

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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ON

MUNICIPALITY OF NYAMIRA

**FOR THE YEAR ENDED
30 JUNE, 2023**



MUNICIPALITY OF NYAMIRA

County Government of Nyamira

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

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1. Acronyms & Glossary of Terms

PSASB	Public Sector Accounting Standards Board
FY	Financial Year
OSHA	Occupational Safety & Health Act
Fiduciary Management	Key management personnel who have financial responsibility in the Municipality of Nyamira.

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2. Key Municipality of Nyamira Information and Management

a) Background information

Municipality of Nyamira came into existence by the implementation of the Urban Areas and Cities Act No 13 of 2011(amended). The act provides that all urban areas designated as the County Headquarter be upgraded to Municipality status despite not meeting the minimum threshold of infrastructure and population. In 2018, H.E The Governor John Obiero Nyagarama, declared Nyamira a Municipality in accordance with the provisions of the approved Nyamira Municipality charter.

Municipality of Nyamira covers an area of approximately 155 Km². According to the 2009 Kenya Population Housing Census (KPHC), Nyamira had an estimated population of 164,101. However, Nyamira Municipality's updated estimate population shall be adequately determined once the next census captures data for all the residents within the established boundary.

b) Principal Activities

Vision

A habitable, safe and vibrant municipality

Mission

To provide and promote sustainable livelihoods through adequate infrastructural, environmental and social investments

Strategic objectives

- Infrastructure and affordable housing development to spur economic growth
- Sustainable waste management system for clean and healthy environment
- Spatial planning framework towards well-coordinated land use & administration
- Social investments to better recreational environment
- Fire & Disaster preparedness for safety purposes
- To promote value addition in food processing and value chain • Promote quality and affordable health care

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c) Key Management

The Municipality of Nyamira management is under the following key organs:

S/No.	Position	Name
	Chairman of the Board	Mr. Peter Bitu Ondieki
1	Chief Officer (Lands, Housing and Physical Planning)	Mr. Josephat Gori
2	Chief Officer finance	CPA Dominic Oyugi Barare
3	Other trustees/Committee Members	Cecilia Ondima, Simon Bogonko, Charles Ombati, Margaret Oyaro, Alice Ombwori and Evans Onduko
4	Fund manager and Accounting Officer	CPA Morara Mokuia

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Fund Manager/ Accounting Officer	CPA Morara Mokuia
2.	Chief Officer Finance	CPA Dominic Oyugi Barare
3.	Chief Officer Lands, Housing & Physical Planning	Josephat Gori

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e) Fiduciary Oversight Arrangements

The oversight mandate of the County Government is bestowed on the County Assembly of Nyamira which was headed by the Speaker Hon. Enock Ogori Okero and deputised by Hon. Thaddeus Nyabaro.

The Accounting Officer for the County Assembly is the Clerk. The current office holder is Mr Daniel Orina

The house has twenty (20) elected members and sixteen (15) nominated members. The assembly carries its mandate through the whole house or through various committees. The committees include;

i. Finance and Economic Planning.

This Committee was formed under Standing Order 191 of the County Assembly of Nyamira Standing Orders. The following eleven members were appointed to serve in this committee:

SN	Name	Designation
1	Hon. Charles Keganda	Chairperson
2	Hon. Dolphine Nyangara	Vice Chairperson
3	Hon. Dennis Kebaso	Member
4	Hon. Josephine Atunga	Member
5	Hon. Elijah Abere	Member
6	Hon. Samuel Ogeto	Member
7	Hon. Rueben Minda Riechi	Member
8	Hon. Dickson Machungo	Member
9	Hon. Henry Obwaya	Member
10	Hon. Josiah Mang'era	Member
11	Hon. Martha Marwa	Member

ii. County Public Investment and Accounts Committee.

This Committee was formed under Standing Order 186 of the County Assembly of Nyamira Standing Orders. The following five members were appointed to serve in this committee:

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SN	Name	Designation
1	Hon. Kennedy Nyameino	Chairperson
2	Hon. Dickson Machungo	Vice chairperson
3	Hon. Charles Keganda	Member
4	Hon. Priscilla Nyatichi	Member
5	Hon. Duke Masira	Member

iii. County Budget and Appropriations Committee.

This Committee was formed under Standing Order 187 of the County Assembly of Nyamira Standing Orders. The following eleven members were appointed to serve in this committee:

SN	Name	Designation
1	Hon. George Abuga	Chairperson
2	Hon. Zipporah Matundura	Vice Chairperson
3	Hon. Elijah Osiemo	Member
4	Hon. Nyambega Gesesa	Member
5	Hon. Lameck Sikweya	Member
6	Hon. Dennis Kebaso	Member
7	Hon. James Mating`a	Member
8	Hon. Jelial Nyakangi	Member
9	Hon. Janerose Nyakundi	Member
10	Hon. Julius Nyangana	Member
11	Hon. Doris Nyamanga	Member

f) Nyamira Municipality Board Headquarters

P.O. Box 434-40500

Nyamira County Headquarters

Konate Senta Road

Nyamira, KENYA

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g) Nyamira Municipality Board Headquarters Contacts

Telephone: (254) 0738727272/0735232323

E-mail: nyamiramuni046@gmail.com

Website: nyamira.go.ke

h) Nyamira Municipality Board Headquarters Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

2. Other Banks

1. Equity bank of Kenya
Nyamira Branch
P.O. 650- 40500
Nairobi, Kenya

i) Independent Auditor

Auditor General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

j) Principal Legal Adviser

Festus Orina

County Attorney

P.O. Box 434-40500



Nyamira, Kenya

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3. Municipality Board of Directors

Serial No.	Name	Details of qualifications and experience
1	 <p>PETER BITU ONDIEKI Chairman Municipality</p>	<p>Date of birth:23th February 1952</p> <p>Academic Qualifications</p> <p>Mr. Peter Bitu Ondieki holds a Master's of science from the George Washington University and graduated in 1980 and bachelors of education (arts) from the University of Nairobi graduated in 1976</p> <p>Professional Experience</p> <p>Prior to the appointment as a chairman of Nyamira Municipality Board he was a Chief Economist, Inspector General for state corporates, member of public procurement tribunal for 6 years.</p>
2	 <p>CECELIA ONGERA ONDIMA Municipality Chairperson</p>	<p>Academic Qualification</p> <p>Date of Birth 22nd November 1963</p> <p>Kampala University year 2011- Bachelors of education in early childhood and primary education and diploma in education management</p> <p>Professional Experience</p> <p>Prior to appointment to municipality board she has 30 years of experience in teaching field and currently a principal at Gorgor high school.</p>
3		<p>Education background</p> <p>CPA Morara Mokuha hails from Kiabonyoru ward.</p> <p>He has Masters in business administration (Finance) at The University of Nairobi and bachelors in education from Egerton University. CPA Mokuha is a member of the Institute of Certified Public</p>




