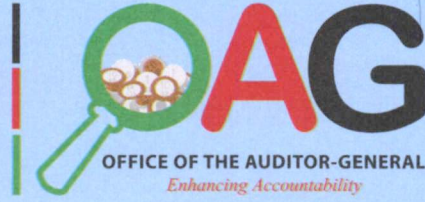


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REPORT

OF

THE AUDITOR-GENERAL

ON

MARALAL MUNICIPALITY

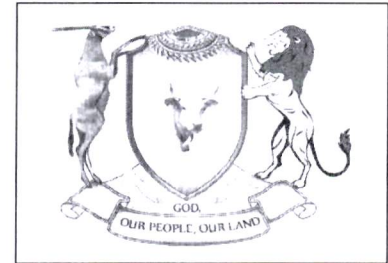
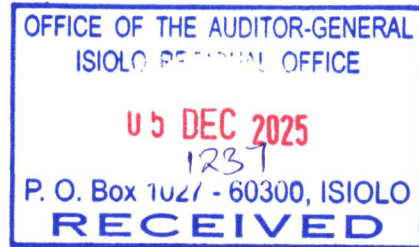
FOR THE YEAR ENDED

30 JUNE, 2024

COUNTY GOVERNMENT OF SAMBURU

PAPERS LAID	
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MARALAL MUNICIPALITY
County Government of Samburu

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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

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County Government of Samburu
Maralal Municipality
Annual Report and Financial Statements for the year ended June 30, 2024

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1. Acronyms and Definition of Key Terms

A. Acronyms

ACTED	Agency for Technical Cooperation and Development
ASAL	Arid and Semi-Arid Lands
ASDSP	Agricultural Sector Development Support Program
BOM	Board of Management
CG	County Government
CARA	County Act Revenue Allocation
CCCAP	County Climate Change Action Plan
CECM	County Executive Committee Member
CFA	Community Forest Association
CIDP	County Integrated Development Plan
CRF	County Revenue Fund
DANIDA	Denmark's Development Co-operation
DRM	Disaster Risk Management
ECDE	Early Childhood Development Education
ECL	Expected Credit Loss
EMCA	Environmental Management and Coordination Act
FAO	Food and Agriculture Organization
FCDC	Frontier Counties Development Council
FLOCCA	Financing Locally-Led Climate Action Program
FY	Financial Year
GHRIS	Government Human Resource Information System
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information and Communications Technology
IDEAS	Instruments of Devolution Advice and Support
IFMIS	Integrated Financial Management System
IMPACT	Indigenous Movement for Peace Advancement & Conflict Transformation
IPPD	Integrated Payroll and Personnel Database

IPSAS	International Public Sector Accounting Standards
KCSAP	Kenya Climate Smart Agriculture Project
KFS	Kenya Forest Service
KSH	Kenya Shillings
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NARIGP	National Agricultural and Rural Inclusive Growth Project
NDMA	National Drought Management Authority
NEMA	National Environmental Management Authority
NRM	National Resource Management
PCRA	Participatory Climate Risk Assessment
PFM	Public Finance Management
PPP	Public Private Partnership Act
PSASB	Public Sector Accounting Standards Board
ROR	Research Organization Registry
SDG	Sustainable Development Goals
SNV	Netherlands Development Organization
SRC	Salaries and Remuneration Commission
THUSCP	Transforming Health System Universal Care Project
TWG	Thematic Working Groups
UNICEF	United Nations Children's Fund
USAID	US Agency for International Development
WARUA	Water Resource User Association
WUA	Water Users

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

(Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)

2. Key Entity Information and Management

a) Background information

Maralal Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011(amended 2019) and Cities and Municipal Charter which was conferred on 13th August 2018 and consequently chartered vide gazette notice No. 461 of 18th January 2019. Maralal Municipality is under the County Government of Samburu and is domiciled in Kenya.

b) Principal Activities

The principal activity/mission/ mandate of Maralal Municipality are to;

- i) Provide for efficient and accountable management of the affairs of the Municipality
- ii) Provide for a governance mechanism that will enable the inhabitants of the Municipality to;
 - a. Participate in determining the social services and regulatory framework which best satisfy their needs and expectations
 - b. Verify whether public resources and authority are utilized or exercised, as the case may be, to their satisfaction.
 - c. Enjoy efficiency in service delivery.
- iii) Vigorously pursue the development opportunities which are available in the Municipality and to institute such measures as are necessary for achieving public order and the provisions of civic amenities, so as to enhance the quality of life of the inhabitants of the Municipality.
- iv) Provide a high standard of social services in an effective manner to the inhabitants of the Municipality.
- v) Promote social cohesiveness and a sense of civic duty and responsibility among the inhabitants and stakeholders in the Municipality in order to facilitate collective action and commitment towards achieving the goal of a harmonious and stable community.
- vi) Provide for services, laws and other matters for Municipality's benefit.
- vii) Fostering the economic, social and environmental wellbeing of its community

c) Key Management

Maralal Municipality management is under the following key organs:

- Board of Management
- Accounting Officer

- Municipality Manager
- Management

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

Ref	Position	Name
1	Municipality Manager	Steve Lemeteki
2	Chief Officer – Housing and Urban Development	Regina Mwatha
3	Director – Planning and Urban Development	Moses Omondi

e) Fiduciary Oversight Arrangements

i) Audit and Risk Management Committee

The County Assembly of Samburu Budget Committee had been instrumental in holding ad hoc committee meetings to discuss budgeting process, reasonability of costing of projects and making recommendations before final budget presentation at County Assembly.

Samburu County Audit Committee has held a number of meetings where continuous audit processes were encouraged and audit reports both internal and external were discussed.

ii) County Assembly committees

Samburu County Assembly was instrumental in the budgeting process to ensure that a balanced budget that would bring about optimal utilization of resources is finally passed and subsequently well implemented.

iii) Committees of the Senate

In the previous year, Samburu County Executive had appeared before the Senate's Public Accounts Committee in November 2024, where audit queries for FY 2020/21, FY2021/22 and FY 2022/23 were discussed and resolved.

f) Samburu County Executive Headquarters

P.O. Box 3-20600

Maralal- Nyahururu Road

MARALAL, KENYA

g) Samburu County Executive Contacts

Telephone: +254 065 62456, +254 65 62075

E-mail: info@samburu.go.ke

Website: www.samburu.go.ke

h) Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

Commercial Banks

Co-operative Bank of Kenya-Maralal Branch

Telephone: +254 703 027 000

E-mail: customerservice@co-opbank.co.ke

Website: www.samburu.go.ke

Equity Bank of Kenya-Maralal Branch

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

The Attorney General

State Law Office

Harambee Avenue




P.O. Box 40112




City Square 00200

Nairobi, Kenya



*County Government of Samburu
Maralal Municipality
Annual Report and Financial Statements for the year ended June 30, 2024*



3. Maralal Municipality Board

Serial No.	Name	Details of qualifications and experience
1	 Andrew Lenanyokie- Chairperson	<p>Andrew Lenanyokie was born on 28 February 1959. He sat for his Certificate of Primary Education (CPE) in 1974 at South Horr. In 1987, he completed the Kenya Certificate of Education (KCE). He later pursued further studies, earning a Certificate in Social Work at the Government Training Institute, Maseno, in 1990. On 15 July 1997, he obtained a Diploma in National Development Studies from Holy Ghost College, Kimmage Manor.</p> <p>He currently serves as a Governor’s Appointee to the Maralal Municipality Board, where he is the Chairperson.</p>
2	 Selina Akiru- Vice Chairperson	<p>She was born in 1975. She holds a degree in Education and has teaching experience. She currently serves as the Vice Chairperson of the Maralal Municipal Board.</p>
3	 David England Loosenge- Member	<p>David Loosenge was born on 2 May 1984. He is currently the County Executive Committee Member (CECM) for Physical Planning, Housing, and Urban Development. He previously served as Chief Officer in the Department of Social</p>



