women were selected for the volleyball and football games held in Kilifi County. KYISA – During the KYISA games in 2025, 35 men and 35 women were selected for the volleyball and football games held in Homabay County. Participation in the KICOSCA games that staff from all the departments 4 stadia upgraded Over 30 teams supported with sports uniform and equipment.	
	Stadia construction and upgrading		
	Sports equipment and uniform provided		

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Department of Agriculture

S/No	Strategic Objective as per CIDP (present the objectives on a high and strategic level)	Targeted Outcome	Performance/Progress made up since inception from the latest CIDP	Remarks (Explain The reasons underperformance/ Overperformance)
1.	To create enabling working environment.	100%	62%	Low budgetary allocation
2.	To increase crop production and productivity	100%	10%	High cost of inputs and high reliance on rain-fed agriculture
3.	To promote livestock production	100%	70	Limited funds
4.	To promote Aquaculture and fisheries	100%	75	Low funding despite support from ABDP
5.	To provide quality agricultural training services and facilities	100%		
6.	To enhance to animal welfare, disease prevention and control	100%	87.58%	Poor turnout in 24/25 f/y due to political interference

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Department of Public works, infrastructure and Energy

<i>S/No</i>	<i>Strategic Objective as per CIDP (present the objectives on a high and strategic level)</i>	<i>Targeted Outcome</i>	<i>Performance/Progress made up since inception from the latest CIDP</i>	<i>Remarks (Explain the reasons underperformance/ Overperformance)</i>
1	Provide quality physical infrastructure in the County.	90kms of roads done to bitumen	2.0kms	Underfunded due to budgetary constraints
2	Provide clean, reliable, affordable, and sustainable energy	150	36	Underfunded due to budgetary constraints

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Office of the County Secretary

S/No	Strategic Objective as per CIDP (present the objectives on a high and strategic level)	Targeted Outcome	Performance/Progress made up since inception from the latest CIDP	Remarks (Explain the reasons underperformance/Overperformance)
1	Ensure an efficient, effective, and responsive public service	Enhanced employee productivity and customer service.	Have promoted staff welfare by promoting 3 staff who were due for promotion and trained more than 40 officers.	Staff training is undertaken after a Training needs assessment is carried out
2	Create a good organizational culture within the county public service	An efficient workforce.	Have carried out 2 surveys (year 2023 and 2025) to establish the index and provide recommendations for improving it.	A team of experts in the county carries out these surveys and ensures continuous follow-up on level of implementation for survey recommendations.
3	Leverage on the use of ICT and innovation for efficient service delivery.	Enhance service delivery through automation	-In the process of establishing a knowledge management unit. Departmental champions have been identified and trained. -Have promoted automation in service delivery by ensuring all departments commit to	These commitments are achieved through ensuring it is a target in performance contracts.

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			digitalizing service delivery processes.	
4	Enhance good governance	Strengthened statutory compliance and an informed citizenry	-This is a continuous process of citizen engagement. So far have held more than 500 public engagement fora. -The county in coordination with the national Government is developing guidelines on intra and inter-governmental relations.	The performance management oversees the coordination of performance in the county and has scaled up the achievement of these targets.

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Department of Lands Housing and Physical planning

S/No.	Strategic objectives as per the CIDP (Present the objectives on a high and strategic level)	Targeted outcome	Performance / Progress made since inception from the latest CIDP	Remarks (Explain the reasons underperformance/ Overperformance)
1.	Provision of land for affordable mass housing	Increased access to affordable housing	2 acres have been reserved.	In collaboration with the State Department of Housing, the county reserved 2 acres in Mukurweini for development of affordable housing.
2.	Maintenance and rehabilitation of county residential estates		15 units maintained	Inadequate allocation only provides room for minor repairs/maintenance
3.	Redevelopment of county estates			Lack of budgetary allocation. The department is in the process of redeveloping Mukurweini estate in collaboration with the State Department of Housing.
4.	Develop land use Policies.	Land use policy framework	3 Draft policies prepared	Draft policies prepared
5.	Approved Local physical and land use plans, survey plans, letters of allotment and title deeds.	Secure land tenure and sustainable land use	Ongoing Eight (8) Colonial settlements (Ichamara, Itundu, Ngorano, Ihwa, Gitegi, Warazo, Ruthagati and Iruri).	Projects ongoing. Disputes at the settlements delaying the progress.
6.	Improved GIS lab Integrated eDAMS and LIMS platform that	Streamlined development application and approval	GIS block complete	The lab is operational

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	and developed land information systems (LIMS) and Electronic Development Applications Management System E-DMS	processes and spatial data management	Edams and CLIMS project ongoing	Project ongoing
6	Acquisition of modern survey hardware, software, and geospatial data layers	Harmonious land use	0	Lack of budgetary allocation

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Department of Finance, Economic Planning & ICT

<i>S/No</i>	<i>Strategic Objective as per CIDP (present the objectives on a high and strategic level)</i>	<i>Targeted Outcome</i>	<i>Performance/Progress made up since inception from the latest CIDP</i>	<i>Remarks (Explain the reasons underperformance/ Overperformance)</i>
1.	To enhance revenue mobilization	Enhanced mobilization of resources	Revenue collected has consistently increased over the past years	Attributed to automation of revenue streams, Rapid Results Initiative (RRI), training of Revenue and Enforcement Officers, and sensitization of revenue payers
2.	To enhance management of public funds	Improved management of public funds	The department has complied with all the relevant laws and regulations in execution of its mandate	Compliance with PFMA, 2012, Public Procurement and Asset Disposal Act, 2015, County Government Act, 2012 Constitution of Kenya, 2010 and all relevant laws and Regulations
3.	To strengthen planning, monitoring and evaluation	Improved planning, monitoring and evaluation	Development of quality and inclusive county planning and budgeting documents	The quality of documents is informed by input from members of the public and all interested stakeholders. Their participation in developing the documents assists in prioritizing programs and projects that address needs for the community

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4.	To enhance adoption of ICT	Enhanced service delivery	There is continued smooth delivery of services across all the County departments and internet connectivity	Seamless operations enabled by reliable internet infrastructure across the county
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Department of Water and Climate change

S/NO	Strategic Objective as per the CIDP	Targeted Outcome	Performance Progress made up since inception from the latest CIDP	Remarks(Explain the reasons for Over-performance/Underperformance)
Water Development & Management				
1	Extension of sustainable water supply for domestic, livestock, irrigation and sanitation	Increased water distribution in Nyeri county Installation of solar panels for existing borehole sites in Nyeri county	76.7 KM (90.23%) of pipelines were procured and delivered 6 Boreholes were rehabilitated and equipped with solar panels (66.6%)	1 No Supplier did not complete the supply of pipes during the financial year, but delivery is ongoing. 2 No boreholes were awarded but drilling had not started and 4 No boreholes rehabilitation was completed.

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		Storage tanks constructed	3 tanks were constructed/ Rehabilitated or procured. (Masonry and steel tanks) (125%)	3 No Masonry tank rehabilitated
		Increase water storage at household level	70 household level tanks were procured and distributed (82.35%)	Plastic tanks of various sizes ranging from 5,000 litres to 10,000 litres procured.
		Rehabilitated water projects	1 dam was rehabilitated (100%)	Seamless tendering process
		Rehabilitated and Constructed water intakes	3 water intakes were constructed (300%)	Seamless tendering process
		Rehabilitated and Constructed Water Projects	48 Water Projects were rehabilitated and Constructed	Tendering done on time. Contractors adhered to the supply/ Consistent supervision of project works. Collaborations with various county stakeholders and communities
		Trained Water Users	No Water User was trained	Users not trained due lack of budget allocation
		Water bowser purchased	No Water Bowser was purchased	No Budget allocation
		Water treatment plants constructed	No Water treatment plants constructed	No Budget allocation

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Environmental planning, management and conservation				
	To promote sustainable use of the environment and management of the environment	A clean, healthy and safe environment		
			Specialized equipment purchased - Purchased biodegradable machine (glass crusher)	1 Glass crusher procured and delivered 100% done
			Consultancy services for the development of the Nyeri County State of environment Report and Nyeri County Environment Action plan	2 100% done

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		Training of community groups on environmental sustainability and management	1		Works is 100% completed
		Environmental awareness campaigns and sensitization forums held	4 Environmental Celebrations were undertaken (100%)		Successfully done
		Environmental impact assessment / audits	33 EIAs were done(2 were not done)		Works 94.3% completed
Forest and Conservation & Management					
	To promote sustainable use and management of forest resources	Improved forest management and conservation			
		Tree cover increase	-1,000,200 assorted seedlings		- coordinating the planting of 1,000,200 assorted tree seedlings with support from various stakeholders including KFS, KENGEN, KEFRI, NYEAWASCO, UTNWWTF among others
			-19,503 tree seedlings were procured,		-Distributed and planted in the following wards

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				distributed & planted	Karatiana, Chinga, kamakwa mukaro, Aguthi gaaki and Iriaini in Othaya.
	Purchase of Brush cutter with chainsaw attachment, haglof vanier callipers	1			Works 100% done
	Constructed forest guard houses	3			Budget was reallocated
	No of engine water pump and its accessories (hosepipe, 10,000litre tank)				Funds were not enough for the activity
	No of Braided hosepipe, watering cans, wheel barrows, spades, shade nets, machete, hoes				Funds were not enough for the activity
Climate Change					
Livestock production and management	Procurement and distribution of Dairy Goats	325			283 procured and distributed 83.1 %
	Procurement and distribution of Chicks	37,600			Works 100% done
To promote Value addition and marketing	Milk coolers	20			Budget was reallocated during supplementary
	Installation of Coffee solar dryers	4			Budget for 1 No. was re allocated during supplementary

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	Specialized machinery	1		
To promote Crop production and management	Certified seeds provided	10656		Works 100% done
To promote Spring protection and conservation	Spring development	7		Works 100% done

Progress on Attainment of Development Objectives from Annual Development Plan for FY 2025 County Government of Nyeri.

