

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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ON

NYAMIRA MUNICIPALITY

**FOR THE YEAR ENDED
30 JUNE, 2024**

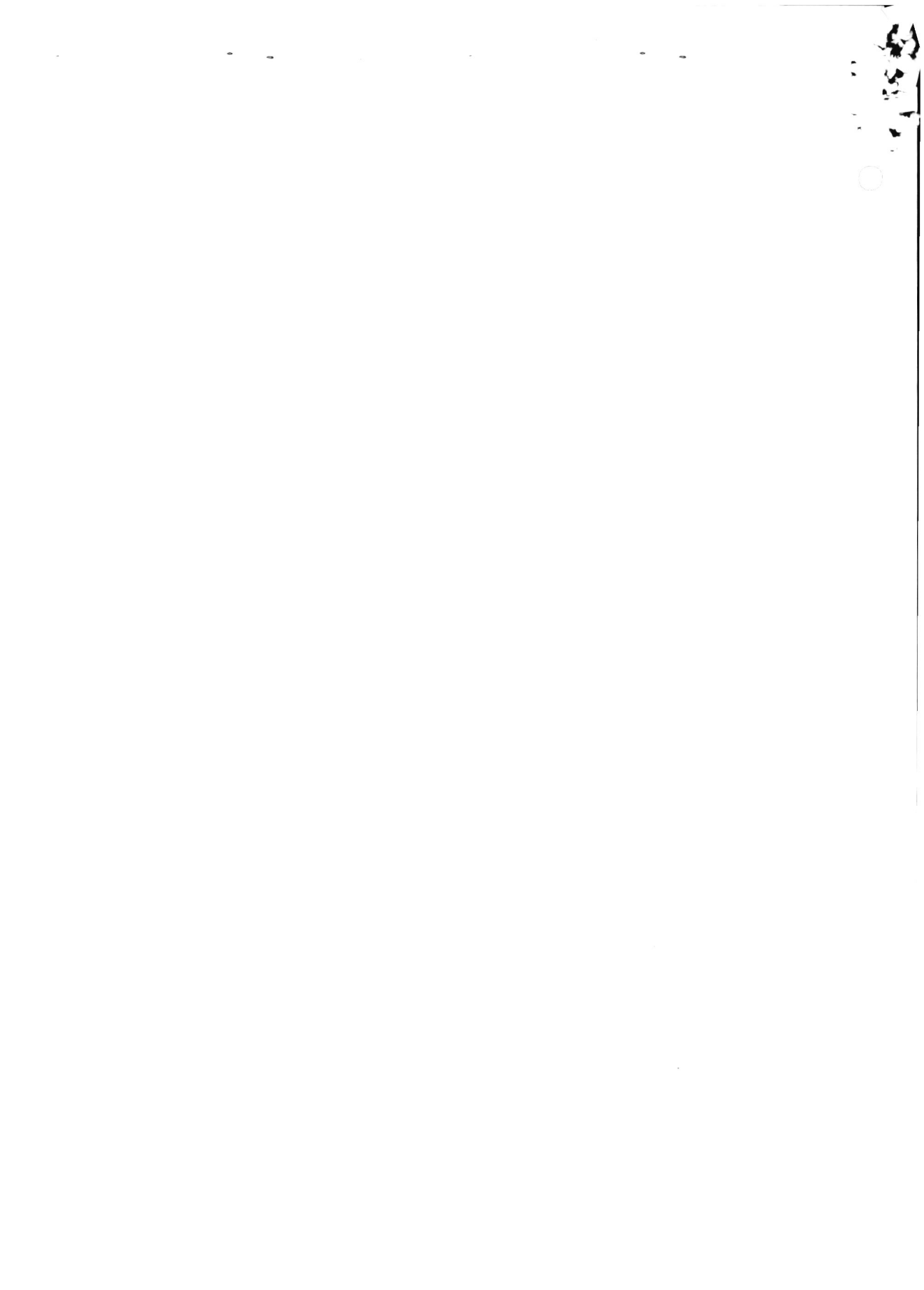
COUNTY GOVERNMENT OF NYAMIRA



MUNICIPALITY OF NYAMIRA
County Government of Nyamira

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)**



County Government of Nyamira
Municipality of Nyamira
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1. Acronyms and Definition of Key Terms

A. Acronyms

PSASB	Public Sector Accounting Standards Board
FY	Financial Year
OSHA	Occupational Safety & Health Act

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the Municipality of Nyamira financial resources.

Comparative Year- Means the prior period.

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2. Key Municipality of Nyamira Information and Management

a) Background information

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

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

b) Principal Activities

Vision

A habitable, safe and vibrant municipality

Mission

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

Strategic objectives

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

Key Management

The City/Municipality's management is under the following key organs:

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

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c) Fiduciary Management

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

No.	Designation	Name
1.	Fund Manager/ Accounting Officer	CPA Morara Mokuu
2.	Chief Officer Finance	CPA Dr Azenath Maobe
3.	Chief Officer Lands, Housing & Physical Planning	Josephat Gori

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d) Fiduciary Oversight Arrangements

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

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

The house has twenty (19) elected members and Fifteen (15) nominated members. The assembly carries its mandate through the whole house or through various committees. The committees include;

i. Finance and Economic Planning.

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

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

ii. County Public Investment and Accounts Committee.