		Services and also worked with the National Drought Management Authority (NDMA).
4	 <p>Regina Mwatha-Member</p>	Regina Mwatha was born on 12 June, 1978 and she is currently the Chief Officer for Housing and Urban Development. From 2005 to 2022, she worked with the Teachers Service Commission (TSC) in Samburu, Marsabit, and Laikipia counties. She holds a degree in Social Sciences.
5.	 <p>Yussuf Osman Isaak- Member</p>	Yussuf Osman Isaak was born 26 th March 1990. He did his KCSE in 2008 in Maralal High school, Diploma in Crime Management and Prevention in Kenyatta University (2010-2012), BA of Arts in Criminology and Security Studies Egerton University (2012-2014), Post Graduate Diploma in Project Planning and Management in Mount Kenya University 2024 to Date. He has worked in T.S.S Group of Companies (200-2012), The Boma Hotels (Jan to May 2014), Ministry of Interior and Coordination of National Government (July 2016-July 2021), Kenya Revenue Authority (July 2021 to date). He is Governor appointee in Maralal Municipality Board.
6.	 <p>Pius Lobuk- Member</p>	Pius Lobuk was born in 1957. He completed a six-month program of studies at the Coady International Institute, where he was awarded a Diploma in Social Development. He is a Governor's Appointee to the Maralal Municipality Board.

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<p>7.</p>	 <p>Nickson Lesimale-Member</p>	<p>Nixon Lesimale was born on 2 December 1994. He attended Maralal Primary School from 2001 to 2009, where he sat for his KCPE, and later joined Nanyuki High School for his KCSE from 2010 to 2013. In 2014, he obtained a Certificate in Computer Packages from Dolphin Computer Technologies. He later pursued a Diploma in Business Administration, specializing in Banking and Finance, at Rift Valley Institute of Science and Technology.</p> <p>His work experience includes serving as a Research Assistant at Jubilee Insurance Company of Kenya Ltd in 2018 and at St. Martin Catholic Social Apostolate in 2019. He is currently the Operations and Marketing Manager at Dumisha Sacco Limited.</p> <p>He represents the Professional Association in the Maralal Municipality Board.</p>
<p>8</p>	 <p>Simon Mburu Kinyanjui-Member</p>	<p>Simon Mburu was born in 1946. From 1956 to 1964, he attended CCM Primary School, Nyahururu. He later joined Njabini Secondary School, where he studied O-Levels from 1956 to 1968, and pursued A-Levels privately in 1975. Between 1969 and 1970, he trained at St. Joseph Teachers College, Kitale.</p> <p>He began his teaching career at South Horr Primary School (1971–1973) and later taught at St. Mary’s Primary School, Maralal, in 1973. From</p>

		<p>1985 to 2000, he served as Headmaster at St. Paul's Primary School, Maralal. Since 2001, he has been the Manager and Proprietor of Mbukiwa School. Between 2014 and 2018, he also served as a Committee Member in Maralal Town.</p> <p>He represents the Informal Sector in the Maralal Municipality Board.</p>
9.	 <p>Esther Wanjiru Kamau-Member</p>	<p>Esther Wanjiru was born on 29 October 1973. She studied at Njonjo Girls Secondary School and later attended Kaimosi Teachers Training College. She also holds a Diploma in Early Childhood Development Education (ECDE) from Jupiter Visionary College, Kabarnet.</p> <p>She represents the Private Sector in the Maralal Municipality Board.</p>
10.	 <p>Steve Lemeteki- Secretary</p>	<p>Steve Lemeteki was born on 28 December 1986. He was initially the Acting Municipal Manager for Maralal Municipality. In August this year, he was confirmed as the Municipal Manager for a six-year term. Before his appointment, he served as a senior-ranking officer at the County Assembly of Samburu. He holds a degree in Education from Kenyatta University</p>

4. Key Management Team

S/ No	Name	Details of qualifications and experience
1.	 Steve Lemeteki- Secretary	Currently the acting Municipal Manager for Maralal Municipality. He is an immediate senior ranking officer at the County Assembly of Samburu. Degree holder in Education from Kenyatta University
2.	 Regina Mwatha-Member	Currently Chief Officer Housing & Urban Development. Worked at TSC from 2005 to 2022 in Samburu, Marsabit and Laikipia Counties. Degree holder in Social Sciences

5. Maralal Municipality Board Chairperson's Report

Urban areas play integral role in the development a country's as they are engines of growth, modernisation and service provision in selective dispersal pattern. Numerous statistic indicates that the more urbanised an economy is, the more it is modernised with high quality of life with the same urban areas supporting rural development through provision of markets and housing populations engaged in secondary and tertiary production. Globally, it is estimated that over 50% of world population resides in urban areas and this is projected to hit 70% by 2070. The above global trends is also experienced in Kenya with a steady urbanisation rate of 2.1% and with slightly over 30% of Kenya's population residing in urban areas.

Samburu county being a rural based county that is heavily reliant on pastoralism, has experienced a steady urbanisation rate and urbanism over the years. It is estimated that 15% of her population are urban dwellers within the six major urban areas within the county. The county has only one classified urban area (Maralal) as per the Urban Areas and Cities Act 2011 with the rest being small urban centres prime for conferment of either town or market centre status. Maralal Municipality is the primate urban area within the county, accounting for over 32,000 urban dwellers.

Since the revamp and establishment of Maralal Municipality through conferment of Municipal Charter in 2018 and appointment of Municipal board, the Municipality has made significant progress especially in development planning and service provision within her jurisdiction. In the first life cycle of the board, the Municipality received development funds from the Kenya Urban Support Programme and with a slight counter funding from the County Government. However, the County government made a policy change due to the recent budget shocks that stopped the municipal funding in undertaking support services and routine activities. Nevertheless, with the coming of the second phase of County Government and a new board that was inaugurated in 2024, there has been renewed interest and phase of funding from the County Government since FY 2023/2024.

I want to thank the previous board whose term lapsed in October 2024 and the parent department of Lands, Physical Planning, Housing and Urban Development for success that was realised during this five-year tenure. In formative years, the Municipality Purchased a tractor and truck for garbage collection. Through support of the countywide UIG money and technical staff from county department, the Ministry in Charge of Lands and National Land Commission, the Municipality undertook re-planning and cadastral survey for titling of approximately 5,000 parcels. Additionally, it initiated the construction of ultra-modern two floor retail market within the Old Miraa Market, installation of waste collection bins, flood and street lighting, and public ablution block. Outstanding progress made include for the first time the municipality procured a 60,000 litre fire engine. It significantly expanded the cabro-paved surface to 13,151m² and a storm water drainage channel of 1.5km within the centre of the municipality. In spite of the above success, the board and municipality had a host of myriad of challenges that include but not limited to inadequate technical staff, limited funding, ageing waste collection tools, lack of autonomy, jurisdictional and mandate overlap and lack of public awareness.

At present, the Board is fully constituted as per the law and in the short term has made strategic changes and progress. Principal among them is the transfer of functions notice number 2664 of 4th March 2025 which is step towards autonomy and entrenching further decentralisation of services as espoused in County Government Act 2012 and Urban Areas and Cities Act 2011. This will greatly

County Government of Samburu
Maralal Municipality
Annual Report and Financial Statements for the year ended June 30, 2024

boost the operations, financial Reporting as per the Finance Act, revenue collection, human resource function.