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	 <p>CPA Morara Mokuia Municipal manager Municipality of Nyamira.</p>	<p>Accountants of Kenya (ICPAK), Institute of Certified Public Secretary of Kenya (ICPSK) and he has a diploma in Forensic Accounting</p> <p>Professional Experience</p> <p>CPA Mokuia worked for the County Government of Nyamira as the chief officer of Lands, housing and urban development . Before joining the County Government service, CPA Mokuia served as A graduate teacher, worked in Equity bank and family Bank. He has a total of 28years working experience</p>
4	 <p>EVANS ONDUKO OIRE Municipality Board Member</p>	<p>Academic Qualification</p> <p>Mr. Evans Onduko Oire holds a Diploma in business management</p> <p>Professional Experience</p> <p>Prior to his appointment to the municipality He had an experience of 20years serving in various capacities as project manager, resource management and mobilization, Human Resource Management and institution management</p>
5	 <p>CHARLES OMBATI NYAMBOGA Municipality Board Member</p>	<p>Date of Birth: 19th November 1955</p> <p>Academic Qualification</p> <p>Mr. Charles Ombati Nyamboga has a Bachelor of health sciences from the University of Leeds and diploma in pharmacy from KMTC of Nairobi.</p> <p>Professional Experience</p> <p>Has and experience of over 15 years working as a pharmacist work in in</p>

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		Meru Hospital for 11 years and later in Nakuru PGH
6	 <p>SIMEON MOCHECHE BOGONKO Municipality Board Member</p>	<p>Academic Qualification</p> <p>Simeon Mocheche Bogonko has a Diploma in forestry from the Kenya Forestry College.</p> <p>Professional Experience</p> <p>Has worked as a senior Forest Officer in forest department for 20 years in various parts of the country up to 2010. Currently Director Boflos enterprises ltd in Nyamira town</p>
7	 <p>MARGARET OYARO Municipality Board Member</p>	<p>Date of birth 12/10/1993</p> <p>Academic Qualification</p> <p>Maseno University - bachelors of education (arts)</p> <p>Professional Experience</p> <p>Has over 8 Years' experience as a teacher at Reita mixed Secondary School since 2008.</p>
8	 <p>ALICE MORAA OMBWORI</p>	<p>Date of Birth 1984</p> <p>Academic Qualification</p> <p>Ms. Alice Moraa Ombwori has a Bachelor of education in early childhood and primary education from Moi University and graduated in the year 2007. She is Pursuing masters in the same course</p>

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	Municipality Board Member	Professional Experience: Teaching from 2009 to 2017 private colleges
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4. Key Management Team

Serial No	Name	Details of qualifications and experience
1.	 <p>CPA Morara Mokua Municipal manager Municipality of Nyamira.</p>	<p>Education background</p> <p>CPA Morara Mokua hails from Kiabonyoru ward.</p> <p>He has Masters in business administration (Finance) at The University of Nairobi and bachelors in education from Egerton University. CPA Mokua is a member of the Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Public Secretary of Kenya (ICPSK) and he has a diploma in Forensic Accounting</p> <p>Professional Experience</p> <p>CPA Mokua worked for the County Government of Nyamira as the chief officer of Lands, housing and urban development . Before joining the County Government service, CPA Mokua served as A graduate teacher, worked in Equity bank and family Bank. He has a total of 28years working experience</p>
2.	 <p>Dominic Barare Oyugi CPA Chief Officer, Finance & Economic Planning <u>Nyamira County Executive</u></p>	<p>Academic Qualifications</p> <p>CPA Dominic Barare Oyugi hails from Bogichora ward.</p> <p>He has a Master’s degree in Business Administration (Finance) and a Bachelor’s degree in Business Administration. CPA Oyugi is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).</p> <p>Professional Experience</p> <p>CPA Oyugi worked for the County Government of Nyamira as the Director of Finance and a Deputy Director of Health, Finance and Administration. Before joining the County Government</p>

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		service, CPA Oyugi served as a Regional Accountant for Kenya Rural Roads Authority (KERRA) He has a total of 19 years working experience.
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5. Board Chairperson's Report

Municipality of Nyamira board is composed of 9 members, 4(four) members of the board were appointed through a competitive process 3(three) were nominated by the Governor and approved by the County Assembly. The CECM and CCO Urban Development are automatic members of the Board. The board is headed by the chairman and members who represent the following categories: -

- An association representing private sector
- A cluster representing registered associations of the informal sectors {Jua Kali}
- A cluster representing registered neighbourhood associations {Teachers Associations}
- An association representing professional bodies

The board has established (3) sub- committees to enable it discharge its functions efficiently;

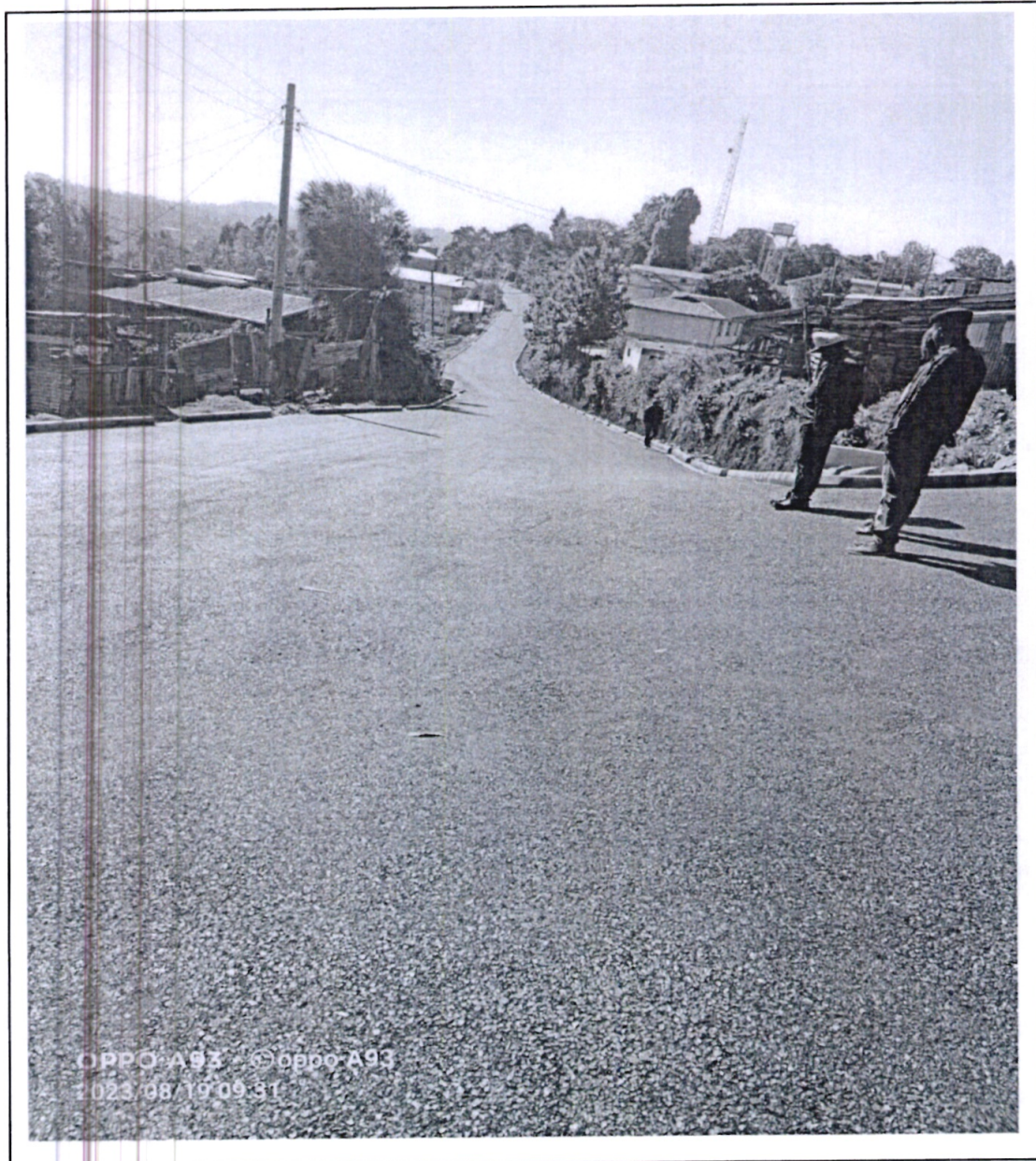
- Evans Onduko – Chair infrastructure committee
- Cecelia Ondima – chair Municipal services committee
- Simeon Bogonko – finance and administration

In the FY 2022/2023 the Municipality had a budget of Kshs 35,844,498 with an actual realisation of Kshs. 35,844,498

The Municipality is currently undertaking 3 projects ie.