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement:

Below we provide the progress on attaining the stated objectives:

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Table xxI: Programme performance

Office of the Governor

Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY				Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance		
Executive Office of the Governor and the Deputy Governor	Ensure an efficient, effective, and responsive public service	Enhanced employee productivity and customer service.	Promoted staff	Number of promoted	10	10	0	10	10	0	All staff who were due for promotion and met the minimum requirement were promoted	
			Trained staff	Number of promoted and trained staff	20	20	0	45	45	0	Training is done annually, targeting all officers as per TNA carried out	
			Staff recruited.	Number of staff recruited	3	3	0	3	3	0	Recruitment is guided by the staff establishment	
			Improved work environment	Office equipment and furniture procured	10	7	3	15	20	5	The cabinet members were provided with procured tablets to reduce printing paperwork. Additionally, laptops were procured for departmental officers.	
	Create a good organizational culture within the county public service	An efficient workforce.										

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		Number of official residences constructed	Constructed an official residence	1	1	0	1	1	0	Governor's official residence is constructed
		Number of Motor vehicles procured.	Motor vehicles procured.	1	1	0	1	1	0	Deputy Governors vehicle procured
Leverage on the use of ICT and innovation for efficient service delivery.	Enhance service delivery through automation	Automated processes	No. of automated processes.	0	0	0	0	0	0	Automation of services is a commitment in FY 2025/26.
Enhance good governance	Strengthened statutory compliance and an informed citizenry	Approved Policies and Legislation	Number of policies and legislations approved.	2	2	0	2	2	0	Developed Resource mobilization and monitoring and evaluation framework policies
		Informed and active citizenry	No. of public forums conducted.	300	348	48	620	598	(22)	Citizen engagement slowed down due to financial constraints

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Department of Gender Youth and Social services

Program	Strategic objective	Outcome	Output	Output indicator	Achievement for the Financial FY			Cumulative achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
Disaster Risk Management	To prevent and mitigate against disasters and their effects	Enhance disaster response	Rehabilitated fire stations, staff houses constructed and equipped fire stations	Number of disaster response facilities rehabilitated/Constructed/Equipped	3	0	3	3	0	3	Budgetary constraints
			Repaired fire engines	No. of fire engines repaired	2	2	0	2	2	0	
			Constructed water hydrants	No. of water hydrants	3	0	3	3	0	3	Budgetary constraints
			Purchase of iron sheets and nails for disaster management, purchase of fuel & maintenance for disaster vehicles	Number of people assisted	Disaster victims	197	-	Disaster victims	368	-	
Sports Development	To harness sports talent and improve sports infrastructure	Improve infrastructure and talent development	Rehabilitated sports infrastructure and stadia	Number of Stadia	4	4	0	4	4	0	
			Sports equipment and uniforms	Number of teams	30	30	0	30	30	0	
			Improvement	No. of facilities	4	4	0	4	4	0	

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			of sports facilities	improved									
Social Welfare and Community Empowerment	To increase access to social welfare services and community empowerment opportunities	Enhance Social Welfare service delivery	Renovated social halls and youth hubs	Number of social halls	2	2	0	2	2	0			
			Equipping of offices	Number of offices	2	2	0	2					
			Equipping of libraries	No. of equipped libraries	6	4	2	6	4	2			
	Enhance Social Welfare Management and Protection		Support of Vulnerable homes with food and non-food items	Number of homes Supported	N/A	197	-	N/A	368	-			
			Provision of basic needs and education to vulnerable children at Karatina Children	No. of Children supported	68	68	-	68	68	-			
Gender and Youth	Improve Social Economic empowerment	Initiatives on empowerment for Youth, women and persons with disabilities	Socio Economic empowerment	No. of forums conducted	8	9	+1	16	21	+5			
			Purchase of sanitary	No. of vulnerable girls assisted	800	800	-	-	2800	-			
	To enhance gender and	Enhance Gender and											

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Development	youth inclusion	youth mainstreaming	Towels	No. of forums conducted	8	8	-	16	16	-	
		Gender forums	No. of forums held	8	8	20	+12	12	28	+16	

Nyeri municipality

Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY			Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
Municipal Administrative Services	To improve existing physical and social infrastructure within the Municipality.	Improved road network	No. of kilometres of access roads upgraded, maintained and rehabilitated	In FY 2024-2025 6.98km of roads were upgraded, maintained and rehabilitated.							
	To achieve timely delivery of planning decisions on private	Improved governance	No. of forums conducted	Four (4) citizen forums were held during the year under							

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sector and community development initiatives	review									
To improve sanitation standards within the municipality	Clean and healthy environment	No. of tons of solid waste collected	10,075 tons of solid waste was collected during the year under review							

Department of Agriculture

Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY 2024/25			Cumulative Achievement by end of FY 2024/25			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
General administration, policy, and planning	Create enabling working environment	Improved service delivery and productivity	Offices constructed and equipped	No. of offices	2	1	1	8	3	5	
			Refurbished offices	No. of offices	2	1	1	8	3	5	

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			Staff trained and capacity build	No. of staff	60	200	140	250	250	0		
			Vehicles procured	No. of vehicles	0	0	0	8	0	8		
			Motorcycles procured	No. of motorcycle	0	8	(8)	16	8	8		
Crop Management	To increase crop production and productivity	Food and nutrition security	Extension services	No. of farmers registered and in digital platform	40,750	59,545	18795	164,000	136,000	28000		
			Youth involvement	No. of youth	600	200	400	1000	1200	200		
			Crop pest and disease control	No. of surveillance reports	12	12	0	36	36	0		
			Pesticide provided	Litres. Of pesticide	500	524	24	500	524	24		
			Seedling provided	No. of seedlings	30,000	55,000	25,000	100,000	113,000	13,000		
			Certified seeds provided	Tonnes of certified seeds	10	10.9	0.9	40	46.1	6.1		
			Soil profile mapped	No. of maps	0	0	0	1	0	1		
			Soil conservation equipment procured and maintained	No. of equipment	0	0	0	30	0	30		Budget constraints

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		Fruit tree nursery maintained	No. of fruit tree nursery maintained	1	1	0	1	1	0		
		Aggregation centres established and rehabilitated	No. of centres	3	0	3	3	0	3		
		Coffee factories digitized and infrastructure rehabilitated	No. of coffee factories	10	16	6	20	19	1		
		Established coffee mills	No. of coffee mills	1	0	1	1	0	1		
Livestock production	To promote Livestock Production	Improved livelihoods and household incomes	No. of feed reserves	1	0	1	2	0	2	Budget constraint	
		Established livestock feed milling facilities	No. of feed mills	4	1	3	7	3	4	Budget constraint	
		Acreage with improved pastures and fodders	Number of acres	40	20	20	60	20	40	Ongoing	
		Improved breeding stock	No. of improved poultry procured and distributed	10,000	40,909	+30,909	15,000	135,777	+120,777	Enhanced budget allocation through ward	

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			Established livestock marketing sales yards	Number of sales yards	1	0	1	2	1	1	Achieved through support from National government
			Value addition of hides and skins achieved.	Number of Hides and skins bandas inspected and licensed	8	8	0	8	8	0	
				Number of traders trained	1						
				Number of equipment provided	100						
				Number of cottages Developed	8	0	8	8	0	8	
			Value addition on leather achieved	Number of leathers industries developed	1	0	1	1	0	1	Budget constraints
			Provide market linkages for hides and skins	No. of hides and skins producers' cooperative societies	1	0	1	1	0	1	
Fisheries Development	To promote Aquaculture and fisheries.	Improved livelihood	Fingerlings provided	Number of Fingerlings (000s)	100	678	+578	250	803	+553	Achieved and exceeded

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	training Services and facilities	established and promoted	units														
			No. of High value crop/fodder units promoted	1	1	0	1	1	1	0	1	1	1	0			
			No. of Livestock training unit established	1	1	0	0	0	1	0	1	0	1	0			
			No. of hostels	1	0	1	1	1	0	1	0	1	1	1			
			No. of Conference Hall	1	0	1	1	1	0	1	0	1	1	1			
			No. of Conference Hall	1	0	1	1	1	0	1	0	1	1	1			
			No. of incubation centres	1	0	1	1	1	0	1	0	1	1	1			
			No. of Agricultural machinery	5	3	2	5	5	3	2	6	1	1	1			
			Modern implements for land preparation procured	1	1	0	2	2	1	0	1	2	1	0			

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			Pasture established	No. of hectare of pasture	5	7	2	5	10	5	
			Drilled borehole for crop and pasture production	No. of boreholes	1	1	0	1	1	0	
			Irrigated land	No. of hectares	10	15	5	20	15	5	
			Constructed hay barns	No. of hay barns	0	0	0	1	0	1	
			Water pans constructed	No. of water Pans	0	1	1	1	1	0	
Veterinary Services Development	To enhance to animal welfare, disease prevention and control	Improved animal health and production	Animal diseases controlled	Number of animals vaccinated	70,000	40,921	29,079	215,000	188,317	26,431	Poor turn out in 24/25 due to political interference
			Animal health and disease control facilities constructed and maintained	Number of animal health and disease control facilities	23	23	0	69	69	0	
			Veterinary laboratories rehabilitated	Number of laboratories	1	0	0	1	1	0	
			AMR Prevented	No. of AMR networking and	4	4	0	12	12	0	

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Department of public works transport and energy

Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY 2024/2025			Cumulative Achievement by end of 2024/2025			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
Public Works, Roads & Transport	To develop and maintain roads and storm water drainage to global standards	Increased efficient transportation of people, goods and services	Roads upgraded to bitumen standards	No of Kilometres of newly upgraded to bitumen standards	30km	1.0km	29km	90km	2.0km	88km	Under funding due to budget constraints
Energy provision and management	a.)To Increase access to electricity services at the household, institution, and public areas.	a) Installed street lights / standalon e and rehabilita ted high mast	c) 8 Numb er high mast flood lightin g mainta ined 423 Numb er standa lone streetli ghts install ed.	Number of standalone/streetlight installed	200	324	124	200	423	223	Under funding due to budget constraints
	b.)To promote use of Renewable energy.	b) Connect household ds to power grid..									