.....
Name: *Andrew Lenanyeki*
Chairperson of the Board

6. Forwarding Message by the Municipal Manager

As the Municipal Manager of Maralal Municipality, I am pleased to present this comprehensive report, which provides an in-depth review of our performance, achievements, and challenges during the reporting period. This report highlights the progress made in urban planning, infrastructure development, governance, and service delivery, all of which are critical in ensuring sustainable urban growth and improved quality of life for our residents.

Since its establishment, Maralal Municipality has remained committed to fostering planned urbanization, enhancing service provision, and ensuring that urban governance aligns with national and county development goals. Our strategic interventions have been guided by the principles of efficiency, inclusivity, and sustainability. Notably, we have made significant strides in infrastructure expansion, environmental management, revenue enhancement, and institutional strengthening.

The financial performance section of this report provides an overview of our budget execution, resource allocation, and expenditure trends, ensuring transparency and accountability. Furthermore, we discuss the implementation status of key projects, the impact of municipal programs, and future strategic priorities aimed at improving urban governance and service delivery.

Despite the milestones achieved, challenges such as limited technical capacity, financial constraints, and jurisdictional overlaps continue to impact our operations. However, with strong collaboration among stakeholders, enhanced resource mobilization, and strategic policy implementation, we remain optimistic about the Municipality's future growth and development.

I extend my sincere appreciation to the Board Members, County Government leadership, development partners, and the entire Municipality team for their unwavering support and commitment. Together, we will continue to transform Maralal Municipality into a model urban center, fostering inclusive and sustainable development for the benefit of all.



.....
Name: STEVE LEMETEKE
City/Municipality Manager



7. Statement of Performance Against Predetermined Objectives for the FY 2023/2024

Guidance

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a County Government entity shall prepare financial statements in respect of the entity in formats to be prescribed by the Accounting Standards Board including a statement of the county government entity's performance against predetermined objectives.

[Refer to Maralal Municipality's annual budget and program plan report on the extent of Maralal Municipality's progress in attaining the plan. Report on the metrics met, objectives yet to be met, challenges and opportunities of Maralal Municipality in implementation of its program plan. Refer to the strategic plan if the entity has one.] (This guidance statement should be removed in the final set of financial statements).

The key development objectives of the Maralal Municipality (state the period of the strategic document/plan) plan are to:

- a) Provide quality physical infrastructure.
- b) Urban planning.
- c) Urban governance and administration

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Below we provide the progress on attaining the stated objectives:

(NB: Entities can prepare this performance information as per the table below or in a more relevant format suitable for the nature of its activities)

Program/Service	Objective	Outcome	Indicator	Performance
Urban planning	To control urban development	To create orderly development in urban areas	Number of developments conforming with rules and regulations governing urban development	In FY under review we increased Housing unit by xx%.
Program 2	-	-	-	-

8. Corporate Governance Statement

The Maralal Municipality Board recognizes that good corporate governance is central to achieving accountability, transparency, and effective service delivery. During the financial year ended 30th June 2024, the Board adhered to the provisions of the **Urban Areas and Cities Act, 2011 (as amended in 2019)**, the **Public Finance Management Act, 2012**, and other enabling laws to ensure that its operations reflected integrity, inclusiveness, and compliance with statutory requirements.

a) Appointment and Removal of Board Members

- Members of the Maralal Municipality Board were appointed by the Governor of Samburu County as required under **Section 14 of the Urban Areas and Cities Act, 2011**.
- Appointments considered representation from professional associations, private sector, informal sector, and special interest groups to ensure inclusivity and diversity.
- Removal of members, where applicable, is guided by **Section 16 of the Urban Areas and Cities Act**. Grounds include misconduct, incapacity, breach of the code of conduct, or conflict of interest.
- The County Assembly plays an oversight role in vetting appointments, ensuring the Board meets governance and competence requirements.

b) Roles and Functions of Board Members

- The Board is mandated under **Section 20 of the Urban Areas and Cities Act** to:
 - i) Formulate and approve municipal policies.
 - ii) Oversee planning, budget implementation, and service delivery within Maralal Municipality.
 - iii) Ensure proper management of infrastructure, land use, waste management, and public utilities.
 - iv) Promote accountability and transparency in the management of municipal resources.
- Members actively reviewed and monitored the implementation of the Municipality's budget and programme activities, providing policy direction to management.

c) Induction, Training, and Capacity Development

- Newly appointed members were inducted in line with **public service training policy frameworks** and briefed on their fiduciary responsibilities under the PFM Act, 2012.
- The Board also benefitted from continuous sensitization sessions on IPSAS-based financial reporting, public procurement regulations, and ethics in public office.
- Plans are in place to institutionalize regular training for Board members, especially on **urban governance, environmental sustainability, and climate-smart infrastructure management**.

d) Board Meetings and Attendance

- In the year under review, the Board held **six (6) full board meetings** in compliance with statutory requirements.
- The agenda covered budget approval, review of financial statements, progress of development projects, and governance oversight.
- Attendance averaged **80%**, with most members demonstrating commitment to fulfilling their duties. Attendance registers were maintained as evidence of compliance.

e) Succession Planning

- Succession planning has been integrated into the Municipality's governance framework to ensure smooth transitions in leadership.
- Key officers, including the Municipal Manager and departmental heads, were tasked with developing second-tier leadership capacity.
- The succession framework is guided by **County Public Service Human Resource policies** to safeguard institutional stability and continuity of service delivery.

f) Conflict of Interest Management

- All members were required to declare interests before deliberations in line with **Section 16 of the Public Officer Ethics Act, 2003** and the **Leadership and Integrity Act, 2012**.
- Registers of declared interests were maintained by the Secretariat to promote transparency.

- No major incidents of conflict of interest were reported during the year.

g) Remuneration of Board Members

- Remuneration followed guidelines issued by the **Salaries and Remuneration Commission (SRC)** in accordance with Article 230 of the Constitution.
- Total sitting allowances paid during the year amounted to **Ksh. 210,500**, while other costs (including conference participation) totalled **Ksh. 54,500**.
- Board members did not receive salaries, medical cover, or gratuities; their compensation was strictly aligned to approved allowances and actual participation in meetings.

h) Ethics, Integrity, and Conduct

- The Board adhered to the **Leadership and Integrity Act, 2012** and adopted a Code of Conduct that guided all members.
- Members committed to high ethical standards, fairness, and accountability in decision-making.
- No governance audit was undertaken during the year due to budgetary limitations. However, plans are underway to conduct an independent governance audit in FY 2025/26 to assess compliance with statutory obligations and strengthen governance systems.

i) Governance Outlook

Moving forward, the Board aims to strengthen corporate governance by:

- i) Institutionalizing annual governance audits.
- ii) Enhancing public participation and stakeholder engagement in policy formulation.
- iii) Adopting technology-enabled systems to improve transparency in municipal operations.
- iv) Expanding capacity-building programmes to align with evolving urban governance demands.

The Board remains committed to ensuring that Maralal Municipality is managed efficiently, transparently, and in full compliance with the law.

9. Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) provides an overview of Maralal Municipality's operational and financial performance during the financial year ended 30th June 2025. It also highlights key projects, compliance with statutory requirements, major risks, and the future outlook.

a) Operational Performance

During the year, Maralal Municipality implemented programmes in line with its mandate under the **Urban Areas and Cities Act, 2011**.

Key operational achievements included:

- i) **Urban Infrastructure:** Completion of floodlighting projects worth Ksh. 1.034 million, enhancing safety and supporting evening business activities.
- ii) **Asset Management:** Effective maintenance of municipal infrastructure, though depreciation costs (Ksh. 957,483) signaled a growing need for structured maintenance plans.
- iii) **Urban Planning:** Approvals of housing units and construction permits increased by an estimated 15%, supporting orderly development.
- iv) **Governance:** Six board meetings were held, providing oversight on financial management, service delivery, and programme implementation.