- Upgrading to bitumen standards borabu Inn-Golan heights-juakali-nyabite market aprox.4.0km
- Public works-CDF Offices-hospital junction approximately 1km.
- Construction and completion of a fire station at a cost of Kshs 50,519,325

**THE PROPOSED UPGRADING OF PUBLIC WORKS OFFICES – CDF OFFICES –
NYAMIRA HOSPITAL JUNCTION FROM GRAVEL ROAD STATUS TO
BITUMEN STANDARDS, CONTRACT NO CGN/C0020T002/2020-2021**



**PROPOSED CONTRUCTION AND COMPLETION OF FIRE STATION FOR THE
COUNTY GOVERNMENT OF NYAMIRA –NYAMIRA MUNICIPALITY TENDER
NO CGN0C0102021-2022**



Conclusion

FY 2022/2023 is a good year in general. Good progress was made and the momentum has been created to enable the Municipality of Nyamira continue on a trajectory into prosperity. I want to appreciate the other county departments especially the department of Finance and Economic Planning for their support when it comes to financial matters.

Peter Biti Ondieki

.....
Name: Peter Biti Ondieki

Chairperson of the Board

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6. Report Of the Municipality Manager

Municipality of Nyamira board is composed of 9 members, 4(four) members of the board are appointed through a competitive process 3(three) are nominated by the Governor and approved by the County Assembly. The CECM and CCO Urban Development are automatic members of the Board. The board is headed by chairman and the members who represent the following categories: -

- An association representing private sector
- A cluster representing registered associations of the informal sectors {Jua Kali}
- A cluster representing registered neighbourhood associations {Teachers Associations}
- An association representing professional bodies

The board has established (3) sub- committees to enable it discharge its functions efficiently;

- Evans Onduko – Chair infrastructure committee
- Cecelia Ondima – chair Municipal services committee
- Simeon Bogonko – finance and administration

The Municipality of Nyamira is a beneficiary of Kenya Urban Support Programme in funding its development projects.

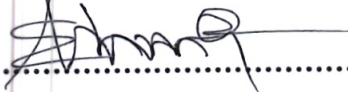
The Municipality had a budget of Kshs. 35,844,498 with an actual realisation of Kshs. 19,739,784

The Municipality is currently undertaking 3(three) projects i.e.

- Upgrading to bitumen standards borabu Inn-Golan heights-juakali-nyabite market approx.4.0km at a cost of Kshs. 104,373,213.30 FY 2018/2019
- Public works CDF building hospital junction approx. 1km. at cost of Kshs. 82,858,330.47 FY 2019/2020
- Construction and completion of fire station at a cost of 50 519,325.

Achievements realised are as follows;

- The projects will enhance the security and accessibility within the municipality
- They created employment opportunities
- The enhanced the aesthetics of the municipality
- They offered a by –pass from the main road
- They improved storm water drainage



Name: CPA. Morara Mokuia

Municipality Manager



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**7. Statement of Performance Against Predetermined Objectives for the FY
2022/2023**

Introduction

Section 46(2) of the Urban Areas and Cities Act (UACA) 2011 specifies that at the end of each financial year, the board should submit its accounts for the year to the County Executive Committee Member Finance and economic planning for submission to the Auditor General. This is also in line with Section 164 (2) (f) of the Public Finance Management Act, 2012 which requires that at the end of each financial year, the Accounting Officer when preparing financial statements of each County Government should be in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board, includes a statement of the county government Municipality of Nyamira's performance against predetermined objectives. The Municipality of Nyamira shall have all the powers, general and special, governmental or proprietary, expressed or implied, which may be possessed or assumed by municipalities under the Urban Areas and Cities Act and the County Governments Act.

- Municipality of Nyamira borrows heavily from the County's 2018-2022 CIDP. The CIDP identified strategic objectives through a participatory process that reviewed the development priorities of the Governor's Manifesto.

The key development objectives of the Municipality of Nyamira Nyamira County Government Municipality of Nyamira's 2018-2022(state the period of the strategic document/plan) plan are to:

- a) Infrastructure and affordable housing development to spur economic growth
 - b) Sustainable waste management system for clean and healthy environment
 - c) Spatial planning framework towards well-coordinated land use & administration
 - d) Social investments to better recreational environment
 - e) Fire & Disaster preparedness for safety purposes
 - f) To promote value addition in food processing and value chain
 - g) Promote quality and affordable health care
-
- The Municipality of Nyamira had an annual budget of Kshs. 35,844,498 out of this Kshs. 2,339,915 was for UIG recurrent, Ksh. 33,504,583 was directly funded by County Government.

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Progress on attainment of Strategic development objectives (Adopted from Nyamira County)

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:

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Municipality Management	Inclusivity in running the municipality's affairs	Increased number of Nyamira residents participating in the Municipality's affairs.	We have a project management/ monitoring committee for the Municipality's projects	In FY 2022/2023 we increased the number of activities and people involved.
Preparation of Integrated development Plan for Nyamira	To have planned and controlled development in Nyamira Municipality	Establishes solid waste collection and segregation mechanism		
Environment and social services	To maintain clean environment to global standards	Increase refuse collection and treatment	40 % refuse collected	The Municipality boundaries were covered in refuse collection and treatment
Municipal infrastructure and disaster management support services	To develop and maintain street and security lighting infrastructure	Increased public safety and security	70% reduction of crime	Street lighting was undertaken within Municipality and there has been 50% reduction in crime

8. Corporate Governance Statement

A. Number of Nyamira Municipality Board meetings held and the attendance to those meetings by members

The Municipality of Nyamira held all its quarterly meetings and there was an approximately 90% attendance to all of those meetings.

B. Succession plan

When the Municipal Manager is temporarily disabled from acting as Municipal Manager or when the office of the Municipal Manager becomes vacant, the County Governor shall appoint a qualified person to be an Acting Municipal Manager. The County Governor shall inform the County Public Service Board of such appointment within seven (7) days. The Acting Municipal Manager shall have the authority and duties of the Municipal Manager, except that the Acting Municipal Manager may appoint or remove employees only with approval of the Board of the Municipality. An Acting Municipal Manager shall hold office for not more than six months.

C. Existence of a service charter

The Municipality has a service charter.