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Office of the County Secretary

Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY				Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance		
Office of the County Secretary	Ensure an efficient, effective, and responsive public service	Enhanced employee productivity and customer service.	Promoted staff	Number of promoted	3	3	0	3	3	0	All staff who were due for promotion and met the minimum requirement were promoted	
			Trained staff	Number of promoted and trained staff	40	40	0	40	40	0	Training is done annually, targeting all officers as per TNA carried out	
	Create a good organizational culture within the county public service	An efficient workforce.	Improved work environment	No. of offices equipped.	8	8	0	8	8	0	Eight Ward Offices were furnished.	
	Leverage on the use of ICT and innovation for efficient service delivery.	Enhance service delivery through automation	Automated processes	No. of automated processes.	1	1	0	1	1	0	Automated Service delivery processes for liquor licensing.	
	Enhance good governance	Strengthened statutory compliance and an	Approved Policies and Legislation	Number of policies and legislations approved.	2	2	0	2	2	0	Customized Project management committee guidelines and	

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													intergovernmental relations in coordination with National Government
													Public participation is carried out before departments embark on their projects
													The engagements help in fostering good relationship with various stakeholders.

Finance, Economic Planning & ICT

Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY			Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
Revenue Mobilization and management	Enhance mobilization of resources	Increased revenues	Increased revenue collection	% increase in revenue collection	5	3	2	5	3	2	
			Parking areas marked.	No of parking areas	2			18			
			Training and sensitization	Number of forums.	94			350			

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Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY			Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
			forums held								
			Offices renovated	No. of Offices	1	1		7			
Public Finance management	Promote prudent utilization of public funds	Improved management of public funds	Training and sensitization forums held	Number of forums	12			60			
			Offices renovated and equipped	No. of Offices	10			58			
			Financial reports prepared	Number of reports	6			30			
			A County Asset Management System established	No. of systems	0			1			
			Internal audits reports prepared	Number of audit reports	4			20			

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Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY				Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance		Target	Actual	Variance	
Economic planning and management	To enhance management and utilization of resources	Improved planning, monitoring and evaluation	Offices renovated and equipped	No. of Offices	26	7	19		130	7	123	None
			Statutory documents Developed	Number of documents	9	9	0		45	27	18	None
			Public participation forums held	Number of forums	3	3	0		15	9	6	None
			County Statistical Abstract Developed	Number of Abstracts	0	0	0		2	0	2	To be developed in FY 2025/26
			County M&E reports prepared	Number of reports	4	4	0		20	12	8	None
ICT Management	ICT development and adoption.	Enhanced service delivery	ICT Innovation hubs established	Number of hubs	2				10			

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Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY			Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
			Integrated County Information Management system developed	Number of systems	0			1			
			Reliable broadband internet connected	Number of offices	1			5			
			Offices renovated and equipped	No. of Offices	11			54			
			ICT capacity building programs held	Number of programs	2			10			

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Department of Water and Climate Change

Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY 24/25		FY Variance		Cumulative Achievement by end of FY 24/25			Remarks
					Target	Actual	Target	Variance	Target	Actual	Variance	
Water Development & Management	Extension of sustainable water supply for domestic, livestock, irrigation and sanitation	Increased adequate, affordable, clean and safe water.	Rehabilitated and constructed water projects	No. of Rehabilitated and constructed water projects	18	22	4		33	48	15	Projects implemented and completed
			Increased water distribution in Nyeri County	No of Km of pipe procured and delivered No of additional water consumers realized.	85	76.7	8.3		180	158.2	21.8	Delays in disbursement & Delivery by Suppliers.
			Trained water users.	No. of Water users trained.	2000	0	2000		3000	0	3000	Users not trained due lack of budget allocation

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Environment al planning, management and conservation	To promote sustainable use of the environme nt and manageme nt of the environme nt	A clean, healthy and safe environme nt	EIAs undertaken	No of EIAs undertaken	35	33	2	35	33	2	% of EIAs done and complet ed
			Environment awareness campaigns	Number of campaigns and forums on environmental awareness carried out	4	4	0	4	4	0	100% complet e
			Training of community groups on environment sustainability and management	Number of trainings to Community groups	1	1	0	1	1	0	Successf ully done
			Consultancy services for the Nyeri state of environment report and county environment plan	Number of action plans, reports, policies and regulations developed	2	2	0	2	2	0	Successf ully done

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Forest Conservation & Management	To promote sustainable use and management of forest resources	Improved forest management and conservation	Agroforestry	No of tree seedlings procured, distributed and planted	5714	19,503	13,789	10,714	22,755	12,041	In the F/Y 2024-2025 the department increased the number of trees planted
			Specialized equipment purchased	No of Brush cutter with chainsaw attachment and haglof vanier callipers	2	2	0	3	3	0	Specialized equipment purchased
			Construction of forest guard houses	No of forest guards houses constructed	3	0	3	3	0	3	Budget was reallocated
			Purchase of water pump and accessories	No of engine water pump and its accessories (hosepipe, 10,000litre tank)	1	0	1	1	0	1	Budget was reallocated
			Purchase of Braided hosepipe, watering cans, wheel	No of Braided hosepipe, watering cans, wheel barrows, spades, shade	1	0	1	1	0	1	Budget was reallocated

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6. Environmental and Sustainability Reporting

a) Sustainability strategy and profile

The County Government of Nyeri is committed to factoring sustainability across its policies, programmes and budgeting processes. Management recognize that global trends such as climate change, resource-scarcity, transition to low-carbon economies and the Sustainable Development Goals directly impact the County's development course. Achievements include issuance of assorted tree seedlings including indigenous seedlings to institutions/individuals as part of greening programmes as well as revenue mobilization improvements ie automated revenue system "Nyeri Pay" that strengthen financial sustainability of County operations.

b) Environmental performance

The Department of Water oversees the County's environmental agenda. Further, the County has issued regulatory instruments such as the Nyeri County Environment Management ie. Noise and Excessive Vibration Pollution Control Regulations 2023 and the Nyeri County Forest Management and Conservation ie Harvesting and Movement of Forest Produce Regulations 2023 to govern specific environmental issues.

Successes include tree-planting initiatives, including seedlings distribution, support afforestation and greening efforts as well as Integration of climate-resilient water sector interventions such as dam rehabilitation, increased irrigation area, and water connectivity targets to cushion agriculture and livelihoods from climate shocks. However, the County Government faces budgetary allocation constraints for climate change mitigation.

c) Employee welfare

The County's Human Resource policies emphasize equity, inclusion and gender balance in hiring and promotions. Stakeholder engagements including staff forums are regularly held to review HR policies and improve them.

The County supports staff training and career progression through departmental capacity-building programmes and trainings. Performance appraisal systems are maintained in accordance with public-service regulations. The County continues to strengthen those systems for retention of talent.

The County adheres to the requirements of the Occupational Safety & Health Act 2007, ensuring occupational safety structures are in place for staff. Regular audits, hazard identification and training are built into departmental frameworks.

d) Marketplace practices-

a) Responsible Supply chain and supplier relations-

Under the Nyeri County Finance Act 2018 and related procurement legislation, the County is required to treat its suppliers fairly, comply with contract terms and pay them on time. Additionally, preference is given to women, youth and PWDs suppliers in alignment with affirmative-action programmes.

b) Responsible ethical practices-

The County is committed to a corruption-free environment through the implementation of codes of conduct and internal audit mechanisms. Good governance assessments provide oversight and continuous improvement.

c) Stewardship of goods and services

The County ensures that goods and services procured are aligned with citizen needs and feedback mechanisms are operational. For instance, budgeting and service-delivery frameworks such as the Annual Development Plan align with participatory processes ensuring citizen voices are heard.

e) Community Engagements

The County Government of Nyeri actively promotes community engagement as a key pillar of sustainable development and inclusive governance. Through structured public participation forum and stakeholder consultations, the County ensures that citizens are directly involved in planning, budgeting and implementation of development projects. Initiatives such as youth empowerment programs and support for education and sports shows the County's commitment to improving livelihoods and fostering social cohesion.