Challenges:

- i) No recurrent transfers from the County Government were received, constraining cash flows.
- ii) Limited own-source revenue mechanisms meant over-reliance on county allocations.
- iii) Staffing gaps in engineering, urban planning, and project management functions affected efficiency.

b) Financial Performance

Maralal Municipality operated within approved budgets and applied funds prudently, as guided by the **PFM Act, 2012**.

- **Budget Absorption:** Both recurrent and development budgets were fully absorbed.
- **Total Expenditure:** Ksh. 13.7 million (Goods and services – Ksh. 1.05m; Board expenses – Ksh. 0.26m; Repairs – Ksh. 1.03m; Capital expenditure – Ksh. 10.41m).
- **Deficit:** Ksh. 3.31 million, financed from accumulated surpluses.
- **Cash Balances:** Declined from Ksh. 12.7 million in FY 2023/24 to Ksh. 3,254 in FY 2024/25.
- **Assets:** Increased to Ksh. 9.45 million, mainly from capital works.

c) Key Projects and Investment Decisions

The Municipality prioritised projects that directly addressed community needs and promoted sustainable growth

- **Floodlighting Programme:** Installed and maintained new floodlights, improving security and extending hours of business operations.
- **Asset Rehabilitation:** Routine maintenance of public utilities to ensure continuity of service delivery.
- **Urban Planning:** Continued enforcement of development control and approvals to reduce informal developments.

The Board and Management adopted a value-for-money approach, ensuring that resources allocated resulted in visible, measurable service improvements.

d) Compliance with Statutory Requirements

- **Financial Reporting:** The Municipality prepared its financial statements in compliance with **IPSAS Accrual Basis**, as required by the **PFM Act, Section 164**.
- **Procurement:** Procurement of goods and services adhered to the **Public Procurement and Asset Disposal Act, 2015**.
- **Governance:** Board meetings and decision-making processes complied with statutory provisions under the **Urban Areas and Cities Act**.
- **Public Participation:** Stakeholders were engaged in planning and budget discussions, aligning municipal priorities with community needs.

e) Major Risks and Mitigation Strategies

The Municipality faced several risks:

- i) **Revenue Dependence:** Heavy reliance on county transfers poses a sustainability risk.
 - *Mitigation:* Develop and implement a revenue mobilization framework, including service charges and user fees.
- ii) **Rising Maintenance Costs:** Depreciation and repair costs continue to rise.
 - *Mitigation:* Establish asset management and preventive maintenance schedules.
- iii) **Human Resource Gaps:** Lack of specialized technical staff.
 - *Mitigation:* Engage County Public Service Board to fill critical positions and invest in staff training.
- iv) **Cash Flow Volatility:** Declining cash balances limit operational flexibility.
 - *Mitigation:* Improve planning, timely requisitioning, and financial discipline.

f) Outlook and Strategic Priorities

Looking ahead, the Municipality has aligned its plans with the County Integrated Development Plan (CIDP) and the Urban Strategic Plan. Key priorities for FY 2025/26 include:

- Expansion of **road infrastructure** within the municipality to ease connectivity.
- Strengthening **waste management programmes** to enhance environmental sustainability.
- Increasing **street lighting coverage** to support safety and business growth.
- Establishing a **local revenue mobilization strategy** to improve financial independence.
- Enhancing **citizen engagement platforms** to promote accountability and inclusiveness.

Management remains committed to prudent resource use, effective service delivery, and transparent governance.

10. Environmental And Sustainability Reporting

Maralal Municipality recognizes that sustainable development is at the core of effective urban governance. Guided by the **Urban Areas and Cities Act, 2011**, the **Environmental Management and Coordination Act (EMCA), 1999**, and the **Sustainable Development Goals (SDGs)**, the Municipality has sought to balance infrastructure growth, environmental stewardship, and social inclusion.

1. Sustainability Strategy and Profile

- The Municipality's mandate centers on **urban planning, infrastructure development, and governance**. These functions are closely tied to long-term sustainability.
- Our strategy emphasizes sustainable cities (SDG 11) by prioritizing clean environments, safe infrastructure, and inclusive service delivery.
- During FY 2024/25, the Municipality focused on:
 - Expanding street lighting to improve urban security and extend business hours.
 - Maintaining assets responsibly to reduce long-term environmental costs.
 - Aligning projects with national environmental and climate change policies.
- In FY 2025/26, sustainability priorities will include **solid waste management projects, climate-resilient infrastructure, and renewable energy options** for municipal facilities.

2. Environmental Performance

- **Environmental Policy:** The Municipality adheres to EMCA, 1999 and related county environmental by-laws.
- **Waste Management:** Basic waste collection and disposal services were undertaken, though capacity gaps remain. Plans are underway to expand structured solid waste management in FY 2025/26.
- **Energy Efficiency:** Installation of floodlights contributed to urban safety while adopting energy-efficient bulbs to reduce power consumption.
- **Biodiversity Efforts:** Engagements with community groups to promote tree planting and green spaces within Maralal town.

- **Challenges:** Inadequate financing and limited technical expertise hindered implementation of large-scale environmental initiatives.

3. Employee Welfare

- **Recruitment:** Hiring practices are guided by the County Public Service policies and uphold the principles of fairness, gender balance, and inclusivity.
- **Capacity Building:** Staff benefitted from induction on public finance, procurement, and ethics. Future training will include sustainability and climate-smart urban development.
- **Safety and Health:** The Municipality complies with the **Occupational Safety and Health Act (OSHA), 2007**. No workplace accidents were recorded during the reporting year.
- **Appraisal and Motivation:** Performance management systems are being streamlined, though limited resources constrained training and rewards.

4. Marketplace Practices

a) Responsible Competition

- All procurement was conducted under the **Public Procurement and Asset Disposal Act, 2015**, ensuring fairness, transparency, and accountability.
- No incidents of corruption or malpractice were reported in the year under review.

b) Responsible Supply Chain and Supplier Relations

- Suppliers were engaged through competitive bidding and contractual obligations were honoured.
- Payments to suppliers were made within agreed timelines, reducing risks of disputes.

c) Responsible Marketing and Advertisement

- Municipal communication adhered to ethical standards, focusing on awareness campaigns, public notices, and community engagement forums.
- No misleading or politically driven advertising was undertaken.

d) Product Stewardship

- Services delivered, such as urban lighting and infrastructure improvements, were designed to safeguard public safety, consumer rights, and community well-being.

5. Community Engagement

- **Public Participation:** Regular forums were held to capture citizen inputs on municipal budgets and plans. This ensured that projects reflected community priorities.
- **Corporate Social Responsibility (CSR):** While budgetary constraints limited large CSR projects, the Municipality promoted:
 - Education support through community forums and sensitization.
 - Sports engagement by supporting local youth tournaments.
 - Clean-up campaigns in partnership with residents' associations.
- **Impact:** Improved lighting and maintenance of infrastructure increased community security, boosted evening business activity, and enhanced residents' quality of life.

Outlook

The Municipality acknowledges that long-term sustainability requires deliberate investment in environmental management, employee capacity, and citizen engagement. In FY 2025/26, priority will be placed on:

- Establishing a structured waste management system.
- Expanding energy-efficient lighting and promoting renewable energy solutions.
- Enhancing staff training on environmental governance.
- Deepening partnerships with community-based organizations for sustainability projects.

The Municipality remains committed to balancing growth, environmental stewardship, and social welfare to ensure that Maralal develops as a resilient, inclusive, and sustainable town.