D. Process of appointment and removal of trustees/ Administration Committee members

The county governor shall, while considering the nominated members identified by the organizations specified, he require the organizations to produce

- a) signed minutes as evidence of an accountable process of nomination;
- b) evidence of compliance with statutory obligations;
- c) vetting form to establish that the nominee has complied with the prescribed criteria for appointment as a member of the board.

A board of a municipality shall be appointed by the county governor with the approval of the county assembly.

The administration committee members shall cease to be member if;

- Is unable to perform the functions of the office by reason of mental or physical infirmity;
- Is declared or becomes bankrupt or insolvent;
- Is convicted of a criminal offence and sentenced to a term of imprisonment of six months or more;
- Resigns in writing to the County Governor;
- Without reasonable cause, the member is absent from three consecutive meetings of the Board or Committee of the Board of the Municipality within one financial year;
- Is found guilty of professional misconduct by the relevant professional body;
- Is disqualified from holding a public office under the Constitution;

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- Fails to declare his or her interest in any matter being considered or to be considered by the Board or Board Committees;
- Engages in any gross misconduct; or
- Dies.

E. Roles and functions of the Administration Committee members.

- (a) Promotion, regulation and provision of refuse collection and solid waste management services;
- (b) Construction and maintenance of urban roads and associated infrastructure;
- (c) Construction and maintenance of storm drainage and flood controls;
- (d) Construction and maintenance of walkways and other non-motorized transport infrastructure;
- (e) Construction and maintenance of recreational parks and green spaces;
- (f) Construction and maintenance of street lighting;
- (g) Construction maintenance and regulation of traffic controls and parking facilities;
- (h) Construction and maintenance of bus stations and taxi stands;
- (i) Promotion, regulation and provision of animal control and welfare;

F. Induction and training, Administration Committee members and member's performance

The administration committee members have so far satisfactorily undergone the following induction and trainings:

- K.U.S.P Induction
- Budget and Finance training
- Procurement and By-laws training

G. Conflict of interest,

There is a lack of clear designation and roles between county staffs and Municipality staffs.

H. Board remuneration

The chairperson, vice chairperson and members of a board or town committee shall not receive a salary from the board or town committee but shall be paid such allowances and benefits as the county executive committee shall, with the approval of the county assembly, and on the advice of the Salaries and Remuneration Commission, determine.

I. Ethics and conduct as well as governance audit undertaken if any

The Municipality has undergone annual internal and external audit by auditor general.

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9. Management Discussion and Analysis

Revenue classification	Revenue budget Kshs	Actual (Kshs)	Realisation (%)
UDG	1,194,560	561,000	50%
UIG	1,145,355	550,000	48%
County funding	33,504,583	18,628,784	56%
	35,844,498	19,739,784	

The Municipality has worked on the road projects, upgrading to bitumen standards Borabu inn-Golan heights-juakali-nyabite market for FY 18/19 which is 4.0 KM, and Public works-CDF Offices-hospital junction FY 19/20 which is 1.0 KM. The projects will enhance the security and accessibility within the municipality.

- They created employment opportunities.
- They enhanced the aesthetics of the municipality
- They offered a by-pass from the main road
- They improved storm water drainage

The road project programme was implemented by the Kenya Urban Support Programme; Urban Development Grant which is a World bank grant for development projects. The Urban Development Grant was implemented through the Nyamira Municipality.

The road project was a 4.0KM road that included a main carriage way. This has benefited the resident of Nyamira municipality as follows;

- Enhancing their security and accessibility within the municipality.
- Creating employment opportunities.
- Enhancing the aesthetics of the municipality
- Offering them a by-pass from the main road,
- Improving storm water drainage.

The implementation challenges of strategic objectives for the Municipality of nyamira and the its future outlook include:

- Insufficient budget allocation
- Weak institutional framework
- Inadequate staffs

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Sub Programme	Key Outputs	Key performance Indicators	Baseline (Current Status)	Planned Targets	Resource Requirement (KSHS)
Upgrading to Bitumen standards Borabu inn, Golan Heights, Jua kali, Nyamira boys, nyabite market	Tarmacked road	Kilometres Tarmacked	0	4.0km Tarmacked	104,373,213
Public works, CDF offices, hospital junction to bitumen standards	Tarmacked road and streets Signage	-Number of streets Addressed	0	1.0km Road tarmacked	82,859,330
Construction of fire station			0		50,519,325

The key risk management strategies include;

- Establishment of Infrastructure Management Committee for the Municipality projects
- Adherence to the Occupational safety and health protocols

10. Environmental and Sustainability Reporting

Municipality of Nyamira exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

i) Sustainability strategy and profile

The Nyamira municipality is responsible for the provision and promotion of a clean environment for the business community. This is achieved through garbage collection, construction and maintenance of drainages and clearing bushes within the municipality.

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

ii) Environmental performance

This is one of the critical areas of the municipality's services. The municipality in collaboration with the Department of Lands, Housing and Physical Planning has successfully:

- Maintained a clean friendly environment e.g. participating in community clean-up
- Developed and implemented environmental awareness creation programs
- Developed Waste management policies.
- Established measures to mitigate against water, air, noise and other forms of pollution.

iii) Employee welfare

The Nyamira Municipality Board incorporation with County Government use a human resource manual/policy that considers a gender ratio whereby a third of every new recruitment is comprised of women, continuous training being offered to employees on need basis to enhance skills, careers and as well as performance appraisals which are done through performance contracting.

iv) Market place practices

The organisation should outline its efforts to:

a) Responsible competition practice.

The management has made efforts to equitably offer opportunities to youths, women and persons living with disability. Procurement opportunities are given to bidders as per the guiding procurement laws (PPAD 2015) and equity is in practice ever. There is frequent interaction between bidders and management through pre bidding conferences, site visits, opening of tenders and trainings.

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The management has envisaged consumer rights and interests through confidentiality during procurement process and non-disclosure of proprietary rights.

b) Responsible Supply chain and supplier relations

The Nyamira Municipality Board after contact execution by the contactor and suppliers, provide full payment and with all factors held constant the process is done with a maximum of 5 days and we endeavour to keep our pending Bills within manageable levels and we pride ourselves in achieving this year in year out.

c) Responsible marketing and advertisement

The Nyamira Municipality Board gives opportunities to all and all our advertised are done through local daily newspapers, government portals, websites and notice boards.

d) Product stewardship

The Nyamira Municipality Board ensure that design, manufacture, sell, and use consumer products take responsibility for reducing negative impacts to the economy, environment, public health, and worker safety.

v) Community Engagements

Nyamira Municipality Board exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

MUNICIPALITY OF NYAMIRA
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Annual Report and Financial Statements for the year ended June 30, 2023

11. Report of the Municipality Board Members

The Directors submit their report together with the audited financial statements for the year ended March 30th June, 2023, which show the state of the Municipality of Nyamira affairs.

i) Principal activities

The principal activities of the Fund are to:

- Infrastructure and affordable housing development to spur economic growth
- Sustainable waste management system for clean and healthy environment
- Spatial planning framework towards well-coordinated land use & administration
- Social investments to better recreational environment
- Fire & Disaster preparedness for safety purposes
- To promote value addition in food processing and value chain Promote quality and affordable health care

ii) Results

The results of the Municipality of Nyamira for the year ended June 30th, 2023, are set out on page 1 to 4

iii) Directors

The members of the Board of Directors who served during the year are shown on page iv to ix.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

v) Auditors

The Auditor General is responsible for the statutory audit of the Nyamira Municipality Board in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Name: CPA Morara Mokuia

Secretary of the Board



MUNICIPALITY OF NYAMIRA

County government of Nyamira

Annual Report and Financial Statements for the year ended June 30, 2023

12. Statement of Management's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, the Directors to prepare financial statements in respect of that Municipality of Nyamira, which give a true and fair view of the state of affairs of the Municipality of Nyamira at the end of the financial year/period and the operating results of the Municipality of Nyamira for that year/period. The Directors are also required to ensure that the Municipality of Nyamira keeps proper accounting records which disclose with reasonable accuracy the financial position of the Nyamira Municipality Board. The Directors are also responsible for safeguarding the assets of the Municipality of Nyamira.