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

SN	Name	Designation
1	Hon. Kennedy Nyameino	Chairperson

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2	Hon. Dickson Machungo	Vice chairperson
3	Hon. Charles Keganda	Member
4	Hon. Priscilla Nyatichi	Member
5	Hon. Duke Masira	Member

iii. County Budget and Appropriations Committee.

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

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

- i) Audit and Risk Management Committee
- ii) County Assembly committees
- iii) Committees of the Senate

e) Registered Offices

P.O. Box 434-40500
Nyamira County Headquarters
Konate Senta Road
Nyamira, KENYA

**County Government of Nyamira
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f) Contacts

Telephone: (254) 0738727272/0735232323
E-mail: nyamiramuni046@gmail.com
Website: nyamira.go.ke

g) Bankers

1. Central Bank of Kenya

Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

2. Other Banks

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

h) Independent Auditor




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

i) Principal Legal Adviser




Erastus Orina
County Attorney
P.O. Box 434-40500
Nyamira, Kenya

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3. Municipality Board

Serial No.	Name	Details of qualifications and experience
1	 <p>Peter Bitu Ondieki Chairman Municipality</p>	<p>Date of birth:23th February 1952</p> <p>Academic Qualifications Mr. Peter Bitu Ondieki holds a Master’s of science from the George Washington University and graduated in 1980 and bachelors of education (arts) from the University of Nairobi graduated in 1976</p> <p>Professional Experience Prior to the appointment as a chairman of Nyamira Municipality Board he was a Chief Economist, Inspector General for state corporates, member of public procurement tribunal for 6 years.</p>
2	 <p>Cecelia Ongera Ondima Municipality Vice Chairperson</p>	<p>Date of Birth 22nd November 1963</p> <p>Academic Qualification Kampala University year 2011- Bachelors of education in early childhood and primary education and diploma in education management</p> <p>Professional Experience Prior to appointment to municipality board she has 30 years of experience in teaching field and currently a principal at Gorgor high school. Chair of the Municipal Services in the Municipality of Nyamira Board</p>
3	 <p>CPA Morara Mokua Municipal manager Municipality of Nyamira.</p>	<p>Education background CPA Morara Mokua hails from Kiabonyoru ward. He has Masters in business administration (Finance) at The University of Nairobi and bachelors in education from Egerton University. CPA Mokua is a member of the Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Public Secretary of Kenya (ICPSK) and he has a diploma in Forensic Accounting</p> <p>Professional Experience CPA Mokua worked for the County Government of Nyamira as the chief officer of Lands,housing</p>

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		and urban development . Before joining the County Government service, CPA Mokua served as A graduate teacher, worked in Equity bank and family Bank. He has a total of 28years working experience
4	 <p>Evans Onduko Oire Municipality Board Member</p>	<p>Academic Qualification Mr. Evans Onduko Oire holds a Diploma in business management</p> <p>Professional Experience Prior to his appointment to the municipality He had an experience of 20years serving in various capacities as project manager, resource management and mobilization, Human Resource Management and institution management. Chair of the Infrastructure in the Municipality of Nyamira Board</p>
5	 <p>Charles Ombati Nyamboga Municipality Board Member</p>	<p>Date of Birth: 19th November 1955</p> <p>Academic Qualification Mr. Charles Ombati Nyamboga has a Bachelor of health sciences from the University of Leeds and diploma in pharmacy from KMTC of Nairobi.</p> <p>Professional Experience Has and experience of over 15 years working as a pharmacist work in in Meru Hospital for 11 years and later in Nakuru PGH</p>
6	 <p>Simeon Mocheche Bogonko Municipality Board Member</p>	<p>Academic Qualification Simeon Mocheche Bogonko has a Diploma in forestry from the Kenya Forestry College.</p> <p>Professional Experience Has worked as a senior Forest Officer in forest department for 20 years in various parts of the country up to 2010. Currently Director Boflos enterprises ltd in Nyamira town. Chair of the Finance and Administration in the Municipality of Nyamira Board</p>

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7	 <p>Margaret Oyaro Municipality Board Member</p>	<p>Date of birth 12/10/1993</p> <p>Academic Qualification Maseno University - bachelors of education (arts)</p> <p>Professional Experience Has over 8 Years' experience as a teacher at Reita mixed Secondary School since 2008</p>
8	 <p>Alice Moraa Ombwori Municipality Board Member</p>	<p>Date of Birth 1984</p> <p>Academic Qualification Ms. Alice Moraa Ombwori has a Bachelor of education in early childhood and primary education from Moi University and graduated in the year 2007. She is Pursuing masters in the same course</p> <p>Professional Experience: Teaching from 2009 to 2017 private colleges</p>