11. Report of Maralal Municipality Board Members

The Board Members submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Maralal Municipality affairs.

Principal activities

The principal activities of the Maralal Municipality are to provide efficient and accountable management of the affairs of the Municipality.

Performance

The performance of Maralal Municipality for the year ended June 30, 2024 are set out on page 1.

Board Members

The members of the Board who served during the year are shown on page viii.

Auditors

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

By Order of the Board



.....

Name: STEVE LEMETEKI

Secretary of the Board

12. Statement of Management's Responsibilities

Section 180 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of Maralal Municipality established by Urban Areas and Cities Act No. 13 of 2011 shall prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

Maralal Municipality manager is responsible for the preparation and presentation of Maralal Municipality's financial statements, which give a true and fair view of the state of affairs of Maralal Municipality for and as at the end of the financial year ended on June 30, 2024. 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 Maralal Municipality, (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 Maralal Municipality, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

Maralal Municipality Manager accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Urban Areas and Cities Act No. 13 of 2011*. Maralal Municipality Manager is of the opinion that the financial statements give a true and fair view of the state of City/Municipality's transactions during the financial year ended June 30, 2024, and the financial position as at that date.

Maralal Municipality Manager further confirms the completeness of the accounting records which have been relied upon in the preparation of financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern (*disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements*). Nothing has come to the attention of Maralal Municipality Manager to indicate that Maralal Municipality will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Maralal Municipality financial statements were approved by the Board on 28th February 2025 and signed on its behalf by:

.....
Name: Andrew Lenampekici
Chairperson of the Board

.....
Name: STEVE LEMETERI
Accounting officer of the Board

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MARALAL MUNICIPALITY FOR THE YEAR ENDED 30 JUNE, 2024 – COUNTY GOVERNMENT OF SAMBURU

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 the 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; and,
- 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 Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Maralal Municipality set out on pages 1 to 42, which comprise of the statement of financial position as at 30 June, 2024

and the statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 Maralal Municipality as at 30 June, 2024 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 2019) and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Unsupported Cash and Cash Equivalents

The statement of financial position and Note 19 to the financial statements reflect a balance of Kshs.12,763,212 in respect to cash and cash equivalents, relating to two separate accounts held at the Cooperative bank. The two accounts had balances Kshs.11,445,405 and Kshs.1,317,807. However, the balances reported were not supported with monthly bank reconciliation statements.

In the circumstances, the accuracy and completeness of the reported cash and cash equivalents balance of Kshs.12,763,212 could not be confirmed.

2. Unsupported Prior Year Comparative Balances

The statement of financial performance, statement of financial position, statement of changes in equity, statement of cash flows, statement of changes in net assets, and the accompanying Notes to the Financial Statements reflect prior-year comparative balances as at 30 June, 2023. However, no audited financial statements for the prior year were provided to support or confirm these balances.

In the circumstances, the accuracy and completeness of the prior-year comparative balances as at 30 June, 2023 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Maralal Municipality 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 judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Adverse Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Management is responsible for the Other Information set out on page iii to xxix, which comprise of Key Entity Information and Management, The Municipality Board, Key Management Team, Board Chairpersons Report, Report of the Municipality Manager, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Municipality Board Members and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Implement Mandated Municipal Functions

Audit review established that the Municipality did not implement the functions prescribed under the Maralal Municipal Charter, (2018). No Municipal activity was undertaken during

the year under review. In addition, the County Executive did not transfer the financial resources required to operationalize the devolved functions, contrary to Section 20(1) of the Urban Areas and Cities Act, 2011, which obligates the County Government to provide the Municipality with the funds necessary to perform its assigned functions.

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

2. Non-Collection of Revenue

The statement of financial performance discloses nil revenue from both exchange and non-exchange transactions. Audit review established that the Municipality did not collect or receive any revenue during the year under review despite the County Executive having legally transferred functions requiring operationalization and revenue generation. This was contrary to Section 2.3 of the Maralal Municipal Charter, 2018 which outlines the key functions and services that fall within the operational mandate of the Municipality.

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

3. Lack of an Approved Budget

The statement of financial performance reflects total expenditure of Kshs.41,760. However, no approved budget was provided to confirm the basis of expenditure contrary to Regulation 99(2) of the Public Finance Management (County Governments) Regulations, 2015 which states that approved estimates of expenditure shall form the basis of the accounts for the financial year.

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

4. Late Submission of Financial Statements to the Auditor-General

The Municipality's financial statements for the year ended 30 June, 2024 were submitted to the Office of the Auditor-General on 3 March, 2025, five (5) months, after the statutory deadline date of 30 September, 2024. This was contrary to provisions of Section 47(1) and (2) of Public Audit Act, 2015 which required the Municipality to submit the financial statements to the Auditor-General within three months after the end of the financial year to which the respective accounts relate.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Institute Internal Audit Arrangements

In the year under review, the Maralal Municipality did not have an internal audit arrangement contrary to Section 155(1) (a) of the Public Finance Management (PFM) Act, 2012 which stipulates that every county government entity shall ensure that it has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board. In addition, no evidence was provided to show the presence and work of an Audit Committee including the minutes of meetings held during the year to review audit reports and make recommendations on risk mitigation measures.

In the circumstances, the effectiveness of internal controls, risk management processes and good governance of the fund could not be confirmed.

2. Lack of Risk Management Policy

Management did not provide evidence of the existence of a Risk Management Policy to guide its Management on risk management assessment and formulation of risk mitigation strategies in the year under review. This is contrary to the Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires Accounting Officer to develop risk management strategies which include fraud prevention mechanisms and internal control that builds robust business operation.

In the circumstances, the effectiveness of the internal controls on the financial and operational system could not be confirmed.

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

Responsibilities of Management the Municipality Board

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines

is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to terminate the Municipality 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 December, 2025

Maralal Municipality
County Government of Samburu
Annual Report and Financial Statements for the year ended June 30, 2024


14. Statement of Financial Performance for The Year Ended 30 June 2024.

Description	Note	FY 2023/24	FY 2022/23
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the County Government	6	-	2,339,915
Public contributions and donations	7	-	-
Levies Fines and Penalties	8	-	-
Other revenues (<i>Specify</i>)	9	-	-
		-	2,339,915
Revenue from exchange transactions			
Interest income	10	-	-
Miscellaneous Income	11	-	279,630
		-	279,630
Total revenue		-	2,619,545
Expenditure			
Use of goods and services	12	41,760	31,563,112
Staff costs	13	-	-
Board expenses	14	-	521,500
Finance costs	15	-	-
Depreciation and amortization	16	-	-
Repairs and maintenance	17	-	-
Total expenses		41,760	32,084,612
Other gains/losses			
Gain/loss on disposal of assets	18	-	-
Surplus/(deficit) for the period		(41,760)	(29,465,067)

The notes set out on pages 21 to 37 form an integral part of these Financial Statements. The entity financial statements were approved on 30/09 2024 and signed by:

.....

Name: STEVE LEMETEKE
City/Municipality Manager

.....