7. Management Discussion and Analysis

- **Entity's key Programs/projects or investment decisions implemented or ongoing,**

Over the past five years, the County Government of Nyeri has implemented a range of key programs and projects aligned with its County Integrated Development Plan (CIDP) and annual budgets, aimed at improving service delivery and fostering socio-economic development. In the health sector, significant investment has been directed towards upgrading health facilities, expanding community health programs, and equipping county hospitals to enhance access to quality healthcare. Within the infrastructure sector, the county has prioritized road improvement and maintenance to boost connectivity, rural accessibility, and market linkages. In water and sanitation, the county has implemented borehole drilling, water pipeline extensions, and rehabilitation of water supply systems to increase access to clean and reliable water for both urban and rural populations. The agriculture sector, being the backbone of Nyeri's economy, has seen targeted interventions such as support to coffee and tea cooperatives, promotion of dairy farming, and provision of subsidized farm inputs to enhance food security and farmer incomes. In education and social development, the county has invested in Early Childhood Development Education (ECDE) centers, vocational training institutes, and youth empowerment initiatives to build human capital and promote self-reliance. Furthermore, investment decisions have been made in ICT and e-governance to digitize revenue collection, enhance transparency, and improve efficiency in service delivery.

Collectively, these projects and investments reflect Nyeri County's commitment to prudent resource utilization, with a focus on sectors that directly impact livelihoods and economic growth. While progress has been steady, challenges such as limited own-source revenue growth and rising expenditure pressures remain. Moving forward, the county aims to consolidate gains by enhancing project monitoring, strengthening public-private partnerships, and diversifying investments to ensure sustainability and inclusivity in development outcomes.

Program/Project	Key Initiatives	Achievements/Outcomes
Health Sector Investments	Upgrading hospitals, equipping facilities, expanding community health programs	Improved access to quality healthcare and reduced patient referrals
Infrastructure Development	Road construction, rehabilitation, and rural access improvements	Enhanced connectivity and rural-urban market linkages
Water and Sanitation	Borehole drilling, water pipeline extensions, rehabilitation of water systems	Increased access to safe and clean water in rural and urban areas
Agriculture Support	Support to coffee/tea cooperatives, dairy promotion, subsidized farm inputs	Boosted farmer incomes, food security, and cooperative performance
Education & Social Development	ECDE center construction, vocational training, youth empowerment programs	Expanded access to early childhood and vocational education
ICT & E-Governance	Automation of revenue collection, digitization of county services	Improved transparency, efficiency, and accountability in service delivery

- **Entity's compliance with statutory requirements.**

The County Government of Nyeri, through the management of the County Revenue Fund (CRF), complies with statutory requirements as set out in the Constitution of Kenya, 2010 and the Public Finance Management (PFM) Act, 2012, which mandate that all county revenues be deposited into the CRF and that withdrawals are approved by the Controller of Budget. The County Treasury ensures adherence to International Public Sector Accounting Standards (IPSAS) in preparing financial

statements, submits quarterly and annual budget implementation reports as required, and observes fiscal responsibility principles, including maintaining development expenditure at a minimum of 30% of the budget. Oversight by the Controller of Budget, the Office of the Auditor-General, the County Assembly, and the Senate further reinforces compliance, while the county also upholds transparency and accountability through public participation and timely publication of financial reports.

- **Major risks facing the organisation.**

The County Government of Nyeri faces external risks that significantly affect the performance of the County Revenue Fund and service delivery. Key among these are delays in disbursement of equitable share from the National Treasury, which disrupt cash flow and stall implementation of programs and projects. Unpredictable changes in national government policies on revenue sharing and conditional grants also create uncertainty in budget planning. Macroeconomic challenges such as inflation, rising fuel prices, and currency depreciation increase the cost of goods, services, and development projects, while slowing down local economic activity and tax compliance. Additionally, global and national shocks such as pandemics, droughts, and climate change impacts reduce productivity in critical sectors like agriculture, thereby lowering revenue potential. These risks, though external to the county's control, have a direct bearing on Nyeri's fiscal stability and ability to sustain development programs.

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

The County Government of Nyeri, like many devolved units, has experienced challenges related to material arrears in statutory and financial obligations, primarily arising from delayed disbursements of equitable share from the National Treasury and revenue shortfalls. These arrears often manifest in the accumulation of pending bills to suppliers and contractors, delayed remittance of statutory deductions such as PAYE, pension contributions, and health insurance, as well as obligations to development partners. Such delays strain service delivery, increase the cost of projects due to penalties or interest, and create liquidity pressures in subsequent financial years. While the county has undertaken measures to prioritize settlement of verified pending bills amounting to **Kshs 348,882,959** persistent fiscal pressures continue to expose it to the risk of arrears, most of which are influenced by external funding constraints beyond the county's direct control.

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

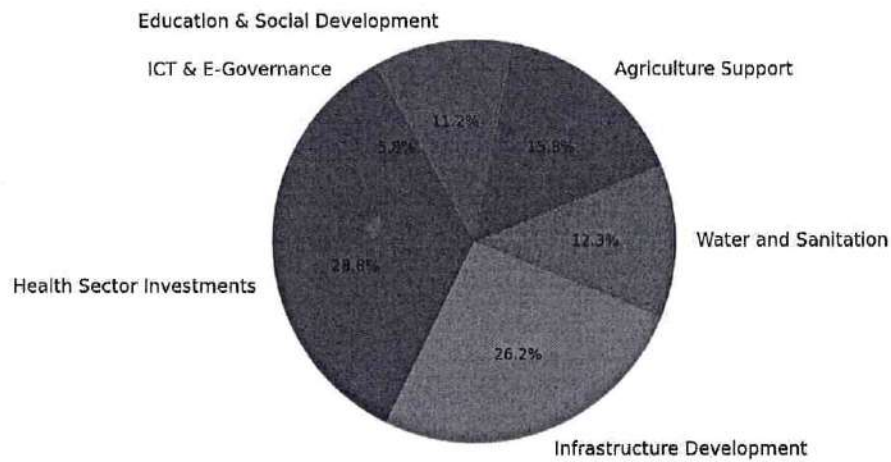
The economy of Nyeri County is predominantly driven by agriculture, with tea, coffee, and dairy farming being the backbone of household incomes and a significant contributor to county revenue. The sector has, however, been affected by fluctuating global commodity prices, rising input costs, and climate change-related shocks such as droughts and unpredictable rainfall, which have slowed productivity and reduced farmers' earnings. Beyond agriculture, the county's economy benefits from a growing service sector particularly education, healthcare, and financial services supported by a skilled labor force and a vibrant SME sector. Infrastructure improvements, especially in roads and digital connectivity, have facilitated market access, trade, and investment. However, Nyeri's economy remains vulnerable to external shocks such as inflation, delayed national government disbursements, and rising energy costs, which increase the cost of living and service delivery. Opportunities exist in agro-processing, eco-tourism linked to Mt. Kenya, and ICT-enabled services, which, if leveraged, could enhance economic resilience and diversify the county's revenue base.

- **Future developments**

Looking ahead, the County Government of Nyeri aims to strengthen fiscal sustainability and accelerate socio-economic transformation through strategic investments outlined in its County Integrated Development Plan (CIDP 2023–2027). Priority areas include scaling up agro-processing industries to add value to coffee, tea, and dairy products, expansion of healthcare infrastructure and community health programs, and upgrading of road and market networks to improve trade and mobility. The county also plans to enhance water and sanitation coverage through borehole drilling, dam construction, and piped water expansion, while promoting climate-smart agriculture to cushion farmers against climate change. In education, the focus will be on expanding ECDE centers, vocational training institutions, and youth empowerment initiatives. Additionally, the county seeks to deepen digital transformation through e-governance systems, automation of revenue collection, and ICT hubs to drive innovation and job creation. These developments are expected to improve service delivery, increase revenue generation, and position Nyeri as a hub for sustainable development in the central region.

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Nyeri County Budget Allocation by Program (Illustrative)



8. Statement of Management Responsibilities

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

The County Executive Committee (CEC) member for Finance and Economic planning of the County Government is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county Executive/assembly; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the county Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Executive'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 CEC member for finance is of the opinion that the County Executive's financial statements give a true and fair view of the state of the County Executive's transactions during the financial year ended June 30, 2025, and of its financial position as at that date.

The CEC member for finance further confirms the completeness of the accounting records maintained for the County Executive 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 CEC member for finance confirms that the County Executive has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Executive's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

County Government of Nyeri

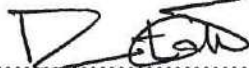
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Further the CEC member for finance confirms that the County Executive's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Government of Nyeri's financial statements were approved and signed by the CEC member for finance on 26th August 2025.



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REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF NYERI 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 Accrual financial statements of County Executive of Nyeri set out on pages 1 to 58, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant

accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Lack of Land Ownership Documents

1.1 Official Residence of the Governor

The statement of financial position and as disclosed in Note 26 reflects property, plant and equipment balance of Kshs.506,369,499. Included in this amount are additions of Work-In-Progress (WIP) amount of Kshs.43,235,257, out of which, Kshs.42,449,829 is in respect of the construction of official residence for the Governor. However, no land ownership documents in the form of title deed, certificate of title or certificate of lease for the parcel of land measuring 1.8 acres on which the residence is being constructed were provided for audit verification.

In the circumstances, the accuracy, completeness and ownership of the work-in-progress amount of Kshs.42,449,829 could not be confirmed.

1.2 Nyeri County Aggregation and Industrial Park

The statement of financial performance reflects other grants and subsidies balance of Kshs.687,166,890 which as further disclosed in Note 13b includes transfer of Kshs.42,224,555 to the Nyeri County Aggregated and Industrial Park Project. It was noted that a Contractor was awarded contract for the project at cost of Kshs.589,292,137. As at the time of audit in the month of September, 2025, an amount of Kshs.93,164,980 had been incurred on the project. However, the project was initiated without a certificate of lease or title deed. In addition, the audit verification in the months of May and September, 2025 established that the construction stalled in May, 2025, at lintel and walling levels with warehouse structures having no roof as the contractor cited failure to pay value of work certified by the County Executive. The WIP was not included in the property, plant and equipment amount.