The Directors are responsible for the preparation and presentation of the Municipality of Nyamira financial statements, which give a true and fair view of the state of affairs of the Municipality of Nyamira for and as at the end of the financial year (period) ended on June 30th, 2023. 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 Municipality of Nyamira; (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 Municipality of Nyamira; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Nyamira Municipality Board's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act. The Directors are of the opinion that the Municipality of Nyamira financial statements give a true and fair view of the state of Municipality of Nyamira transactions during the financial year ended June 30, 2021, and of the Municipality of Nyamira financial position as at that date.

The Directors further confirms the completeness of the accounting records maintained for the Municipality of Nyamira, which have been relied upon in the preparation of the Municipality of Nyamira financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Nyamira Municipality Board's financial statements were approved by the Board on 10th August, 2023 and signed on its behalf by:

.....

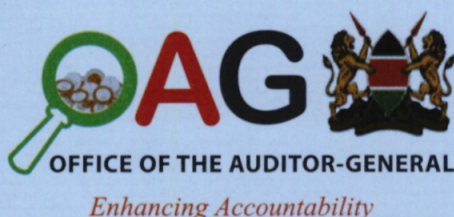

Name: Peter Bitu Ondieki
Chairperson of the Board

.....


Name: CPA Morara Mokua
Accounting officer of the Board

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MUNICIPALITY OF NYAMIRA FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

Adverse Opinion

I have audited the accompanying financial statements of Municipality of Nyamira set out on pages 1 to 21, which comprise of the statement of financial position as at

30 June, 2023, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Municipality of Nyamira as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Urban Areas and Cities Act, 2011 (Amended) and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies of the Statement of Cash flows

The statement of cash flows reflects closing cash and cash equivalents balance of Kshs.94,560,790. However, re-casting indicated a balance of Kshs.83,282,688 resulting to an unexplained and unreconciled variance of Kshs.11,278,102. Further, the statement reflects total receipts of Kshs.39,192,280 which includes an unsupported amount of Kshs.3,347,782 in respect of other receipt that is not included in the statement of financial performance.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

2. Inaccuracies of the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects revenue budget of Kshs.35,844,498. However, review of the approved budget revealed final budget estimates of Kshs.165,190,997 resulting in an unexplained and unreconciled variance of Kshs.129,346,499.

In the circumstances, the accuracy and completeness of the amounts in the statement of comparison of budget and actual amounts could not be confirmed.

3. Inaccuracies in Rental Expenses

The statement of financial performance reflects use of goods and services amount of Kshs.8,203,122 which includes an amount of Kshs.904,600 in respect of rental expenses as disclosed in Note 6 to the financial statements. However, review of the tenancy agreement revealed monthly rent of an amount of Kshs.75,800 resulting to recomputed rent of an amount of Kshs.909,600, resulting to an unexplained and unreconciled variance of Kshs.5,000.

In the circumstances, the accuracy and completeness of the rental expenses amount of Kshs.904,600 could not be confirmed.

4. Travel, Subsistence and Other Allowances

The statement of financial performance reflects use of goods and services amount of Kshs.8,203,122 which includes an amount of Kshs.5,076,300 in respect of travel, subsistence and other allowances as disclosed in Note 6 to the financial statements. However, review of the supporting schedules revealed an expenditure totalling Kshs.2,664,500 resulting to an unexplained and unreconciled variance of Kshs.2,411,800.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.5,076,300 in respect of travel, subsistence and other allowances could not be confirmed.

5. Irregular Accounting to other County Government Entities

The statement of financial performance reflects transfers to other county government entities of an amount of Kshs.44,234,101 in respect of construction of county government roads and construction of fire stations and as disclosed in Note 9 to the financial statements. However, the construction of county government roads and construction of fire stations were wrongly classified as recurrent expenditure and not capital expenditure there by misstating property, plant and equipment in the statement of financial position.

In the circumstances, the accuracies and completeness of the balances in the financial statements could not be confirmed.

6. Undisclosed Board Expenses

The statement of financial performance reflects total expenses amounting to Kshs.61,561,786 which did not include board expenses. However, review of the expenditure schedules revealed that the Management incurred an amount of Kshs.575,800 in respect of board expenses which were not reported in the financial statements. Further, the payment of board allowances were not supported with payment vouchers, board minutes and signed attendance registers.

In the circumstances, the accuracy and completeness of the total expenditure of Kshs.61,561,786 could not be confirmed.

7. Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.94,560,790 as disclosed in Note 10 to the financial statements. However, review of the bank reconciliation statements for three bank accounts of the Municipality of Nyamira revealed the following anomalies:

7.1 Urban Institutional Grant Account

Note 10 reflects balance of Kshs.1,255,978 in respect of recurrent grant account and as disclosed in the financial statements. However, review of the bank reconciliation

statement as at 30 June, 2023 reflects balance as per bank balance of Kshs.1,255,798 resulting to an unexplained and unreconciled variance of Kshs.180. Further, the bank reconciliation statements reflect a bank statement balance of Kshs.2,235,398 which is at variance with the certificate of bank balance of Kshs.1,255,798 resulting to an unexplained and unreconciled variance of Kshs.979,600. Further review of the bank reconciliation statements revealed unpresented payments balance of Kshs.979,600 which had already been debited in the bank account as at that date.

7.2 Urban Development Grant Account

Review of the bank reconciliation statement in relation to development grant account as at 30 June, 2023 reflects balance as per bank balance of Kshs.88,873,142 resulting to an unexplained and unreconciled variance of Kshs.8,259. Further, the bank reconciliation statements reflects bank statement balance of Kshs.98,200,872 which is at variance with the certificate of bank balance of Kshs.88,873,142 resulting to an unexplained and unreconciled variance of Kshs.9,327,730. Further review of the bank reconciliation statements revealed unpresented payments balance of Kshs.9,327,730 which had already been debited in the bank account as at that date.

7.3. County Retention Account

The bank balance as at 30 June, 2023 reflects Kshs.4,423,410. However, the certificate of bank balance, bank reconciliation statement and bank statements were not been provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs.94,560,790 could not be confirmed.

8. Unsupported Employee Cost

The statement of financial performance reflects employee cost amounting to Kshs.8,946,376 in respect of salaries and wages to both permanent and casual wages as disclosed in Note 7 to the financial statements. However, review of the supporting expenditure schedules and payment vouchers revealed that an amount of Kshs.8,509,667 was paid through Nyamira County Salaries account operated by the County Executive of Nyamira. Further payrolls for the employees paid were not provided for audit.

In the circumstances, the accuracy and completeness of employees' cost amount of Kshs.8,509,667 could not be confirmed.