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4. Key Management Team

S/ No	Name	Details of qualifications and experience
1.	 <p>Mr Steven Kennedy Oboso Cecm, For Lands, Housing, Physical Planning And Urban Development</p>	<p>Academic Qualifications Mr Oboso completed his Bachelors in law (LLB) from the university of Nairobi in 1989 and proceeded to the Kenya school of law the following year for his Diploma.</p> <p>Professional experience He started practicing law in the year 1991 and has a long standing career as an advocate of the high court of Kenya. He worked in the Nyamira County Public Service Board as a member between 2013-2017 He hails from Bosamaro Ward, Nyamira County</p>
2	 <p>CPA Morara Mokuia Municipal manager Municipality of Nyamira.</p>	<p>Education background CPA Morara Mokuia hails from Kiabonyoru ward. He has Masters in business administration (Finance) at The University of Nairobi and bachelors in education from Egerton University. CPA Mokuia is a member of the Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Public Secretary of Kenya (ICPSK) and he has a diploma in Forensic Accounting</p> <p>Professional Experience CPA Mokuia worked for the County Government of Nyamira as the chief officer of Lands, housing and urban development . Before joining the County Government service, CPA Mokuia served as A graduate teacher, worked in Equity bank and family Bank. He has a total of 28 years working experience</p>

5. Municipality Board Chairperson's Report

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

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

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

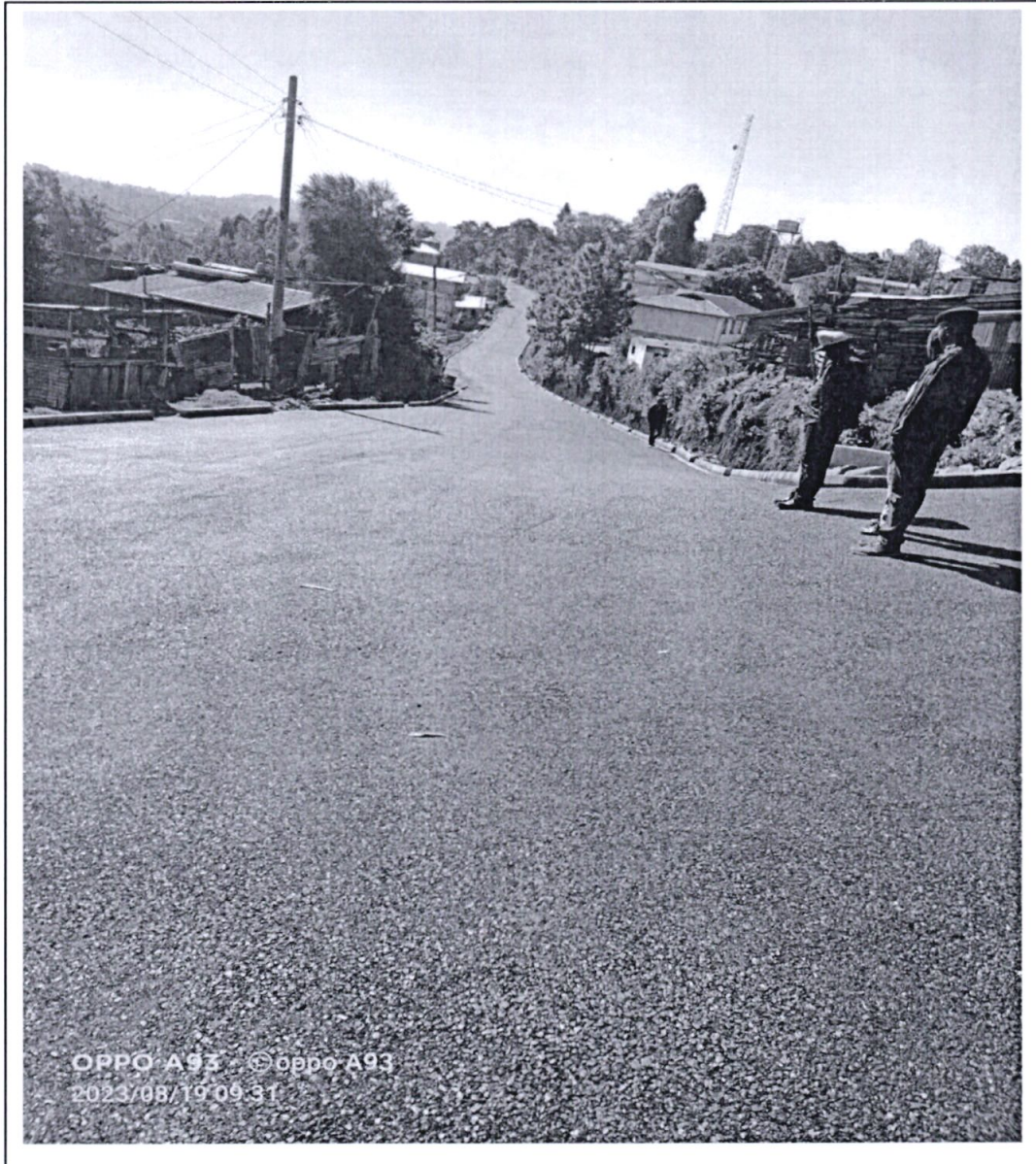
- Evans Onduko – Chair infrastructure committee
- Cecelia Ondima – chair Municipal services committee
- Simeon Bogonko – finance and administration

In the FY 2023/2024 the Municipality had a budget of Kshs 124,752,140 with an actual realisation of Kshs. 124,752,140

The Municipality is currently undertaking 3 projects ie.

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

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



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



Conclusion

FY 2023/2024 is a good year in general. Good progress was made and the momentum has been created to enable the Municipality of Nyamira continue on a trajectory into prosperity. I want to appreciate the other county departments especially the department of Finance and Economic Planning for their support when it comes to financial matters.

.....*Peter Bit*.....