In the circumstances, the accuracy and completeness of the property, plant and equipment amount of Kshs.506,369,499 could not be confirmed. In addition, the construction of County Aggregation and Industrial Parks at a cost of Kshs.589,292,137 may be at risk of ownership disputes.

2. Voided Payments

Analysis of the Integrated Financial Management System (IFMIS) system payments indicated that two hundred and eighty-three (283) transactions with a value of Kshs.230,423,834 were voided during the year. However, no evidence was provided to confirm that the Controller of Budget was informed of the voiding of the payments so as to make necessary adjustments and approval.

In the circumstances, the accuracy and regularity of the voided transactions amount of Kshs.230,423,834 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final budget of Kshs.8,207,408,969 against actual receipts of Kshs.7,486,210,205 resulting to a shortfall of Kshs.721,198,764. Further, the Executive spent Kshs.7,251,269,505 against receipts of Kshs.7,486,210,205 resulting to under expenditure of Kshs.234,940,700.

The under-funding and under-performance affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Issues

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the County Executive in 2024/2025 revealed that the following matters as shown in the **Appendix I** remained unresolved.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Long Outstanding Employee Payables

The statement of financial position as at 30 June, 2025 reflects trade and other payables of Kshs.342,359,626 and as disclosed in Note 32 to the financial statements, the balance includes employee payables amounting to Kshs.110,483,849. However, review of the payables ledger revealed that public officers at the County Executive undertook official activities using private funds and later claimed the same. This was contrary to Regulation 93(4)(d) Public Finance Management Regulations (County Government), 2015 which requires that before making official journey the Accounting Officer should ensure adequate funds are available against the relevant items of expenditure to meet the proposed expenditure. Further, some employee payables date back to the financial year 2019/2020, It is not clear why they were not cleared as the first charge in the subsequent financial year. This was contrary to Regulation 41(2) of the Public Finance Management Regulations (County Government), 2015.

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

2. Regularity of Human Resource Management Practices

2.1 Lack of Annual Recruitment Plans

The audit review of positions filled during the period indicates that two hundred and fifty-six (256) persons were recruited for various positions. However, the corresponding annual recruitment plans were not provided for audit. Management did not provide evidence on implementation of internal controls with reference to the provision of approved annual recruitment plans in accordance with Public Service Commission requirements.

However, even though Management had explained that all County Departments have been directed to submit their Human Resource Plans by 30 June of each financial year to allow timely preparation and approval of the consolidated Annual Recruitment Plan, there was no proof provided indicating that this was followed in the year under review.

In the circumstances, compliance with annual recruitment planning could not be confirmed.

2.2 Salaries Paid Outside Integrated Personnel and Payroll Database (IPPD) System

Analysis of sampled payroll data of between the month of July, 2024 and December, 2024 revealed that two hundred and ninety-six (296) persons in the Finance and Health Departments were paid a total of Kshs.19,213,386 through manual payment vouchers outside the Government recommended Integrated Personnel and Payroll Database (IPPD) Management System. This was contrary to The National Treasury Circular No.16/2020 which requires personnel emoluments to be controlled in the Public Personnel Database and supported by IPPD. Management did not illustrate efforts undertaken to regularize this anomaly during the six-month period.

In the circumstances, Management was in breach of the guideline as outlined in the circular.

2.3 Integrated Personnel and Payroll Database (IPPD) System not Aligned to Approved Staff Establishment

A review of IPPD system established that four hundred and two (402) designations were configured as at 30 June, 2025. However, out of the four hundred and two (402) configured designations, three hundred and twenty-three (323) were not aligned with the designations in the approved staff establishment. Further, two thousand nine hundred and eighty-seven (2,987) employees were placed in these three hundred and twenty-three (323) designations.

In the circumstances, Management did not fill positions as per the staff establishment.

2.4 Failure to Meet Recruitment Thresholds for Persons with Disabilities

The County Public Service Board recruited ninety (90) employees during the year under review. However, no Persons Living with Disability were recruited contrary to the provisions of part B.23 (2) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which sets a threshold of 5% of positions to be filled by Persons

with Disability and Section 59(3)(a) of the Employment Act, 2007 which states that no employer shall discriminate directly or indirectly against a prospective employee inter alia, on grounds of disability.

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

2.5 Lack of Staff Ethnic Diversity

Review of employee records for the County Executive provided for audit revealed that, the dominant ethnic community employed constituted 93.6% (3,443) out of the total population of 3,675 employees. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

Further, an examination of payroll records and a list of new recruitments conducted under the year 2024/2025, revealed that the County Public Service Board recruited ninety (90) employees. However, eighty-five (85) or 94% were from the dominant ethnic community while six (6) or 6% employees were from other communities. That was contrary to Section 65(1)(e) of the County Governments Act, 2012, which requires at least thirty percent (30%) of the vacant posts at entry level to be filled by candidates who are not from the dominant ethnic community in the County.

In the circumstances, Management was in breach of law.

2.6 Inclusion of Retired Officers in The Payroll

Analysis of Integrated Payroll and Personnel Database (IPPD) payroll data as at 30 June, 2025 revealed that there were fifteen (15) employees who had attained the retirement age of 60 years, but were still in the payroll. This is contrary to public sector guidelines on retirement age.

In the circumstances, Management was in breach of public sector guidelines on retirement age.

3. High Wage Bill

The statement of financial performance for the year ended 30 June, 2025 and as disclosed in Note 9 to the statements reflects employee cost expenditure amount of Kshs.4,493,693,474 out of the budgeted revenue of Kshs.9,004,034,684 translating to 50% of the revenues. This was contrary to Regulation 25(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the County Government's expenditure on wages and benefits for its public officers, shall not exceed thirty-five percent (35%) of the County Government's total revenue.

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

4. Excessive Budget Allocation to the County Assembly of Nyeri

The approved budget for the County Executive for the financial year 2024/2025 was Kshs.8,750,998,795 while the County Assembly's budget was Kshs.796,625,715 translating to 9% of the total County revenue. As a result, the approved budget allocated Kshs.184,055,800 extra to the County Assembly. This was contrary to Regulation 25(1)(f)

of the Public Finance Management (County Governments) Regulations, 2015 which provides that the approved expenditures of a County Assembly shall not exceed seven percent (7%) of the total revenues of the County Government or twice the personnel emoluments of that County Assembly, whichever is lower.

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

5. Non-Compliance with the Reporting Template

The financial statements presented for audit did not comply with the reporting template as the cover page of the financial statements indicated that the financial statements were Transitional IPSAS financial statements/prepared in accordance with the accrual basis of accounting method under the International Public Sector Accounting Standards (IPSAS) instead of indicating one option that was adopted. Further, Note 2 to the financial statements under the statement of compliance and basis of preparation of financial statements did not specify that these were transitional financial statements including the transitional provisions it had applied.

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

6. Failure to Retain Facilities Improvement Funds (FIF) at the Hospitals

Review of revenue records obtained from Level 4 and Level 5 health facilities in the County revealed that seven (7) health facilities collected a total Kshs.722,201,876 towards the Health Facilities Improvement which was transferred to Nyeri County Health Services Fund. However, the Fund reimbursed a total of Kshs.572,160,313 to the health facilities resulting in a deficit of Kshs.150,041,563. This was contrary to Section 5(1) of the Facilities Improvement Financing Act, 2023 which requires that all monies raised or received by or on behalf of all public health facilities be retained in the Hospital Facilities Improvement Financing Account.

In the circumstances, Management was in breach of the law. In addition, failure to reimburse the total amount transferred by the facilities negatively impacted on service delivery by the health facilities.

The audit was conducted in accordance with ISSAI 3000 and 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, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the County Executive'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

08 December, 2025

Appendix I – Unresolved Prior Year Issues

No.	Financial Year	Audit Issue
1.	2023/2024	Budgetary Control and Performance
2.	2023/2024	Delayed Exchequer Disbursements
3.	2023/2024	Pending Bills
4.	2023/2024	Regularity of Human Resource Management Practices (a) Expenditure on Employee Cost Beyond Legal Limit (b) Unremitted Payroll Deductions (c) Non-Compliance to the Law on Staff Ethnic Diversity (d) Non-Compliance with a Third of Basic Salary Rule (e) Failure to Meet Recruitment Thresholds for Persons with Disabilities (f) Salaries Paid Outside the IPPD Payroll
5.	2023/2024	Failure to Adhere to the Effectiveness of Implementation of Audit Recommendations
6.	2023/2024	Non-Compliance with the Law on Development Expenditure
7.	2023/2024	High Cost of Electricity for Street Lights
8.	2023/2024	Use of Asbestos for Roofing of the County Rental Houses
9.	2023/2024	Irregular Payments to the Council of Governors
10.	2023/2024	Motor Vehicle Assessment Reports for Insurance
11.	2023/2024	Debt Management Statement Timelines
12.	2023/2024	Performance of County Budget and Economic Forum (CBEF)
13.	2023/2024	Lack of Approved Building Plans
14.	2023/2024	Idle Medical Equipment at Narumoru Level 4 Hospital
15.	2023/2024	Failure to Submit Financial Statements for Donor Funded Projects
16.	2023/2024	Failure to Maintain an Updated Fixed Assets Register
17.	2023/2024	Failure to Implement Risk Management Policy

County Government of Nyeri
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Annual Report and Financial Statements for the year ended June 30, 2025.