9. Unsupported Expenditure on Fuel and Oils

The statement of financial performance reflects use of goods of Kshs.8,203,122 which includes an amount of Kshs.2,222,222 in respect fuel and oil and as detailed in Note 6 to the financial statements. However, the expenditure was not supported documents including local purchase orders (LPOs), fuel registers, detail orders, suppliers' statements, work tickets and invoices.

In the circumstances, the accuracy and completeness of fuel and oils expenditure of Kshs.2,222,222 could not be confirmed.

10. Unsupported Construction of County Roads

The statement of financial performance reflects transfers to other County Government entities of an amount of Kshs.44,234,101 which includes amounts of Kshs.21,343,476 and Kshs.22,890,625 in respect of construction of County Government roads and construction of fire stations and as disclosed in Note 10 to the financial statements. However, supporting documents including contract agreement, payment vouchers, interim payment certificate and performance bond were provided for audit review.

In the circumstances, the accuracy and completeness of the expenditure in respect of transfers to other County Government entities amount of Kshs.44,234,101 could not be confirmed.

11. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.9,349,273 and as disclosed in Note 11 to the financial statements. However, the balance includes an adjustment of Kshs.5,349,417 whose details have not been explained. Further, the networking equipment were not supported with entries in the assets register.

In the circumstances, the accuracy and completeness of the balance of Kshs.9,349,273 in respect of property, plant and equipment could not be confirmed.

12. Non-Amortization of Intangible Assets

The statement of financial position reflects intangible assets balance of Kshs.18,154,373 as disclosed in Note 12 to the financial statements which includes an adjustment of Kshs.8,44,373 whose details have not been explained. Further, no disclosure has been made for failure to amortize and reflect the residual value of the assets in accordance with clause 4(j) of the summary of significant accounting policies.

In the circumstances, the accuracy and fair statement of the intangible assets balance of Kshs.18,154,373 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Municipality of Nyamira 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 adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

In the audit report of 2021/2022 financial year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to resolve them.

In the circumstances, Management did not adhere to the provisions of the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matter discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Presentation and Disclosures in the Financial Statements

Review of the annual reports and the financial statements submitted for audit revealed that the statement of changes in net assets did not include the capital grants, revaluation reserves and total net assets. Similarly, the schedule of property, plant and equipment as disclosed in Note 11 to the financial statements did not include the description of the assets and capital work in progress. Further, significant accounting policies on revenue recognition, financial instruments, subsequent measures, amortized cost, fair value of net assets, trade and other receivables, impairments and inventories were not included.

In the circumstances, Management did not comply with the Public Sector Accounting Standards Board (PSASB) guidelines in the presentation of the financial statements.

2. Staff Ethnic Composition

Review of records revealed that during the year under review, Nyamira Municipality had nine (9) members of staff, all drawn from the dominant community in the County. This is contrary to section 65(1)(e) of the County Government Act (2012) which states that in selecting candidates for appointment, the County Public Service Board shall consider the

need to ensure that at least thirty percent of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the county. It is not clear what action the management is taking to remedy the anomaly.

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

3. Lack of an Approved Budget

The statement of financial performance reflects revenue budget of Kshs.35,844,498 and expenditure budget of Kshs.63,995,484 respectively. However, the Management did not provide approved budget contrary to Regulation 39 (1) of the Public Finance Management (County Governments) Act, 2015 which states that each Accounting Officer shall within the guidelines of the supplementary budget circular and in conformity with budget guidelines issued by the County Executive Committee Member, prepare revised budget estimates in the format to be issued by the Cabinet Secretary.

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

4. Unbalanced Budget

The statement of comparison of budget and actual amounts for the year ended 30 June, 2021 reflects revenue budget of Kshs.35,844,498 and expenditure budget of Kshs.63,995,484 respectively resulting to a variance of Kshs.28,150,986. This was contrary to the provisions of Section 31(c) of the Public Finance Management (County Governments) Regulations 2015 which states that the budgeted revenue and expenditure appropriation shall be balanced.

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

5. Lack of Independence of the Municipality

Although the Municipality of Nyamira was granted Municipal Charter in 2018 which grants operational independence from the County Government of Nyamira, review of the operations of the Municipality revealed lack of autonomy as the Municipality's budget was prepared and controlled by the County Executive and there was no budget approval by the Municipality Board. Further, except from project accounts which have joint signatories from the County Treasury, the Municipality's expenditure was controlled by the County Treasury and did not have independent operations account. This is in contravention of Section 12(1) of the Urban Areas and Cities Act, 2011, which states that the Management of a municipality shall be vested in the County Government and administered on its behalf by a Board, a manager and staff constituted and appointed in accordance with the Act.

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

6. Delayed Completion of Upgrading of the Public Works Offices - Nyamira Hospital Junction Road

Review of documents revealed that Management paid an amount of Kshs.9,327,730 for the upgrade of the Public Works Offices - Nyamira Hospital junction road. As previously

reported Nyamira Municipality through the County Government of Nyamira signed a contract with a local contractor for the upgrade of the Public works offices - CDF offices - Nyamira hospital junction road from gravel to bitumen standard. The contract was awarded at a contract sum of Kshs.82,859,330 for a period of twelve (12) months which commenced on 30 April, 2021 to 4 April, 2022. It was financed by World Bank under the Kenya Urban Support Programme funded projects. The contractor requested for an extension of time to a revised completion date of 30 December, 2023 which was granted. Physical inspection conducted on the project on 2 November, 2023 revealed that the contractor was not on site and had done 65% of the work for which a total amount of Kshs.54,112,427 had been paid. Further, the performance bond documents for the contract was not provided for audit.

In the circumstances, the value for money on the expenditure amounting to Kshs.54,112,427 incurred on the project may not be realized.

7. Delayed Completion of the Upgrading of (B5) Borabu Inn-Golan Heights Resort- Jua kali-Nyamira Boys-Nyabite Market Road to Butumen Standard-Phase 1

Review of documents revealed that Management paid an amount of Kshs.3,656,227 for the upgrading of (B5) Borabu Inn-Golan Heights Resort-Juakali-Nyamira Boys-Nyabite Market Road to Bitumen Standard-Phase 1. As previously reported the Board awarded the contract on 4 June, 2019 at a contract sum of Kshs.104,374,213. for a period of twelve (12) months from the date of site handover on 5 August, 2019 and was expected to be completed on 4 August, 2020. It was financed by World Bank under the Kenya Urban Support Programme funded project. However, the project management committee site meeting minutes and the performance bond documents for the contract were not provided for audit.

In the circumstances, the value for money on the expenditure amounting to Kshs.104,374,213 incurred on the project may not be realized.

8. Delayed Completion of Fire Station

Review of documents revealed that Management paid an amount of Kshs.22,890,625 in respect of construction of a fire station. The contract was awarded to a local contractor at a contract sum of Kshs 50,519,325 for a period of seventy-eight (78) weeks which commenced in December, 2021 and was expected to be completed by June, 2023. It was financed by World Bank under the Kenya Urban Support Programme funded projects. The contractor, requested for an extension of time to a revised completion date of 31 October, 2023 which was granted. However, physical inspection conducted on 2 November, 2023 revealed that the works were incomplete. Further, the performance bond documents for the contract and interim payment certificates were not provided for audit review.