Name: Peter Bit

Chairperson of the Board

6. Report of the Municipality Manager

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

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

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

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

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

The Municipality had a budget of Kshs. 124,752,140 with an actual realisation of Kshs. 124,752,140
The Municipality is currently undertaking 4(four) projects i.e.

- Upgrading to bitumen standards borabu Inn-Golan heights-juakali-nyabite market approx.4.0km at a cost of Kshs. 104,373,213.30 FY 2018/2019
- Public works CDF building hospital junction approx. 1km. at cost of Kshs. 82,858,330.47 FY 2019/2020
- Construction and completion of fire station at a cost of 50 519,325.
- Upgrading to bitumen standards Egesieri , Bundo TBC- Biego-Nyaramba road at a cost of ksh 500,000,000 in collaboration with Kenya Urban Roads Authority (KURA) Phase 1 of Ksh 50,000,000 Excuted.

Achievements realised are as follows;

- Streetlights enhanced security and 24-hour economy
- Creation of employment to the youth
- Enhancement of the municipality aesthetics
- Easy movement of goods and people
- Storm water and drainage improvement
- Garbage collection for safe and secure environment

.....
Name: CPA. Morara Mokuia
Municipality Manager



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

Introduction

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

- Municipality of Nyamira borrows heavily from the County's 2023-2027 CIDP. The CIDP identified strategic objectives through a participatory process that reviewed the development priorities of the Governor's Manifesto.

The key development objectives of the Municipality of Nyamira CIDP 2023-2027 plan are to:

- i) Administration and management of education programmes at ECDE & CCC and Vocational Training & Home Craft Centres
 - ii) Quality assurance, supervision and maintenance of Standards in ECDE& CCC, VCTs & HCC
 - iii) Teacher Management, development and utilization for effective service delivery
 - iv) Mobilization and development of curriculum support materials
 - v) Auditing of institutional accounts
 - vi) Provision of bursaries and grants to institutions,
 - vii) Mobilization of resources for infrastructure development,
 - viii) Providing policy guidelines and advisory services.
 - ix) Strengthening the ICT infrastructure, policy framework and capacity development.
 - x) Establish Collaboration and Partnership with partners and line ministries
 - xi) Infrastructure and affordable housing development to spur economic growth
 - xii) Sustainable waste management system for clean and healthy environment
 - xiii) Spatial planning framework towards well-coordinated land use & administration
 - xiv) Social investments to better recreational environment
 - xv) Fire & Disaster preparedness for safety purposes To promote value addition in food processing and value chain
 - xvi) Promote quality and affordable health care
- The Municipality of Nyamira had an annual budget of Kshs. 124,752,140 out of this Kshs. 2,455,798 was for UIG recurrent, UDG KSH 10,805,915, Ksh. 111,490,427 was directly funded by County Government.

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

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

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Municipality Management	Inclusivity in running the municipality's affairs	Increased number of Nyamira residents participating in the Municipality's affairs.	We have a project management/ monitoring committee for the Municipality's projects	In FY 2023/2024 we increased the number of activities and people involved.
Environment and social services	To maintain clean environment to global standards	Increase refuse collection and treatment	40 % refuse collected	The Municipality boundaries were covered in refuse collection and treatment
Municipal infrastructure and disaster management support services	To develop and maintain street and security lighting infrastructure	Increased public safety and security	70% reduction of crime	Street lighting was undertaken within Municipality and there has been 50% reduction in crime

8. Corporate Governance Statement

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

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

B. Succession plan

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

C. Existence of a service charter

The Municipality has a service charter.

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

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

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

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

The administration committee members shall cease to be member if;

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

E. Roles and functions of the Administration Committee members.

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

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

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

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

G. Conflict of interest,

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

H. Board remuneration

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

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

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

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9. Management Discussion and Analysis

Revenue classification	Revenue budget Kshs	Actual (Kshs)	Realisation (%)
UDG	10,805,915	10,805,915	100%
UIG	2,455,798	2,455,798	99%
County funding	111,490,427	111,490,427	96%
	124,752,140	124,752,140	

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

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

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

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

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

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

- Insufficient budget allocation
- Weak institutional framework
- Inadequate staffs

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

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junction to bitumen standards	streets Signage				
Construction of fire station			0		50,519,325

The key risk management strategies include;

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

10. Environmental and Sustainability Reporting

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

i) Sustainability strategy and profile

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

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

ii) Environmental performance

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

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

iii) Employee welfare

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

iv) Market place practices

The organisation should outline its efforts to:

a) Responsible competition practice.

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

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

b) Responsible Supply chain and supplier relations

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

c) Responsible marketing and advertisement

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

d) Product stewardship

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

v) Community Engagements

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

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

11. Report of the City/Municipality Board Members

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

i) Principal activities

The principal activities of the Fund are to:

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

ii) Results

The results of the Municipality of Nyamira for the year ended June 30th, 2024, are set out on page 1 to 4

iii) Directors

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

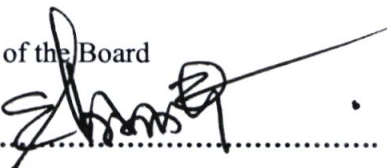
iv) Surplus remission

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

v) Auditors

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

By Order of the Board



.....

Name: CPA Morara Mokuia

Secretary of the Board

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 the 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.