Name: GATLAS-L. LESORO COL
Municipality Accountant
ICPAK M/No 34076

*County Government of Samburu
Maralal Municipality
Annual Report and Financial Statements for the year ended June 30, 2024*

15. Statement of Financial Position As At 30 June 2024

Description	Note	FY 2023/24	FY 2022/23
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	19	12,763,212	12,804,972
Receivables from exchange transactions	20	-	-
Receivables from non-exchange transactions	21	-	-
Prepayments	22	-	-
Inventories	23	-	-
Total current assets		12,763,212	12,804,972
Non-current assets			
Property, plant, and equipment	24	-	-
Intangible assets	25	-	-
Total Non-current Assets		-	-
Total assets (A)		12,763,212	12,804,972
Liabilities			
Current liabilities			
Trade and other payables	26	-	-
Refundable deposits from customers	27	-	-
Provisions	28	-	-
Borrowings	29	-	-
Employee benefit obligations	30	-	-
Deferred Income	31	-	-
Social Benefits	32	-	-
Total current liabilities		-	-
Non-current liabilities			
Provisions	28	-	-
Borrowings	29	-	-
Non-current employee benefit obligation	30	-	-
Deferred Income	31	-	-
Social Benefits	32	-	-
Total liabilities (B)		-	-
Net Assets (A-B)		12,763,212	12,804,972


County Government of Samburu

Maralal Municipality

Annual Report and Financial Statements for the year ended June 30, 2024

Description	Note	FY 2023/24	FY 2022/23
		Kshs.	Kshs.
Represented by:			
Capital/Development Grants/Fund		-	-
Reserves		-	-
Accumulated surplus		12,763,212	12,804,972
Net Assets/Equity		12,763,212	12,804,972


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/09/2024 and signed by:



.....

Name: STEVE LEMETEKI
Municipality Manager

Date:



.....

Name: SAITAPS -L. LESORO
Municipality Accountant
ICPAK M/No 34076
Date: 03/12/2025

County Government of Samburu
Maralal Municipality
Annual Report and Financial Statements for the year ended June 30, 2024

16. Statement of Changes in Net Assets For the Year Ended 30 June 2024

Description	Capital/ Development Grants/Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs.	Kshs.	Kshs.
Bal as at 1 July 2023 (previous year)	-	-	42,270,040	42,270,040
Surplus/(deficit) for the year		-	(29,465,067)	(29,465,067)
Funds received during the year	-	-		-
Revaluation gain/loss	-	-	-	-
Bal as at 30 Jun 2024	-	-	12,804,972	12,804,972
Bal as at 1 July 2024 (current year)	-	-	12,804,972	12,804,972
Surplus/(deficit) for the year		-	(41,760)	(41,760)
Funds received during the year	-	-	-	-
Revaluation gain/loss	-	-	-	-
Balance as at 30 June 2024	-	-	12,763,212	12,763,212

(Provide details on the nature and purpose of reserves)

17. Statement Of Cash Flows for The Year Ended 30 June 2024

Description	Note	FY 2023/24	FY 2022/23
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the County Government		-	2,339,915
Public contributions and donations		-	-
Interest received		-	-
Miscellaneous receipts (<i>Specify</i>)		-	279,630
Total Receipts		-	2,619,545
Payments			
Use of goods and services		41,760	31,563,112
Staff costs		-	-
Board expenses		-	521,500
Finance costs		-	-
Total Payments		41,760	32,084,612
Net cash flows from operating activities	33	(41,760)	(29,465,067)
Cash flows from investing activities			
Purchase of PPE & intangible assets		-	-
Proceeds from sale of PPE		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Receipts from Capital grants		-	-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash equivalents		(41,760)	(29,465,067)
Cash And Cash Equivalents At 1 July	19	12,804,972	42,270,040
Cash And Cash Equivalents At 30 June	19	12,763,212	12,804,972

(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting). Comparative FY refers to the financial year preceding the current year.

18. Statement of Comparison of Budget & Actual Amounts for the Year ended 30 June 2024

Description	Original budget	Original Adjustments	Final budget	Actual on comparable basis	Performance difference	% of original budget
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
Revenue		Kshs.	Kshs.	Kshs.	Kshs.	
Transfers from the County Government	-	-	-	-	-	%
Public contributions and donations	-	-	-	-	-	%
Interest income	-	-	-	-	-	%
Miscellaneous income (<i>specify</i>)	-	-	-	-	-	%
Total Revenue	-	-	-	-	-	%
Expenses						
Use of goods and services	41,760	-	41,760	41,760	-	100%
Board expenses	-	-	-	-	-	%
Staff Costs	-	-	-	-	-	%
Finance costs	-	-	-	-	-	%
Total Expenditure	41,760	-	41,760	41,760	-	100%
Surplus for the period	(41,760)	-	(41,760)	(41,760)	-	100%
Capital Expenditure	-	-	-	-	-	%

Budget notes

[Provide an explanation of differences between actual and budgeted amounts (any over-utilisation and underutilisation of below 90%)]
(Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes.
Where the total of actual on a comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.)

19. Notes to the Financial Statements

1. General Information

Maralal Municipality is established by and derives its authority and accountability from Maralal Municipal Charter. Maralal Municipality is under Samburu County Government and is domiciled in Kenya.

Maralal Municipality's principal activity is to provide efficient and accountable management of the affairs of the Municipality.

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 Maralal Municipal 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 Maralal Municipality.

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. Application of New and revised standards (IPSAS)

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

There are no new standards effective in the financial year ended 30th June 2024.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Standard	Effective date and impact:
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.

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	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii. Early adoption of standards

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

4. Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to Maralal Municipality and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2023/24 was approved by the County Assembly on 30th June 2023. 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 Maralal Municipality upon receiving the respective approvals in order to conclude the final budget. Accordingly, Maralal Municipality recorded no additional appropriations following the governing body's approval.

Maralal Municipality's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on

accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. 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 6 of these financial statements.

c) Property, plant and equipment

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

d) 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.

e) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. Maralal Municipality does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

Maralal Municipality assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. As such, there were no critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

Financial liabilities

Classification

Maralal Municipality classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

f) Inventories

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

Raw materials: purchase cost using the weighted average cost method

Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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

g) Provisions

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

h) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the needs of society as a whole. The entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

i) Contingent liabilities

Maralal Municipality 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.

j) Contingent assets

Maralal Municipality 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 Maralal Municipality 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

k) Nature and purpose of reserves

Maralal Municipality at the moment does not have reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

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

m) Employee benefits – Retirement benefit plans

Maralal Municipality provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which Maralal Municipality pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if Maralal Municipality does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to scheme 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 benefits 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.

n) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported in the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Borrowing costs

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

p) Related parties

Maralal Municipality regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over Maralal Municipality, or vice versa. Members of key management are regarded as related parties and comprise the Board members, Maralal Municipality Managers and the Municipality Accountant.

q) 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 various commercial banks at the end of the financial year.

r) Comparative figures

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

s) 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.

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

t) Currency

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

5. Significant judgments and sources of estimation uncertainty

The preparation of Maralal 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. Maralal 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 Maralal Municipality. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

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

- i) The condition of the asset based on the assessment of experts employed by Maralal Municipality.
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- iii) The nature of the processes in which the asset is deployed.
- iv) Availability of funds to replace the asset.
- v) Changes in the market in relation to the asset.