In the circumstances, the value for money on the expenditure amounting to Kshs.50,519,325 incurred on the project may not be realized.

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Performance Review of the Integrated Development Plan

Management of Nyamira Municipality Board did not provide audit evidence to proof that the Board conducted annual performance monitoring and evaluation of the Integrated Development Plan as required by Section 42 of the Urban Areas and Cities Act, 2011.

In the circumstances, the lack of performance monitoring may result in poor governance of the Municipality.

2. Failure to Maintain a Fixed Asset Register

Review of documents revealed that the Management did not maintain an asset register on non-current assets. This is contrary to Regulation 136(1) of the Public Finance Management (County Governments) Regulations 2015 which provides that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, the effectiveness of the controls and management of the fixed assets could not be confirmed.

3. Lack of Internal Audit

Review of the operations of the Board revealed that the internal audit department was not in place contrary to provisions of Regulation 155(2) of the Public Financial Management (County Governments) Regulations, 2015 which stipulate that an Accounting Officer shall ensure that an internal audit is facilitated with sufficient authority to promote independence and ensure broad internal coverage, and adequate considerations of audit.

In the circumstances, the effectiveness of the internal controls in strengthening the accounting systems could not be confirmed.

4. Lack of Risk Management Policy

Review of the documents and records provided for audit review revealed that the Fund Management had not established a Risk Management Policy. This is contrary to Regulation 158(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall ensure that the county government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness of the internal controls on the assets and data could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 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 which 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 Board's ability to continue to sustain its services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of an intention to terminate the Board or 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 complies 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 Board'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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Board to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Board to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


05 April, 2024

MUNICIPALITY OF NYAMIRA
County government of Nyamira
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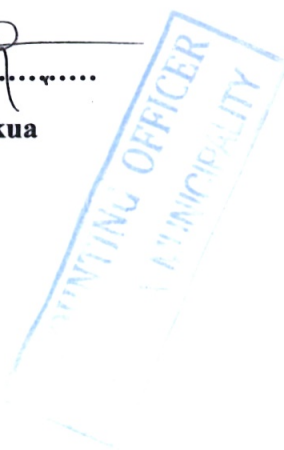
14. Statement of Financial Performance for The Year Ended 30 June 2023.

	Notes	2022-2023	2021-2022
		Kshs.	Ksh
Revenue from non-exchange transactions			
Transfers from other governments entities	5	35,844,498	99,846,832
Total revenue		35,844,498	99,846,832
Expenses			
Use of goods and services	6	8,203,122	24,487,984
Staff costs	7	8,946,376	36,238,880
Repairs and maintenance	8	178,187	66,700
Transfer to other County Government entities	9	44,234,101	36,073,818
Total expenses		61,561,786	96,867,382
Net Surplus/ deficit for the year		(25,717,288)	2,979,450

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Municipality of Nyamira financial statements were approved on 30 June 2023 and signed by:



Name: CPA Morara Mokua
Municipality Manager





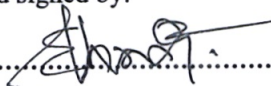
Name: Joseph Ogweche
Municipality Accountant
ICPAK M/No 17572

MUNICIPALITY OF NYAMIRA
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15. Statement of Financial Position as at 30th June 2023

	Notes	2022-2023	2021-2022
			Kshs.
Assets			
Current Assets			
Cash and Cash equivalents	10	94,560,790	133,155,840
Total current assets		94,560,790	133,155,840
Non-current assets			
Property, plant and equipment	11	9,349,273	3,999,856
Intangible assets	12	18,154,373	9,810,000
Total non-current assets		27,503,646	13,809,856
Total Assets		122,064,436	146,965,696
Liabilities			
Current Liabilities			
Customer deposits	13	4,423,410	3,607,382
Total Liabilities		4,423,410	3,607,382
Accumulated surplus		117,641,026	143,358,314
Total net assets and Liabilities		122,064,436	146,965,696

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Municipality of Nyamira financial statements were approved on 30th June 2023 and signed by:

.....


Name: Morara Mokuia
Municipality Manager

Date: 21/07/24

.....


Name: Joseph Ogweche
Municipality Accountant

ICPAK M/No 17572

Date: 28/7/24

ACCOUNTING OFFICER
 NYAMIRA MUNICIPALITY

MUNICIPALITY OF NYAMIRA
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16. Statement of Changes in Net Assets For the Year Ended 30 June 2023

Description	Accumulated surplus
	Kshs.
Bal as at 1 July 2021	140,378,864
Surplus/(deficit) for the year	2,979,450
Bal as at 30 June 2022	143,358,314
Bal as at 1 July 2022	143,358,314
Surplus/(deficit) for the year	(25,717,288)
Balance as at 30 June 2023	117,641,026

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17. Statement of Cash Flows for The Year Ended 30 June 2023

	Notes	2022-2023	2021-2022
		Kshs.	
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	5	35,844,498	99,846,832
Customer deposits	13	0	3,607,382
Other Receipts		3,347,782	-
Total receipts		39,192,280	103,454,214
Payments			
Use of goods and services	6	8,203,122	(24,487,984)
Staff costs	7	8,946,376	(36,238,880)
Repairs and maintenance	8	178,187	(66,700)
Total payments		(17,327,685)	(60,793,564)
Net cash flows from operating activities		21,864,595	42,660,650
Cash flows from investing activities			
Purchase of property, plant and equipment	11	9,349,273	(3,999,856)
Purchase of intangible assets	12	18,154,373	9,810,000
Net cash flows from investing activities		(27,503,646)	(3,999,856)
Cash flows from financing activities			
Payment for construction of County Government's Road and construction of fire station	9	44,234,101	(36,073,818)
Net cash flows used in investing activities		44,234,101	(36,073,818)
Net increase in cash and cash equivalents		(38,595,050)	2,586,976
Cash and cash equivalents at 1 st July 2022	10	133,155,840	130,568,864
Cash and cash equivalents at 30th June 2023	10	94,560,790	133,155,840

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18. Statement of Comparison of Budget & Actual Amounts for the Year ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	a	B	c=(a+b)	d	e=(c-d)	f=d/c
Revenue		Kshs.	Kshs.	Kshs.	Kshs.	
Transfers from the County Government	33,045,983	2,201,235	35,844,498	35,844,498	0	%
Total Revenue	33,045,983	2,201,235	35,844,498	35,844,498	0	%
Expenses						
Use of goods and services	7,000,000	1,885,400	8,885,400	8,203,122	682,278	7%
Staff Cost	10,645,983	0	10,645,983	8,946,376	1,699,607	%
Transfer to other County government entities	45,660,901	-1,426,800	44,234,101	44,234,101	0	0%
Repairs and Maintenance	230,000	0	230,000	178,187	51,813	
Total Expenditure	63,536,884	458,600	63,995,484	61,561,786	2,433,698	%
Surplus for the period				(25,717,288)		

19. Notes to the Financial Statements

1. General Information

Municipality of Nyamira is established by and derives its authority and accountability from The Urban Areas and Cities Act No 13 of 2011. The Municipality of Nyamira is wholly owned by the county Government of Nyamira and is domiciled in Nyamira, Kenya. The Municipality of Nyamira principal activity is promotion, regulation and provision of refuse collection and solid waste management

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Municipality of Nyamira.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

New and amended standards and interpretations in issue effective in the year ended 30 June 2022.