The Municipality of Nyamira manager is responsible for the preparation and presentation of the City/Municipality's financial statements, which give a true and fair view of the state of affairs of the City/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 the City/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 the City/Municipality, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Municipality of Nyamira 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. The City/Municipality Manager is of the opinion that the financial statements give a true and fair view of the state of Municipality of Nyamira's transactions during the financial year ended June 30, 2024, and the financial position as at that date.

The City/Municipality of Nyamira 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.

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

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern.

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

Approval of the financial statements

The Municipal of Nyamira financial statements were approved by the Board on 30th August 2024 and signed on its behalf by:

.....*Peter Bit*.....

Name: Peter Bita Ondieki

Chairperson of the Board

.....*CPA Morara M*.....

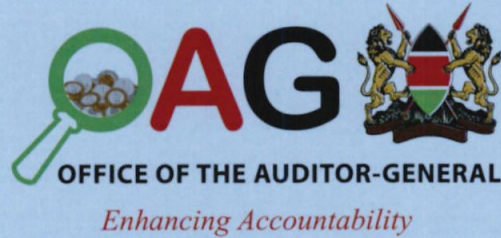
Name: CPA Morara Moku

Accounting officer of the Board



REPUBLIC OF KENYA

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Email: 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 MUNICIPALITY OF NYAMIRA - COUNTY GOVERNMENT OF NYAMIRA FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Municipality of Nyamira set out on pages 1 to 27, which comprise the statement of financial position as at 30 June, 2024,

Report of the Auditor-General on Municipality of Nyamira - County Government of Nyamira for the year ended 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Municipality of Nyamira 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 comply with the Urban Areas and Cities Act, 2011 (Amended) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Misstatement of Cash and Cash Equivalents

The statement of financial position as disclosed in Note 12 to the financial statements reflects cash and cash equivalents balance of Kshs.8,435,471 as at 30 June, 2024 which included development UDG balance of Kshs.4,607,638 and retention account balance of Kshs.3,826,535. However, Cash books, bank statements and bank reconciliation statements were not provided for audit review.

Further, retention bank account certificate of bank balance of Kshs.55,271,944 and financial statements balance of Kshs.3,826,535 reflected a variance of Kshs.51,445,409 which was not explained.

In the circumstance, the accuracy and completeness of cash and cash equivalents balance of Kshs.8,435,471 as at 30 June, 2024 could not be confirmed.

2. Unsupported Board Expenses

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects a balance of Kshs.3,041,600 in respect of Board expenses. However, payment vouchers on board expenses of an amount of Kshs.1,229,000 were not provided for audit review. Further, the Board expenses were not supported with documents including Board minutes, Attendance register, Calendar of Board meetings and the Gazette notice of appointment of the Board members.

In the circumstances the accuracy and completeness of board expenses amounting to Kshs.3,041,600 could not be confirmed.

3. Understatement of Employee Cost

Included in the statement of financial performance for the year ended 30 June, 2024 is staff cost of Kshs.9,788,374 as disclosed under Note 8 to the financial statement. A schedule for the expenditure included payment of wages to casuals from July 2023 to

April 2024 and did not include wages for May to June, 2024 amounting to Kshs.661,875 leading to understatement of staff costs by similar amount.

In addition, Management provided payroll records for casuals of an amount of Kshs.3,784,594.00. Payroll records for the balance of the staff costs of Kshs.6,003,780 were not provided for audit verification. Further, the staff costs for permanent staff attached to the Municipality were not included in the expenditure for the year ended 30 June, 2024.

In the circumstances the accuracy and completeness of staff costs amounting to Kshs.9,788,374 could not be confirmed.

4. Understatement of Trade and Other Payables

The statement of financial position as at 30 June, 2024 reflects trade and other payables of Kshs.20,905,750 as disclosed in Note 16 to the financial statements. A schedule provided of the payables indicated a balance of Kshs.17,602,875.01 resulting to a variance of Kshs.3,302,875 between the records. In addition, the Municipality had not included staff costs for casuals for the month of May and June 2024 amounting to Kshs.661,875.

The Municipality also owed West Mugirango NG-CDF an amount of Kshs.2,945,800 for rent for the period 1 July, 2021 to 30 September, 2024. However, the Municipality records reflected payables to West Mugirango NG-CDF balance of Kshs.396,000. The variance of Kshs.2,549,800 was not explained.

In the circumstances the accuracy and completeness of trade and other payable balance of Kshs.20,905,750 could not be confirmed.

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

Emphasis of Matter

Budget and Budgetary Control

The statement of comparison of budget and actual amounts for the year ended 30 June, 2024 reflects revenue, general expenditure and Capital expenditure final budgets of Kshs.124,752,413, Kshs.41,991,355 and Kshs.72,500,000 respectively. The actual expenditure was Kshs.56,850,143 on general expenses and Kshs.54,999,727 on Capital expenditure resulting to Kshs.14,858,788 or 35% over utilization of general budget and Kshs.17,500,273 or 25% underutilization of the capital expenditure budget without explanation of the variances in footnotes to the financial statements.

In the circumstances, the over utilization of general budget and underutilization of the capital expenditure budget may have affected the planned activities and programs and may have negatively impacted on service delivery.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Issues

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues nor given any explanation for failure to implement the recommendations in contravention of Section 149 of Public Finance Management Act, 2012 which requires an accounting officers designated for a county government entity to resolve issues emanating from an audit.