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Notes to the Financial Statements

6. Transfers from the County Government

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	-	2,339,915
Payments by County on behalf of the entity	0	0
Unconditional development grants	0	0
Total	-	2,339,915

(Provide brief explanation for this revenue)

(a) Transfers from County Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of financial performance*	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
xx State Department	0	0	0	0	0
XX Ministry	0	0	0	0	0
	0	0	0	0	0
Total	0	0	0	0	0

*(Ensure that the amount recorded above as having been received from the County fully reconciles to the amount recorded by the sending County office. An acknowledgement note/receipt should be raised in favour of the sending County office.) *Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached. Total of column 1 should tie to note 6 The details of the reconciliation have been included under appendix 0*

7. Public Contributions and Donations

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Donation from development partners	0	0
Contributions from the public	0	0
Total	0	0

8. Levies, Fines and penalties

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Levies	0	0
Fines	0	0
Penalties	0	0
Others (<i>indicate and specify</i>)	0	0
Total	0	0

9. Other Revenues from Non-Exchange Transactions

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Transfers from other government entities	0	0
Others (<i>indicate and specify</i>)	0	0
Total	0	0

(Provide a brief explanation for this revenue)

10. Interest income

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Interest income from investments	0	0
Interest income on bank deposits	0	0
Others (<i>Specify</i>)	0	0
Total interest income	0	0

(Provide brief explanation for this revenue)

11. Miscellaneous income

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Income from sale of tender documents	0	0
Others (Refund from KRA)	-	279,630
Total other income	0	279,630

12. Use of Goods and Services

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Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Utilities, supplies and services		30,951,182
Communication, supplies and services		
Domestic travel and subsistence	40,800	
Foreign travel and subsistence		
Printing, advertising, supplies & services		16,500
Rent and rates		
Training expenses		
Hospitality supplies and services		221,700
Insurance costs		
Specialized materials and services		
Office and general supplies and services		200,000
Fuel, oil and lubricants		70,000
Other operating expenses (<i>Specify</i>)		
Routine maintenance – vehicles and other equipment	-	100,000
Routine maintenance – other assets		
Contracted Professional Services	-	-
Audit fees	-	-
Hire of Transport, equipment etc	-	-
Bank Charges	960	3,730
Social Benefit expenses*		
Total	41,760	31,563,112

*Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

13. Staff costs

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Salaries and wages	0	0
Staff gratuity	0	0
Social security contribution	0	0
Other staff costs (<i>Specify</i>)	0	0
Total	0	0

14. Board expenses

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Chairman/Members' Honoraria	-	-
Sitting allowances	-	521,500
Medical Insurance	-	-
Induction and Training	-	-
Travel and accommodation	-	-
Conference Costs	-	-
Other allowances (<i>Specify</i>)	-	-
Total	-	521,500

15. Finance costs

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Interest on Bank overdrafts	0	0
Interest on loans from banks	0	0
Total	0	0

16. Depreciation and amortization

Description	FY 2023/24	FY 2022/23
	KShs	KShs
Property, plant and equipment	0	0
Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	0	0

17. Repairs and Maintenance

Description	FY 2023/24	FY 2022/23
	KShs	KShs
Property- Buildings	0	0
Office equipment	0	0
Furniture and fittings	0	0
Motor vehicle expenses	0	0
Maintenance of civil works	0	0
Total repairs and maintenance	0	0

18. Gain/(loss) on disposal of assets

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Property, plant and equipment	0	0
Intangible assets	0	0
Total	0	0

19. Cash and cash equivalents

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Fixed deposits account	0	0
On – call deposits	0	0
Current account	12,763,212	12,804,972
Others(<i>specify</i>)	0	0
Total cash and cash equivalents	12,763,212	12,804,972

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

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

Financial institution	Account number	FY 2023/24	FY 2022/23
		Kshs.	Kshs.
a) Fixed deposits account			
Kenya Commercial bank		0	0
Equity Bank, etc		0	0
Sub- total		0	0
b) On - call deposits			
Kenya Commercial bank		0	0
Equity Bank - etc		0	0
Sub- total		0	0
c) Current account			
Cooperative Bank of Kenya		12,763,212	12,804,972
Equity Bank - etc		0	0
Sub- total		12,763,212	12,804,972
d) Others(specify)		0	0
Cash in transit		0	0
Cash in hand		0	0
Mobile Money		0	0
Sub- total		0	0
Grand total		12,763,212	12,804,972

20. Receivables from exchange transactions

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Current Receivables		
Service, water and electricity debtors	0	0
Other exchange debtors	0	0
Less: impairment allowance	(0)	(0)
Total Current receivables (a)	0	0
Non-Current receivables		
Service, water and electricity debtors	0	0
Other exchange debtors	0	0
Less: impairment allowance	(0)	(0)
Total Non- current receivables (b)	0	0
Total	0	0

Ageing analysis for Receivables from exchange transactions

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Description	FY 2023/24		FY 2022/23	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0	%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (a+b)	0	%	0	%

21. Receivables from Non-Exchange transaction

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Transfer from County Executive	0	0
Transfer from OX Fund	0	0
Total	0	0

Ageing analysis for Receivables from non-exchange transactions

Description	FY 2023/24		FY 2022/23	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0	%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	0	%	0	%

22. Prepayments

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Prepaid rent	0	0
Prepaid insurance	0	0
Prepaid electricity costs	0	0
Other prepayments(<i>specify</i>)	0	0
Total	0	0

23. Inventories

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Stationery	0	0
Consumables	0	0
Other inventories(<i>specify</i>)	0	0
Total inventories at the lower of cost and net realizable value	0	0

24. Property, Plant and Equipment

Description	Land	Building	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 1 July 2022 (previous year)	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfers/adjustments	0	-	(0)	0	(0)	(0)	0	(0)
As at 30th June 2023	0	0	0	0	0	0	0	0
Additions for the year	0	0	0	0	-	0	0	0
Disposals for the year	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfer/adjustments	(0)	-	0	0	(0)	(0)	0	(0)
As at 30th June 2024 (current year)	0	0	0	0	0	0	0	0
Depreciation and impairment								
At 1 July 2023 (previous year)		0	0	0	0	0	0	0
Depreciation		0	0	0	0	0	-	0
Impairment		-	-	-	-	(0)	-	(0)
Transfers/ Adjustments		-	0	0	(0)	(0)	0	(0)
As at 30 June 2024		0	0	0	0	0	0	0

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Description	Land	Building	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Depreciation for the year		0	0	0	0	0	-	0
Disposals for the year		(0)	(0)	(0)	-	(0)	(0)	(0)
Impairment for the year		-	(0)	-	-	(0)	-	(0)
Transfer/adjustment		-	(0)	(0)	0	(0)	(0)	0
As at 30th June 2024 (current year)		0	0	0	0	0	0	0
NBV as at 30 th Jun 2023 (previous year)	0	0	0	0	0	0	0	0
NBV as at 30 th Jun 2024 (current year)	0	0	0	0	0	0	0	0

(Include a brief description of WIP as a footer.)

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25. Intangible assets

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Cost		
At beginning of the year	0	0
Additions	0	0
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	xx
Amortization	0	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

26. Trade and other payables from exchange transactions

Description	FY 2023/24		FY 2022/23	
	Kshs.		Kshs.	
Trade payables	0		0	
Retentions	0		0	
Accrued expenses	0		0	
Other payables (<i>Specify</i>)	0		0	
Total trade and other payables	0		0	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	0	%	0	%

27. Refundable deposits from customers

Description	FY 2023/24		FY 2022/23	
	KShs		KShs	
Rent deposits	0		0	
Others (<i>specify</i>)	0		0	
Total	0		0	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	0	%	0	%

28. Provisions

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Balance at the beginning of the year	0	0
Additional Provisions (<i>Specify</i>)	0	0
Provision utilised	(0)	(0)
Balance at the end of the year	0	0
Current Portion of provision	0	0
Long term portion of provision	0	0
Total Provisions	0	0

29. Borrowings

The table below shows the classification of borrowings long-term and current borrowings:

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Short term borrowings (current portion)	0	0
Long term borrowings	0	0
Total	0	0

(NB: the total of this statement should tie to note 29 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security, and interest rates should be disclosed)

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.