IPSASB deferred the application date of standards from 1st January 2023 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

4. Summary of Significant Accounting Policies

a) Budget information

The original budget for FY 2022-2023 was approved by the National Assembly on 28th June 2022. 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 Municipality of Nyamira upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Municipality of Nyamira recorded additional appropriations of 2022/2023 on the 2022-2023 budget following the governing body's approval.

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Budget information (continued)

The Municipality of Nyamira budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section of these financial statements.

b) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Municipality of Nyamira operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

c) Research and development costs

The Municipality of Nyamira expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Municipality of Nyamira 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

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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.

d) Provisions

Provisions are recognized when the Municipality of Nyamira 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 Municipality of Nyamira 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.

e) Contingent liabilities

The Municipality of Nyamira 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.

f) Contingent assets

The Municipality of Nyamira 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 Municipality of Nyamira 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.

g) Changes in accounting policies and estimates

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

h) 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.

i) Employee benefits

Retirement benefit plans

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

j) Related parties

The Municipality of Nyamira regards a related party as a person with the ability to exert control individually or jointly, or to exercise significant influence over the Municipality or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

k) Service concession arrangements

The Municipality of Nyamira 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 Municipality of Nyamira 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 municipality of Nyamira also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

l) 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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m) Comparative figures

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

n) 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, 2023.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Municipality of Nyamira 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:

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.

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1. General Information

Municipality of Nyamira is established by and derives its authority and accountability from The Urban Areas and Cities Act No 13 of 2011. The Municipality of Nyamira is wholly owned by the county Government of Nyamira and is domiciled in Nyamira, Kenya. The Municipality of Nyamira principal activity is promotion, regulation and provision of refuse collection and solid waste management

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Municipality of nyamira.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Significant Accounting Policies

a) 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 City/Municipality 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.

b) 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.

c) Comparative figures

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

d) Events after the reporting period

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorized for issue. Two types of events can be identified:

(a) Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and

(b) Those that are indicative of conditions that arose after the reporting date

The City/Municipality should indicate whether there are material adjusting and non- adjusting events after the reporting period.

e) Currency

The financial statements are presented in Kenya Shillings (Kshs.) and the values rounded off to the nearest shilling.

4. Significant judgments and sources of estimation uncertainty

The preparation of the City/Municipality'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 City/Municipality based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the City/Municipality. Such changes are reflected in the assumptions when they occur.

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5. Transfers from the County Government

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	17,645,983	45,643,539
Transfers from County Govt. – Development	15,858,600	8,000,000
Kenya Urban support programme (UDG) grant	1,194,560	46,203,293
Kenya Urban support programme (UIG) grant	1,145,355	0
Total	35,844,498	99,846,832

6. Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Subscriptions	0	299,859
Catering Services	0	2,582,400
Maintenance of computer software	0	90,000
Fuel and Oil	2,222,222	1,727,000
Printing and Stationery	0	125,000
Purchase of specialized items	0	1,478,850
Rental	904,600	909,600
Training	0	45,800
Travel, Subsistence & Other Allowances	5,076,300	17,229,475
Total	8,203,122	24,487,984

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7. Staff costs

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Salaries and wages	8,946,376	30,519,433
Employer contribution to pension schemes	0	5,719,447
Housing benefit and allowances	0	0
Total	8,946,376	36,238,880

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8. Repairs and Maintenance

Description	2022-2023	2021-2022
	KShs	KShs
Motor vehicle expenses	178,187	66,700
Total repairs and maintenance	178,187	66,700

9. Transfer to other County Government entities

Description	2022-2023	2021-2022
	KShs	KShs
Construction of county government roads	21,343,476	36,073,819
Construction of fire station	22,890,625	0
Total	44,234,101	36,073,819

10. Cash and cash equivalents

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Recurrent Grant Account	1,255,978	1,090,042
Development Grant Account	88,881,402	128,458,416
Retention Account	4,423,410	3,607,382
Total cash and cash equivalents	94,560,790	133,155,840

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Detailed analysis of the cash and cash equivalents are as follows:

Financial institution	Account number	2022-2023	2021-2022
		Kshs.	Kshs.
a) Institutional grant account			
Central bank UIG	1000404841	1,255,978	1,090,042
Sub- total		1,255,978	1,090,042
b) Development Grant Account			
Central bank UDG	1000394374	88,873,142	128,256,456
Equity Bank UDG	0520280023457	8,260	201,960
Sub- total		88,881,402	128,458,416
c) Retention account			
Nyamira county Retention account	1000323938	4,423,410	3,607,382
Sub- total		4,423,410	3,607,382
Grand total		94,560,790	133,155,840

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11. Property Plant and Equipment

Description	2022-2023	2021-2022
	Shs	Shs
As at 1 July 2021		3,999,856
As at 30th June 2022		3,999,856
At 1 July 2022	3,999,856	
Transfers/ Adjustments	5,349,417	
As at 30th June 2023	9,349,273	3,999,856
NBV as at 30th Jun 2022		3,999,856
NBV as at 30th Jun 2023	9,349,273	

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12. Intangible assets

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Cost		
At beginning of the year 1st July 2022	9,810,000	9,810,000
Adjustment	8,344,373	
NBV At the end of the year 2023	18,154,373	9,810,000

13. Customer Deposits

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Retention Moneys	4,423,410	3,607,383
Total	4,423,410	3,607,383

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20. Annexes

Annex 1: Progress on follow up of prior year auditor’s recommendation

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:	Timeframe:
REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES				
Basis for Conclusion				
1.0	Unsupported Use of good and services	The management concurred with the Auditor’s observation that catering services costs and travel , subsistence and other allowances were not fully supported	Not Resolved	
2	Unsupported Retention Account Balances	The Management noted that the certificate of bank balance, cash book and bank reconciliation to support the retention	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
		account was not provided. This has been provided.		
REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES				
Basis for Conclusion				
	Non-Functional Municipality Board	The management concurred with the auditors' observation and is in the process of delinking the Municipality from the department of Lands, Housing, Physical Planning and Urban Development.	Not resolved	2 Year

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Annex 2: Projects implemented by The Municipality of Nyamira

No.	Project Title	FY	Source of Funds	Status of the Project/Percent of Completion	Total Disbursements (Kshs.)	Challenges/Remarks
1	Upgrading to bitumen standards of (b5) borabu inn-golan heights resorts-jua kali-nyamira boys-(b5)-nyabite.	2018/2019	KUSP	100%	104,373,213.30	completed
2	Municipal Spatial plan	2019/2020	KUSP	97%	10,900,000.32	Municipal Spatial plan complete awaiting cabinet discussion and approval from county assembly
3	Upgrading of Public Works CDF Offices Hospital Junction from Gravel road to bitumen standards.	2019/2020	KUSP	65%	82,859,330.47	Project ongoing behind schedule
4	Construction and completion of a Fire Station for the County government of Nyamira, Nyamira Municipality	2020/2021	KUSP	75%	50,519,325.00	Project ongoing and on schedule
5	Street light (lightsource Concept ltd)		County Govt	100%	5,990,000.00	completed
6	Internet and networking	2020/2021	County Govt	100%	4,000,000.00	completed
7	Street light (Ripplet3ec)	2020/2021	County Govt	100%	4,358,600.00	Not paid. Completed, awaiting payment