Other Information

Management is responsible for the other information set out on page iii to xxvi which comprise of Key Municipality of Nyamira Information and Management, Municipality Board, Key Management Team, Municipality Board Chairperson's Report, Report of the Municipality Manager, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environment 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, except for the effects of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Unbalanced Budget

The statement of comparison of budget and actual expenditure reflects total final revenue budget of Kshs.124,752,413. The general expenses budget was Kshs.56,850,143 and capital expenditure of Kshs.72,500,000 resulting in total expenditure budget of Kshs.129,350,143 resulting in unbalanced budget variance of Kshs.4,597,730. This is contrary to regulation 31 (c) of Public Finance Management (County Government) regulations, 2015 that states budget revenue and expenditure appropriations shall be balanced.

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

2. Irregular Reallocation of Development Funds

Review of the Second Nyamira County Supplementary Budget Appropriation Act, 2024 revealed sums appropriated by the County Assembly in respect of the Nyamira Municipality for recurrent expenditure was Kshs.41,446,498 while development estimates approved was Kshs.83,305,915. As a result, the Municipality reallocated irregularly an amount of Kshs.10,805,915 from development to recurrent expenditure contrary to the Public Finance Management Act, 2012, section 154 (1) (b) that limits powers of an Accounting Officer to authorize reallocation of appropriated funds for capital expenditure except to defray other capital expenditure.

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

3. Lack of Training Needs Assessment

The statement of financial performance for the year ended 30 June, 2024 reflects Use of goods and services of Kshs.20,659,589. Included in this expenditure is Training expenses of Kshs.2,905,600 as detailed under Note 7 to the financial statements. No evidence was provided to confirm training needs assessment for each staff member was conducted during the year as required by Section I.3 (1) of the County Public Service Human Resource manual of May 2013 that states training in the County Public Service shall be based on Training Needs Assessment which shall be conducted every two years in each County Department. It is therefore not clear how Management identified those who were to be trained and the areas which they were to be trained on.

In addition, there was no selection criteria on how the trainees were identified for the trainings and the annual training plan was also not presented to support the expenditure on trainings contrary to section 1.3 (2) of the County Public Service Human Resource manual of May 2013 that states County Departments shall prepare training projections based on Training Needs Assessment to guide the training committees in nominating officers for training.

In the circumstances, the propriety of Kshs.2,905,600 on training for the year could not be confirmed.

4. Weaknesses in Imprest Management

The Statement of Financial Performance for the year ended 30 June, 2024 reflects Use of goods and services amount of Kshs.20,659,589. Included in this expenditure is Domestic travel and subsistence amount of Kshs.7,847,600 as detailed under Note 7 to the financial statements. However, an amount of Kshs.1,904,600 of the domestic travel and subsistence expenditure was incurred by staff members in respect of claims for reimbursement after return to their duty station contrary to Regulation 93(3) of Public Finance Management (County Governments) Regulations, 2015 that states temporary imprest shall be issued mainly in respect of official journeys and are intended to provide officers with funds with which they can meet travelling, accommodation and incidental expenses. In addition, the Municipality did not maintain an updated imprest register contrary to Regulation 93(4)(c) of the Public Finance Management (County Governments) Regulations, 2015.

In the circumstances, the propriety of expenditure on domestic and subsistence allowances of Kshs.7,847,600 could not be confirmed.

5. Irregular Engagement of Casual Workers

The Nyamira County Public Service Board engaged forty (40) casual employees who were deployed by the County Public Service Board to Nyamira Municipality. However, records available indicates that the casuals were engaged on a continuous basis for more than three (3) months contrary to Section 37 of the Employment Act, 2007. There was no evidence of requisition from the user departments, documentation on their wages, approvals for the recruitments from the County Public Service Board, advertisements for the respective posts and job interview records were not presented for audit.

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

6. Lack of Independence of the Municipality

The Municipality of Nyamira was granted Municipal Charter on 24 September, 2018 for operational independence from the County Government of Nyamira. The Urban Areas and Cities Act, 2011, section 9 (3) provides, for conferment of municipal status, a town satisfies among other criteria demonstrating revenue collection or revenue collection potential, demonstrable capacity to generate sufficient revenue to sustain its operations

and has the capacity to effectively and efficiently deliver essential services to its residents. However, review of the operations of the Municipality revealed lack of autonomy as detailed below: -

- a. The Municipality's budget was prepared and controlled by the County Executive and there was no budget approval by the Municipality Board.
- b. The Municipality's expenditure was controlled by the County Treasury and did not have independent operations account. Funds accounted as transferred to the municipality from the County Government were expended at the County Executive and no actual transfer took place.
- c. The municipality's payroll is done at the county executive, implying staff are only seconded to the Municipality.
- d. Collection of revenue is done by the County Executive.
- e. Monies allocated by a county assembly for the purposes of the management and service delivery of the board as per section 43 (1) (a) of the Act is not transferred to the Municipality. In the year under review, an amount of Kshs.41,446,498 was appropriated by the County Assembly for recurrent expenditure and Kshs.83,305,915 for Development expenditure. The monies were not transferred to the Municipality.