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

Particulars		
Revenue from non-exchange transactions		
Transfers from CRF	6	7,185,429,067
Miscellaneous Revenue	7	-
Revenue from exchange transactions		
Other income	8	-
Total revenue		7,185,429,067
Expenses		
Employee costs	9	4,493,693,474
Use of goods and services	10	1,827,828,005
Transfers to other Government Entities	11	-
Depreciation and amortization expense	12	-
Other Grants and Subsidies	13	687,166,890
Finance costs	14	-
Social Benefits	15	-
Total expenses		7,008,688,368
Gain/(loss) on sale of assets	16	-
Gain/Loss on Foreign Exchange	17	-
Gain/Loss on fair value of investments	18	-
Impairment loss	19	-
Surplus/Deficit for the year		176,740,699
Taxation	20	-
Net Surplus/Deficit		176,740,699

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

..........

Name: Ibrahim Adan Edin
Ag. Chief Officer Finance and
Accounting Services
ICPAK M/No 19013
Date: 26-08-2025

..........

Name: Lucy Kirigo Kangangi
Director Accounting Services
ICPAK M/No 8456
Date: 26-08-2025

County Government of Nyeri
Nyeri County Executive
Annual Report and Financial Statements for the year ended June 30, 2025.

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

Description	Notes	2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	21	235,515,929	300,781,138
Receivables from Exchange Transactions	22(a)	-	-
Receivables from Non-Exchange Transactions	23	-	-
Inventories	24	-	-
Current portion of investments	25	-	-
Total Current Assets		235,515,929	300,781,138
Non-Current Assets			
Receivables from Exchange Transactions	22(b)	-	-
Non- Current portion of investments	25	-	-
Property, Plant and Equipment	26	506,369,499	4,230,364
Intangible Assets and Goodwill	27	-	-
Investment Property	28	-	-
Right of Use Assets	29	-	-
Biological Assets	30	-	-
Tangible Natural Resources	31	-	-
Total Non- Current Assets		506,369,499	4,230,364
Total Assets (A)		741,885,427	305,011,502
Liabilities			
Current Liabilities			
Trade and Other Payables	32	342,359,626	192,269,444
Refundable deposits and prepayments	33	140,735,891	138,401,547
Current Provision	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Employee Benefit Obligation	37	-	-
Current Portion of Borrowings	38	-	-
Total Current Liabilities		483,095,517	330,670,991

Non-Current Liabilities			
Non-Current Provisions	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Non-Current Employee Benefit Obligation	37	-	-
Borrowings – Non-Current Portion	38	-	-
Service Concession Liability	39	-	-
Total Non- Current Liabilities		-	-
Total Liabilities (B)		483,095,517	330,670,991
Net Assets (A-B)		258,789,910	(25,659,489)
Represented by:			
Reserves		-	-
Accumulated Surplus		258,789,911	(25,659,489)
Capital Fund		-	-
Net Assets		258,789,911	(25,659,489)

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

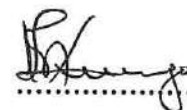


Name: Ibrahim Adan Edin

Ag. Chief Officer Finance and
Accounting Services

ICPAK M/No 19013

Date: 26-08-2025



Name: Lucy Kirigo Kangangi

Director Accounting Services

ICPAK M/No 8456

Date: 26-08-2025

County Government of Nyeri
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12. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30th June 2024 (cash basis)				-
Adjustments: (to recognize assets and liabilities)				-
Cash & Cash Equivalents b/f	300,781,138			300,781,138
Refundable deposits	(138,401,547)			(138,401,547)
Trade Payables	(192,269,444)			(192,269,444)
To Recognize PPE	4,230,364			4,230,364
As at July 1, 2024	(25,659,489)	-	-	(25,659,489)
Surplus/ deficit for the period	176,740,699			176,740,699
Trade Payables Paid	178,280,662			178,280,662
Returns to CRF	(1,759,115)			(1,759,115)
Adjustments in Accounts Payable	(68,812,846)	-		(68,812,846)
Other changes (specify)		-	-	-
As at 30th June, 2025	258,789,911	-	-	258,789,911

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

Description	Notes	2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from CRF		7,185,429,067
Miscellaneous Revenue		-
Other income		-
Total receipts		7,185,429,067
Payments		
Employee costs		4,421,645,222
Use of goods and services		1,655,670,258
Transfers to other Government Entities		-
Other Grants and Subsidies		683,447,478
Finance costs		-
Social Benefits		-
Total payments		6,760,762,958
Net cash flows from/(used in) operating activities		424,666,109
Increase/decrease in Refundable Deposits		2,334,344
Cash flows from investing activities		
Purchase of PPE		(490,506,547)
Purchase Intangible assets		-
Proceeds from sale of PPE		-
Proceeds from sale of Biological Assets		-
Purchase of investments		-
Sale of investments		-
Net cash flows from/ (used in) investing activities		(488,172,203)
Cash flows from financing activities		
Returns to CRF		(1,759,115)
Proceeds from borrowings		-
Repayment of borrowings		-
Net cash flows from financing Activities		(1,759,115)
Net increase/(decrease) in cash & Cash equivalents		(65,265,209)
Cash and cash equivalents as at Period Start	21	300,781,138
Cash and cash equivalents as at Period End	21	235,515,929

County Government of Nyeri
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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 30th June 2025

Recurrent and Development Budgets Combined

Revenue/expenditure item	Original budget A	Adjustments B	Final budget C=(a+b)	Actual on comparable basis D	Budget utilization difference E=(c-d)	% of utilization F=d/e *100
Revenues						
Opening balance (Non-refundable special purpose accounts)	-	-	-	300,781,138	(300,781,138)	-
Transfers from CRF	7,795,235,734	412,173,235	8,207,408,969	7,185,429,067	1,021,979,902	88
Miscellaneous Revenue	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenues	7,795,235,734	412,173,235	8,207,408,969	7,486,210,205	721,198,764	91
Expenses						
Employee costs	4,267,316,632	193,509,279	4,460,825,911	4,421,645,222	39,180,689	99
Use of goods and services	1,792,698,710	22,045,547	1,814,744,257	1,655,670,258	159,073,999	91
Transfers to other Government Entities			-	-	-	
Other Grants and Subsidies	1,361,523,227	624,078,178	1,985,601,405	683,447,478	1,302,153,927	34
Finance costs			-	-	-	
Social Benefits			-	-	-	-
Health centre services		(836,295,127)	(836,295,127)			-
Total	7,421,538,569	3,337,877	7,424,876,446	6,760,762,958	1,500,408,615	91
Capital items						
Acquisition of PPE	373,697,165	408,835,358	782,532,523	490,506,547	292,025,976	63
Acquisition of Intangible assets			-	-	-	
Purchase of investments			-	-	-	
Repayment of borrowings			-	-	-	
Total expenses Capital Items	373,697,165	408,835,358	782,532,523	490,506,547	292,025,976	63
Total Expenses	7,795,235,734	412,173,235	8,207,408,969	7,251,269,505	1,792,434,591	88
Surplus/ deficit	-	-	-	234,940,700		

County Government of Nyeri
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Reconciliation table

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	234,940,700
1	Reason for differences (Basis difference)	2,334,344
2	Reason for differences (Timing Difference)	(1,759,115)
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	235,515,929

Budget Notes

Item	Figures as per financial performance (Kshs.)	Figures as per Statement of Comparison Budget and Actual Amounts (Kshs.)	Variance (Accrued Expenditure) (Kshs.)
Employee costs	4,493,693,474	4,421,645,222	72,048,252
Use of Goods and Services	1,827,828,005	1,655,670,258	172,157,747
Other Grants and subsidies	687,166,890	683,447,478	3,719,412

Statement of Comparison of Budget and Actual Amounts is prepared on the cash basis, consistent with the approved county budget and the Public Finance Management (County Governments) Regulations, 2015, which recognize transactions only when cash is received or paid.

15. Notes to the Financial Statements

1. General Information

Nyeri County Government is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are in Nyeri County.

2. Statement of Compliance and Basis of Preparation

Statement of compliance

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

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ year's financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33.

1. For recognition of historical assets all opening balances have a value of Kshs 1 awaiting valuation
2. All assets acquired within the year have been capitalised
3. There was no recognition of inventory which will be recognized within the second year of the transitional period
4. The county government of Nyeri is in the process of revaluing its assets which be recognised by the third year

These financial statements were authorised for issue by the accounting officer on 26-08-2025

Basis of Preparation

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

Reporting period

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

Critical accounting judgements

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

Recognition of revenue

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

Recognition of non-exchange expenses and liabilities

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

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

Purpose and nature of financial instruments

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

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario

of 143 MtCO₂eq. Entities commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

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

3. Adoption of New and Revised Standards

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

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 cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>State the expected impact of the standard to the Entity if relevant</i>
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. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: - Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. - Clarifying transaction costs guidance to enhance consistency across IPSAS; - Amending where appropriate guidance across IPSAS related to measurement

Standard	Effective date and impact:
	at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. <i>State the expected impact of the standard to the Entity if relevant</i>

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	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> 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. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: - Limited improvements to existing accounting practices for exploration and evaluation expenditures. - 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. - Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral

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Standard	Effective date and impact:
	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. <i>State the expected impact of the standard to the Entity if relevant</i>

iii) Early adoption of standards

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

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 Entity and can be measured reliably. Recurrent grants are recognized in the statement of financial performance. Development/Capital grants are recognized in the statement of financial performance after meeting revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

ii) Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

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

Budget information (continued)

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

c) Investment property

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

d) Property, plant and equipment

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

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

f) Tangible Natural Resources

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

Leases

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

Notes to the Financial Statements (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

i. Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

ii. Financial liabilities

Classification

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

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 *Entity*.

k) Provisions

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

l) Contingent liabilities

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

Notes to the Financial Statements (Continued)

m) Contingent assets

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

n) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. 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 *Entity* regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the Governor, Deputy governor, County Secretary, County Executive Committee Members and Chief Officers, Speaker of the county assembly and, Clerk of the county Assembly, Directors and senior managers.

t) Service concession arrangements.