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Balance at beginning of the period	0	0
Borrowings during the year	0	0
Repayments of borrowings during the period	(0)	(0)
Balance at end of the period	0	0

The table below shows the Distribution of borrowings:

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Borrowings		
Kenya Shilling loan from KCB	0	0
Kenya Shilling loan from Barclays Bank	0	0
Kenya Shilling loan from Consolidated Bank	0	0
Borrowings from other government institutions	0	0
Total balance at end of the year	0	0

30. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	Total
	Kshs.	Kshs.	Kshs.	Kshs.
Current benefit obligation	0	0	0	0
Non-current benefit obligation	0	0	0	0
Total	0	0	0	0

31. Deferred Income

Description	FY 2023/24	FY 2022/23
	Kshs	Kshs
National/County Government	0	0
International Funding Bodies	0	0
Public Contributions and Donations	0	0
Total Deferred Income	0	0

The deferred income movement is as follows:

Description	County government	International funders/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	0	0	0	0
Additions during the year	0	0	0	0
Transfers to capital fund	(0)	(0)	(0)	(0)
Transfers to income statement	(0)	(0)	(0)	(0)
Other transfers	(0)	(0)	(0)	(0)
Balance carried forward	0	0	0	0

Include columns as needed for the various sources of income deferred

Analysed as:

Description	Amount
	Kshs
Current	0
Non- Current	0
Total	0

32. Social Benefit Liabilities

Description	FY 2023/24	FY 2022/23
	Kshs	Kshs
Health social benefit scheme	0	0
Unemployment social benefit scheme	0	0
Orphaned and vulnerable benefit scheme	0	0
PWD benefit scheme		
Elderly social benefit scheme	0	0
Bursary social benefits	0	0
Total	0	0
Current social benefits	0	0
Non- current social benefits	0	0
Total (tie to totals above)	0	0

Social benefit schemes include benefits such as cash transfers for the unemployed or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g. poverty, age, unemployment among others.

33. Cash generated from operations

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Surplus/ (deficit) for the year before tax	(41,760)	(29,465,067)
Adjusted for:		
Depreciation	0	0
Amortisation	0	0
Gains/ losses on disposal of assets	(0)	(0)
Working Capital adjustments		
Increase in inventory	(0)	(0)
Increase in receivables	(0)	(0)
Increase in payables	0	0
Net cash flow from operating activities	(41,760)	(29,465,067)

(The total of this statement should tie to the cash flow section on net cash flows from operating activities)

34. Related party balances

a) Nature of related party relationships

Entities and other parties related to Maralal Municipality include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. Maralal Municipality/scheme is related to the following entities:

- a) The County Government.
- b) The Parent County Government Ministry.
- c) County Assembly.
- d) Key management.
- e) City/Municipality Board; etc.

b) Related party transactions

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Transfers from related parties'	0	0
Transfers to related parties	0	0

c) Key management remuneration

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Board Members	0	0
Key Management Compensation	0	0
Total	0	0

d) Due from related parties

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Due from parent Ministry	0	0
Due from County Government	0	0
Due from County Assembly	0	0
Total	0	0

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e) Due to related parties

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Due to parent Ministry	0	0
Due to County Government	0	0
Due to Key management personnel	0	0
Due to County Assembly	0	0
Total	0	0

35. Contingent liabilities

Contingent liabilities	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Court case 0 against the entity	0	0
Bank guarantees	0	0
Total	0	0

(Give details)

36. Contingent Assets

Contingent liabilities	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Court case 0 against the entity	0	0
Others Specify	0	0
Total	0	0

37. Financial risk management

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

Maralal Municipality's financial risk management objectives and policies are detailed below:

I. Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience, and other factors. Individual risk limits are set based on internal or external assessments in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by Maralal Municipality's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing Maralal Municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
At 30 June 2024 (current year)				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 2023 (previous year)				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that Maralal Municipality has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. Maralal Municipality has significant concentration of credit risk on amounts due from 0.

Maralal Municipality Board sets policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

II. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with Maralal Municipality Manager, who has built an appropriate liquidity risk management framework for the management of Maralal Municipality's short, medium and long-term liquidity management requirements. Maralal Municipality manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs.	Kshs.	Kshs.	Kshs.
At 30 Jun 2024 (current year)				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	0	0
At 30 Jun 2023 (previous year)				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	0	0

III. Market risk

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

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

IV. Foreign currency risk

Maralal Municipality has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of Maralal Municipality's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description		Other currencies	Total
	Kshs.	Kshs.	Kshs.
At 30 June 2024 (current year)			
Financial assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors/ receivables	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

(The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.)

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs.	Kshs.	Kshs.
2024 (current year)			
Euro	10%	0	0
USD	10%	0	0
2023 (previous year)			
Euro	10%	0	0
USD	10%	0	0

V. Interest rate risk

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

Management of interest rate risk

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

VI. Capital risk management.

The objective of Maralal Municipality's capital risk management is to safeguard Maralal Municipality's ability to continue as a going concern. Maralal Municipality capital structure comprises of the following City/Municipality:

Description	FY 2023/24	FY 2022/23
	Kshs.	Kshs.
Revaluation reserve	0	0
Capital/Development Grants/City/Municipality	0	0
Accumulated surplus	0	0
Total Funds	0	0
Total borrowings	0	0
Less: cash and bank balances	(0)	(0)
Net debt/(excess cash and cash equivalents)	0	0
Gearing	xx%	xx%

38. Program for Results (PforR) Disclosure

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

Name of the PforR: 00xx	
Financing Partners: 000x	
Purpose of the PforR: 0xx	
Expenditure Details	Amount in Kshs
Cumulative actual expenditures for the previous years	0
Actual expenditure in the current financial year.	
1. Employee Cost	0
2. Use of goods and Services	0
3. Grants and Subsidies	0
4. Building of ECDE facilities	0
5. Others (specify)	0
Sub-total	0
Cumulative Actual Expenditures to date	0

20. Appendices

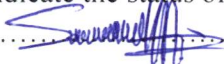
Appendix 1. Progress on Follow up of Auditors Recommendations.

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- a) Use the same reference numbers as contained in the external audit report.
- b) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- c) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue.
- d) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to County Treasury.

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To be Signed by the Accounting officer of the Entity

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Appendix 2: Inter-Entity Transfers

CITY/MUNICIPALITY NAME:				
Breakdown of Transfers from the County Executive of Samburu County				
FY 2023/2024				
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
			Nil	
		Total		
b.	Development Grants	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
			Nil	
		Total		
c.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
			Nil	
		Total	Nil	

(The above amounts have been communicated to and reconciled with the parent Department in the County.)

SACHAS-2 LESORU 402

Sammuel A.

Signed by the Head of Accounts of the Entity and the transferring Entities

Appendix 3: Reporting of Climate Relevant Expenditures

Name of the Organization: County Government of Samburu
Telephone Number: +254 065 62456, +254 65 62075
Email Address: info@samburu.go.ke
Name of CEO/MD/Head: HE. Lati Lelelit

Name and contact details of contact person (in case of any clarifications): Mr. Ben Lengalen (0722 582 966)

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Kirisia Community Forest Association	Assistance to Kirisia Community Forest Association	Strengthen capacity for sustainable forest management	Provide financial assistance and technical support to the association		500,000			GOK	
Financing Locally-Led Climate Action Program	Training of the Ward County Climate Planning Committees on climate Finance resource mobilization matters and other	Build capacity of Ward County Climate Planning Committees	Conduct training workshops on resource mobilization for climate finance				4,700,000	GOK, World Bank	World Bank

Appendix 4: Disaster Expenditure Reporting Template

Date: 30th June 2024

Entity: County Government of Samburu

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
Storm Water Management	Storm Water Management	Floods	Response	Storm water management at Wamba	4,573,000	Response to floods during the year
Storm Water Management	Storm Water Management	Floods	Response	Storm water management at Shabaa	3,999,460	Response to floods during the year
Storm Water Management	Storm Water Management	Floods	Response	Storm water management at Maralal Town	4,976,825	Response to floods during the year
					13,549,285	