This was in contravention of Section 12(1) of the Urban Areas and Cities Act, 2011, which states that Management of a city and municipality shall be vested in the County Government and administered on its behalf by a Board constituted in accordance with section 13 or 14 of the Act, a Manager appointed pursuant to Section 28 and such other staff or officers as the County public service may determine. Lack of independence of the Municipality was in contravention of section 20 of the Act on functions of the board.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Inadequacies in Internal Audit Function

A review of municipalities internal control, risk and governance revealed that the entity had internal audit department. However, an audit work plan and evidence of execution of the same including internal audit reports were not provided for audit review. Further establishment of audit committee and its implementation of roles and responsibilities could not be confirmed which is contrary to regulations 163(2) and 172(1) of the Public Finance Management (County government) regulations, 2015 on development of internal audit work plan, roles and responsibilities of audit committees respectively.

In the circumstances, effectiveness of internal controls systems could not be determined.

2. Lack of Risk Management policy

During the year under review, Management had not developed a risk management policy and did not carry out risk assessment during the year under review contrary to regulation 158(1) (a-b) of the Public Finance Management (County Governments) Regulations, 2015 which states that 'the Accounting Officer shall ensure that the County Government entity develops risk management strategies.

In the circumstances, the effectiveness of risk management system in the County Assembly could not be confirmed.

In the circumstances, the existence of an effective risk management and governance structure could not be confirmed.

3. Lack of an Approved Strategic Plan

Review of Municipality records revealed that Management did not establish a strategic plan. This is contrary to Regulation 30(2) of the Public Finance Management Regulation (County Governments) Regulation, 2015 which, states that all budget proposals shall be supported by the County Government entity's strategic plan.

In the circumstances, Municipality's capacity to effectively manage and align its activities with its long-term goals and objectives could not be confirmed.

4. Lack of Information Technology Strategy

A review of internal controls, risk management and governance revealed that the Municipality had not established an Information Communication Technology department, Strategy and IT steering Committee, IT policy, disaster management and recovery policies, business continuity plan and IT continuity plan to ensure smooth running of its operations.

In the circumstances, lack of IT department, strategy, Steering Committee, IT Policy, Disaster Management and recovery policies exposed the Municipality to loss of vital information which could affect the smooth running of its operations.

5. Performance Review of the Integrated Development Plan

The Nyamira Municipality board did not formulate and implement own integrated development plan as provided under section 20 (1) (c). The Board further did not conduct annual performance monitoring and evaluation of the Integrated Development Plan as required by section 42 of Urban Areas and Cities Act, 2011.

Lack of performance monitoring and measurement will result in ineffective measurement of impact of the development plan hence affecting corrective actions.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for 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

30 December, 2024

Municipality of Nyamira
County Government of Nyamira
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	2023-2024	2022-2023
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the County Government	6	124,752,413	35,844,498
Total revenue		124,752,413	35,844,498
Expenditure			
Use of goods and services	7	20,659,589	8,203,122
Staff costs	8	9,788,374	8,946,376
Board expenses	9	3,041,600	0
Depreciation and amortization	10	23,360,580	0
Repairs and maintenance	11	0	178,187
Transfers To Other Government Entities		0	44,234,101
Total expenses		56,850,143	61,561,786
Surplus/(deficit) for the period		67,902,270	(25,717,288)

The notes set out on pages 6 to 30 form an integral part of these Financial Statements. The Municipality of Nyamira financial statements were approved on 30th August 2024 and signed by:



Name: Morara Mokuia
Municipality Manager
ICPAK M/NO 3878



Name: Ogweche Joseph
Municipality Accountant
ICPAK M/No 17572



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

15. Statement of Financial Position as At 30 June 2024

Description	Note	2023-2024	2022-2023
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	12	8,435,471	94,560,790
Prepayments		0	0
Inventories	13	1,695,986	0
Total current assets		10,131,457	94,560,790
Non-current assets			
Property, plant, and equipment	14	190,186,339	18,154,373
Intangible assets	15	6,131,250	9,349,273
Total Non-current Assets		196,317,589	27,503,646
Total assets (A)		206,449,046	122,064,436
Liabilities			
Current liabilities			
Trade and other payables /pending bills/ retention moneys	16	20,905,750	4,423,410
Total current liabilities		20,905,750	4,423,410
Non-current liabilities		0	0
Total liabilities (B)		20,905,750	4,423,410
Net Assets (A-B)		185,543,296	117,641,026
Represented by:			
Capital/Development Grants/Fund		0	0
Reserves		0	0
Accumulated surplus		185,543,296	117,641,026
Net Assets/Equity		185,543,296	117,641,026

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Municipality of Nyamira financial statements were approved on 30th August 2024 and signed by:

.....
Name: Morara Mokuia

Municipality Manager
ICPAK M/No 3878

Date: 04/12/24



.....
Name: Ogweche Joseph

Municipality Accountant

ICPAK M/No 17572
Date: 04/12/2024

County Government of Nyamira
Municipality of Nyamira
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 2022	0	0	143,358,314	143,358,314
Surplus/(deficit) for the year	0	0	(25,717,288)	(25,717,288)
Bal as at 30 June 2023	0	000	117,641,026	117,641,026
Bal as at 1 July 2023			117,641,026	117,641,026
Surplus/(deficit) for the year	0	(0)	67,902,270	67,902,270
Funds received during the year	0	(0)	0	0
Revaluation gain/loss	0	0	0	0
Balance as at 30 June 2024	00	00		185,543,296