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

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

County Government of Nyeri**Nyeri County Executive****Annual Report and Financial Statements for the year ended June 30, 2025.****Notes to the Financial Statements (Continued)****6. Transfers from CRF**

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers for Period ended 2024-2025
	Kshs	Kshs	Kshs
Recurrent	5,201,717,894	-	5,201,717,894
Development	1,730,685,197	-	1,730,685,197
Special purpose transfers	253,025,976	-	253,025,976
Total	7,185,429,067	-	7,185,429,067

7. Miscellaneous Revenue

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

8. Other Incomes

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

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Notes to the Financial Statements (Continued)

9. Employee Costs

Description	Period ended
	2024-2025
	Kshs
Basic salaries of permanent employees	3,803,289,854
Basic wages of temporary employees	50,906,643
Personal allowances – part of salary	351,021,489
Pension and other social security contributions	-
Employer contributions to compulsory national social security schemes	42,388,445
Employer contributions to compulsory national health insurance schemes	-
Other social benefit schemes	-
Other personnel costs - Gratuity	246,087,043
Employee costs	4,493,693,474

10. Use of Goods and Services

Description	Period ended
	2024-2025
	Kshs
Utilities, supplies and services	43,068,041
Communication, supplies and services	21,930,244
Domestic travel and subsistence	181,400,793
Foreign travel and subsistence	7,675,921
Printing, advertising, and information supplies & services	38,456,214
Rentals of produced assets	7,518,096
Training expenses	22,610,363
Hospitality supplies and services	102,255,360
Insurance costs	224,207,101
Specialized materials and services	341,462,231
Other operating expenses <i>including bank Charges</i>	202,590,024
Office and general supplies and services	24,904,428
Fuel Oil and Lubricants	53,584,721
Routine maintenance – vehicles and other transport equipment	34,981,138
Routine maintenance – other assets	11,841,934
Others (specify)- Capital Expended	509,341,396
Total	1,827,828,005

11. Transfers to Other Government Entities

Description	Period ended
	2024-2025
	Kshs
Transfers to other County Government entities	-
Transfers to self-reporting projects	-
Transfers to car loan and mortgage schemes	-
Others (specify)	-
Total	-

12. Depreciation and Amortization Expense

Description	Period ended
	2024-2025
	Kshs
Property, plant and equipment	-
Intangible assets	-
Investment property carried at cost	-
Total	-

13. Other Grants and Subsidies

Description	Period ended
	2024-2025
	Kshs
Membership dues and subscriptions to international organizations	-
Scholarships and other educational benefits	1,562,355
Emergency relief and refugee assistance	3,422,000
Other Current transfers Grants and Subsidies	25,426,051
Other Capital grants and Transfers	656,756,484
Grants to small businesses, cooperatives, and self employed	-
Subsidies to Public entities	-
Subsidies to Private entities	-
Total Grants and Subsidies	687,166,890

13.a

Detailed Analysis of Other Current transfers Grants and Subsidies

Description	Period ended
	2024-2025
	Kshs
Dispensaries	17,570,051
Agricultural Mechanization Station (AMS)	1,226,000
Wambugu Agricultural Training Centre (ATC)	6,630,000
Total	25,426,051

13.b

Detailed Analysis of Other Capital grants and Transfers

Description	Period ended
	2024-2025
	Kshs
Council of Governors	6,300,000
Second Kenya Informal Settlement Improvement Project (KISIP II)	336,663,384
Nyeri County National Agricultural Value Chain Development Project	69,643,158
Nyeri County Aggregated and Industrial Park Project	42,224,555
Transfers to Youth Polytechnics	15,595,000
Nyeri County Elimu Fund	10,000,000
Nyeri County Climate Change Fund	164,476,075
Municipality of Nyeri Urban Development Grant & Urban Institute Grant	3,569,312
Promotion of Youth Affairs & Sports	8,285,000
Total	656,756,484

14. Finance Costs

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

15. Social Benefits

Description	Period ended
	2024-2025
	Kshs
Transfers to the elderly	-
Transfers to orphans	-
Transfers to the physically challenged	-
Add any other category	-
Total social benefit expenses	-

16. Gain/Loss on Sale of Assets

Description	Period ended
	2024-2025
	Kshs
Property, plant and equipment	-
Intangible assets	-
Other assets not capitalised	-
Total gain on sale of assets	-

17. Gain/Loss on Foreign Exchange

Description	Period ended
	2024-2025
	Kshs
Gain or loss on foreign exchange transactions	-
Gain or loss on balances in foreign exchanges	-
Total	-

Notes to the Financial Statements (Continued)

18. Gain/Loss on Fair Value Investments

Description	Period ended
	2024-2025
	Kshs
Investments at Fair Value	-
Total Gain	-

19. Impairment Loss

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

20. Taxation

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

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Notes to the Financial Statements (Continued)

21. Cash and Cash Equivalents

Description	Period ended	Opening Statement
	2024-2025	1st July 2024
	Kshs	Kshs
Recurrent Account	119,605	1,738,798
Development Account	4,949,097	20,317
Deposits Account	140,735,891	138,401,547
Special Purpose Accounts	89,711,336	160,620,476
Other operating commercial accounts (<i>Specify</i>)		
Total	235,515,929	300,781,138

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

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep etc	2024-2025	Opening Statement 1st July 2024
			Kshs	Kshs
Nyeri County Recurrent Account	1,000,171,227	Recurrent	119,605	1,738,798
Nyeri County Development Account	1,000,171,197	Development	4,949,097	20,317
Nyeri County Main Levy Fund Account (KRB)	1,000,252,804	Special Purpose	4,313	4,313
Nyeri County Health Sector Special Purpose Account	1,000,339,241	Special Purpose	-	-
Nyeri County Imprest Account (Cooperative Bank)	1,141,511,315,000	Imprest	37,163,776	33,782,408
Nyeri County Youth Polytechnic Project Grant Account	1,000,367,358	Special Purpose	-	-
Nyeri County Agri Sector Dev Support Programme II Account	1,000,364,807	Special Purpose	-	-
Nyeri County Climate Smart Agri Sector Special Purpose Account	1,000,364,793	Special Purpose	-	-
Municipality of Nyeri Urban Development Grant Account	1,000,372,214	Special Purpose	4,036	4,036
Municipality of Nyeri Urban Institute Grant Account	1,000,372,222	Special Purpose	28,868,406	6
Nyeri County Universal Health Care Special Purpose Account	1,000,432,233	Special Purpose	120,000	120,000
Nyeri County Kenya Develop Sup Progra Special Purpose Account	1,000,432,225	Special Purpose	3,055,052	31,088,059
Nyeri County Kenya Develop Sup Progra Special Purpose Account KDSP II	1,000,745,401	Special Purpose	1,120	-
Nyeri County Deposit Account -Centrak Bank	1,000,243,058	Deposit	103,572,115	104,619,139
Nyeri County Climate Change Special Purpose Account	1,000,549,769	Special Purpose	50,823,040	87,036,641
Nyeri County Primary Health Care Special purpose Account	1,000,567,872	Special Purpose	349	151
Nyeri County National Agricultural Value Chain Bank A/c	1,000,715,359	Special Purpose	-	-
Nyeri County Aggregated and Industrial Park Account	1,000,723,009	Special Purpose	6,835,020	42,367,271
Total			235,515,929	300,781,138

Notes to the Financial Statements (Continued)

22. Receivables from Exchange Transactions

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

i) Ageing analysis for Receivables

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

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

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

Notes to the Financial Statements (Continued)

23. Receivables from Non-Exchange Transactions

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

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

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

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Notes to the Financial Statements (Continued)

24. Inventories

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

Detailed disclosure on inventories

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

25. Investments

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

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a) Movement of Equity Investments

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

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 Entity 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			
					2024-2025	Opening Statement 1 st July 2024
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

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26. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Office Equipment	Portable and attractive items	Work in progress	Total
Depreciation Rate										
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	1	1	1	1	1	1	1	1	4,230,356	4,230,364
Additions	-	159,775,522	30,005,271	213,869,183	9,791,727	15,190,402	27,794,823	2,476,949	43,235,257	502,139,135
Disposals										-
Transfer/Adjustments										-
As at June 2025	1	159,775,523	30,005,272	213,869,184	9,791,728	15,190,403	27,794,824	2,476,950	47,465,613	506,369,499
Depreciation And Impairment										-
Depreciation	-									-
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-	-
As at June 2025	-	-	-	-	-	-	-	-	-	-
Net Book Values										-
Opening Bal as at 1 st July 2024										
As At 30th June, 2025	1	159,775,523	30,005,272	213,869,184	9,791,728	15,190,403	27,794,824	2,476,950	47,465,613	506,369,499

W.I.P relates to the Governor's residence which is under construction

27. Intangible Assets

Description	Period ended
	2024-2025
	KShs
Cost/Opening balance at the beginning of the /Period	
Additions	
Disposal	
At end of the Period	-
Additions–internal development	-
Less: Disposal	-
At end of the Period	-
Amortization and impairment	
At beginning of the Period	-
Amortization	
At end of thePeriod	-
Impairment loss	-
At end of the Period	-
NBV	-

28. Investment Property

Description	Period ended
	2024-2025
	KShs
Cost/Opening balance at the beginning of the period	-
Additions	-
Disposal during the period	-
Depreciation	-
Impairment	-
At end of the period	-

29. Right-of-use assets

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

30. Biological Assets

Description	Period ended	Opening Statement
	2024-2025	1st July 2024
	Kshs	Kshs
Specify	-	-
Specify	-	-
Total	-	-

31. Tangible Natural Resources

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

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Notes to the Financial Statements (Continued)

32. Trade and Other Payables

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	231,875,778		141,137,831	
Payments received in advance			-	
Employee payables	110,483,849		51,131,613	
Third-party payments			-	
Other payables			-	
Total trade and other payables	342,359,626		192,269,444	
Ageing analysis: (Trade and other payables)	2024-2025	%	Opening balance	% of the Total
Under one year	259,557,998	76%		%
1-2 years	72,337,042	21%	192,269,444	100%
2-3 years	4,074,380	1%		%
Over 3 years	6,390,206	2%		%
Total (tie to above total)	342,359,626		192,269,444	

33. Refundable Deposits and Prepayments

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Customer deposits	140,735,891		138,401,547	
Prepayments	-		-	
Other deposits	-		-	
Total deposits	140,735,891		138,401,547	
Ageing analysis: (Refundable deposits)		% of	Opening Balance	% of
	2024-2025	the Total		
Under one year	64,236,296	45%		%
1-2 years	34,919,292	25%	138,401,547	%
2-3 years	6,400,955	5%		%
Over 3 years	35,179,348	25%		%
Total	140,735,891		138,401,547	

34. Provisions

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

35. Lease Liabilities

Description	2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Balance at the beginning of the period	-	-
Discount interest on lease liability	-	-
Paid during the period	-	-
At end of the period	-	-

Maturity Analysis

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

Analysed as:

Analysed as	2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Current lease	-	-
Non-Current lease	-	-
Total Lease period end	-	-

36. Deferred Income

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

The deferred income movement is as follows:

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	-	-	-	-
Additions for the Period	-	-	-	-
Transfers To Capital Fund	-	-	-	-
Transfers To Income Statement	-	-	-	-
Other Transfers	-	-	-	-
Balance Carried Forward	-	-	-	-

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

37. Employee Benefit Obligations

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

Retirement benefit Asset/ Liability (Applicable to Pensions)

The Entity operates a defined benefit scheme for all full-time employees from July 1, 2024. The scheme is administered by while are the custodians of the scheme. The scheme is based on percentage of salary of an employee at the time of retirement.

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

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

Recognition of Retirement Benefit Asset/ Liability

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

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

b) Amounts recognized in the Statement of Financial Position

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

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

38. Borrowings

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

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

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

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

39. Service Concession Arrangements Liability

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

40. Cash Generated from Operations

	2024-2025
	Kshs
Surplus for the year before tax	-
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Increase in inventory	-
Increase in receivables	-
Increase in deferred income	-
Increase in payables	-
Increase in payments received in advance	-
Net cash flow from operating activities	-

41. Financial Risk Management

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

The Entity's financial risk management objectives and policies are detailed below:

i) Credit risk

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

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

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

Financial Risk Management

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

ii) Liquidity risk management

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

The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

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

Financial Risk Management

iii) Market risk

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

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

a) Foreign currency risk

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

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Financial Risk Management

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

Current FY

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

Financial Risk Management

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

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
20xx			
Euro		-	-
USD		-	-
20xx-1			
Euro		-	-
USD		-	-

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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Financial Risk Management

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

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

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

iv) Capital Risk Management

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

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

42. Related Party Disclosures

Nyeri County Emergency Fund

The Emergency Fund is established by and derives its authority and accountability from The Nyeri County Emergency Fund Act, 2014 on 20th November 2014 and The Nyeri County Emergency (Fund Management) Regulations, 2020. The Fund is wholly owned by the County Government of Nyeri and is domiciled in Kenya.

The principal mandate of the Fund is to enable payments to be made when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority.

During the financial year 2024-2025, the Emergency Fund did not have operational activities undertaken due to the absence of qualifying emergency situations requiring financial intervention. As a result, the fund has remained fully intact throughout the financial year.

The Emergency Fund started with an initial amount of Ksh 20 Million and currently is retained in a fixed deposit account and no income was generated nor expenses incurred during the period. The fund remains a critical component of our risk management and community support strategies, and we are committed to ensuring its readiness for future emergencies.

Government of Kenya

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

Other related parties include:

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

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43. Segment Information

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

44. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

Contingent Liabilities

	2024-2025
	Kshs
Contingent Liabilities	-
Court Case xx against the Entity	-
Bank Guarantees in Favour of Subsidiary	-
Contingent Liabilities arising from Contracts Including PPPs	-
Others (Specify)	-
Total	-

(Give details)

45. Capital Commitments

Capital Commitments	2024-2025
	Kshs
Authorised for	-
Authorised and contracted for	-
Total	-

(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)

46. Program for Results (PforR) Disclosure

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

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

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

47. Events after the Reporting Period

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

48. Ultimate And Holding Entity

The Entity ultimate parent is the Government of Kenya.

49. Currency

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

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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	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Receipts and Payments Outside the Financial Reporting Period	The County Treasury had posted all payments into the IFMIS system as at 30th June 2024. The requisitions which were approved by the OCOB on Friday, 28th June 2024 were presented to CBK in July 2024.	Resolved	
2.	Irregular Charge of Bank Accounts	The expenditure was within the budgeted line items. Management Justification Failure of IFMIS Payments to Reflect on Internet Banking (IB) Platform These are payments initiated in the IFMIS system and failed to reflect in the Internet Banking (IB) platform. The County Treasury engaged the National Treasury for resolution, however these issues persisted, particularly during periods of IFMIS system downtime. As a result, these payments did not reach the stage at which approval by the Controller of Budget is required.	Resolved	
3.	Irregularity of Voided Payments		Payments are only voided after the necessary approvals are granted	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Notably, for any payment to be approved by the Controller of Budget, the County Government must attach the corresponding Internet Banking (IB) report highlighting the specific transaction items. Following the voiding, the affected payments were re-invoiced in IFMIS. Once they successfully reflected in IB, requisitions were then submitted to the Controller of Budget, and upon approval, the payments were processed and transmitted to the respective beneficiary accounts. (Annex 1) Payments Processed with Erroneous Spending Accounts Some transactions were initially paid in IFMIS using erroneous spending accounts. This error was identified prior to the final push to Internet Banking Approver 1. Since the transactions had not reached the IB stage, no request had been submitted to the Controller of Budget. To rectify the error, the County Treasury voided the original transactions, re-invoiced them in		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		IFMIS, and re-processed the payments using the correct spending (bank) accounts. (Annex 1a) Non-Disbursement of Expected Funds at Year-End At the close of the financial year ended 30th June 2024, the County Government processed several payments in IFMIS based on the expectation that funds would be disbursed by the National Treasury. However, the anticipated disbursement did not materialize. To ensure accurate reporting in accordance with cash basis of accounting, these transactions were voided to avoid overstating expenditure in the financial statements. (Annex 1b) The affected payments were subsequently classified as pending bills to be settled in the following financial year. Actions Taken 1. Sensitization of Internet Banking approvers on upgrade to the Central Bank's Online Banking System and integration with IFMIS (Annex 1c)		
4.	Staff Sharing Bank Account	The bank account errors identified were	Resolved	

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Reference No. on Issue of the external audit Report	Observations from Management comments	Status (Resolved/Residual)	Timeline (Put a date when you expect the issue to be resolved)
	corrected in the payroll system, as confirmed by the revised salary schedules for the months in question. All affected officers have since received their salaries through the correct bank accounts. There were no cases of overpayment or salary omission, as verified through a review of the affected officers' bank statements and the official HRIS (Human Resource Information System) data sheets. (Annex 2) In accordance with the County Government Disciplinary Manual (Revised 2022), verbal warnings were issued to the responsible payroll officers. They were formally cautioned and reminded of their obligation to maintain accuracy in salary processing	Resolved	



Accounting Officer

Date: 26-08-2025

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Appendix II: Projects implemented by (The Entity)

Project title	Project Number	Donor	Period	Donor commitment	Separate donor consolidated in these

Status of Projects completion

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

Project title	Project Number	Project total expended to date	% completion	to date	Budget	Actual	Surplus of funds

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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
					of	Deferred Income	Receivables	Others must be specific	
GOK	2024-2025	RECURRENT	5,201,717,894	5,201,717,894					5,201,717,894
GOK	2024-2025	DEVELOPMENT	1,730,685,197	1,730,685,197					1,730,685,197
DONOR	2024-2025	SPA	253,025,976	253,025,976					253,025,976

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[illegible]

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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 expenditure (response/recovery/mitigation/preparedness)	Column V Expenditure item	Column VI Amount (Kshs.)	Column VII Comments

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Appendix VIII: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land	1	-	-	-	1
Buildings and structures	1	159,775,522	-	-	159,775,523
Transport equipment Motor Vehicle	1	30,005,271	-	-	30,005,272
Office equipment, furniture and fittings	1	27,794,823	-	-	27,794,824
ICT Equipment	1	15,190,402	-	-	15,190,403
Furniture and fittings	1	9,791,727	-	-	9,791,728
Infrastructure Assets- Roads, Rails	1	213,869,183	-	-	213,869,184
Portable and attractive items	1	2,476,949	-	-	2,476,950
Work in Progress	4,230,356	43,235,257	-	-	47,465,613
Total	4,230,364	502,139,134	-	-	506,369,498