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

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

Description	Note	2023-2024	2022-2023
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	124,752,413	35,844,498
Other receipts/ Retention monies			3,347,782
Total Receipts		124,752,413	39,192,280
Payments			
Use of goods and services	7	20,659,589	8,203,122
Staff costs	8	9,788,374	8,946,376
Board expenses	9	3,041,600	0
Repairs and maintenance	11	0	178,187
Total Payments		(33,489,563)	(17,327,685)
Net cash flows from operating activities	17	91,262,850	21,864,595
Cash flows from investing activities			
Purchase of PPE & intangible assets		(177,388,169)	27,503,646
Net cash flows used in investing activities		(177,388,169)	(27,503,646)
Cash flows from financing activities			
Receipts from Capital grants		0	
Proceeds from borrowings		0	
Repayment of borrowings		0	
Net cash flows used in financing activities		0	44,234,101
Net increase/(decrease) in cash & cash equivalents		(86,125,319)	(38,595,050)
Cash And Cash Equivalents At 1 July	19	94,560,790	129,346,499
Cash And Cash Equivalents At 30 June	19	8,435,471	94,560,790

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
Revenue		Kshs.	Kshs.	Kshs.	Kshs.	
Transfers from the County Government	126,727,016	(1,974,603)	124,752,413	124,752,413	0	100%
Total Revenue	126,727,016	(1,974,603)	124,752,413	124,752,413	0	
Expenses						
Use of goods and services	23,679,132	3,019,273	20,659,589	20,659,589	0	100%
Board expenses	3,000,655	0	3,041,600	3,041,600	0	100%
Staff Costs	9,945,983	157,609	9,788,374	9,788,374	0	100%
Repairs	0	0	0	0	0	100%
Depreciation	23,360,580	0	23,360,580	23,360,580	0	100%
Total Expenditure	59,986,350	3,176,882	56,850,143	56,850,143	0	
Surplus for the period				67,902,270		
Capital Expenditure	88,787,383	(16,287,383)	72,500,000	72,500,000	0	100%

19. Notes to the Financial Statements

1. General Information

Municipality of Nyamira is established by and derives its authority and accountability from The Urban Areas and Cities Act 2011. The Municipality of Nyamira is wholly owned by the county Government of Nyamira and is domiciled in Nyamira, Kenya. The Municipality of Nyamira principal activity is promotion, regulation and provision of refuse collection and solid waste management

2. Statement of Compliance and Basis of Preparation

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

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

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

3. Application of New and revised standards (IPSAS)

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.

4. Significant Accounting Policies

a) Budget information

The original budget for FY 2023/2024 was approved by the County Assembly on 26th 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 the Municipality of Nyamira upon receiving the respective approvals in order to conclude the final budget.

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

b) Property, plant and equipment

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

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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.

c) 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.

d) 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 the City/Municipality.

e) Changes in accounting policies and estimates

The City/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.

f) Related parties

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

g) 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.

h) Comparative figures

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

i) 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

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

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

j) 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 the Municipality of Nyamira financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all judgements, estimates and assumptions made.

Estimates and assumptions.

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

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 the City/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	2023-2024	2022-2023
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	38,990,700	17,645,983
Payments by County on behalf of the entity	72,500,000	15,858,600
Kenya Urban Support programme(UIG) Grant	2,455,798	1,194,560
Kenya Urban support programme(UDG)grant	10,805,915	1,145,355
Total	124,752,413	35,844,498

7. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Utilities, supplies and services	0	0
Communication, supplies and services		0
Domestic travel and subsistence	7,847,600	5,076,300
Foreign travel and subsistence	0	0
Printing, advertising, supplies & services	0	0
Rent and rates	396,000	904,600
Training expenses	2,905,600	0
Hospitality supplies and services	2,206,000	0
Insurance costs	0	0
Specialized materials and services	579,699	0
Office and general supplies and services	1,235,590	0
Fuel, oil and lubricants	5,378,000	2,222,222
Other operating expenses (Specify)	0	0
Routine maintenance – vehicles and other equipment	0	0
Routine maintenance – computers	111,100	0
Total	20,659,589	8,203,122

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8. Staff costs

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Salaries and wages	9,788,374	8,946,376
Staff gratuity	0	0
Social security contribution	0	0
Total	9,788,374	8,946,376

9. Board expenses

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Chairman/Members' Honoraria	0	0
Sitting allowances	0	0
Medical Insurance	0	0
Induction and Training	0	0
Travel and accommodation	2,037,600	0
Conference Costs	1,004,000	0
Total	3,041,600	0

10. Depreciation and amortization

Description	2023-2024	2022-2023
	KShs	KShs
Property, plant and equipment	22,134,330	0
Intangible assets	1,226,250	0
Investment property carried at cost	0	0
Total depreciation and amortization	23,360,580	0

11. Repairs and Maintenance

Description	2023-2024	2022-2023
	KShs	KShs
Property- Buildings	0	0
Office equipment	0	0
Furniture and fittings	0	0
Motor vehicle expenses	0	178,187
Maintenance of civil works	0	0
Total repairs and maintenance	0	178,187

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12. Cash and cash equivalents

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Recurrent Grant Account	1,298	1,255,978
Development Grant Account	4,607,638	88,881,402
Rentention Account	3,826,535	4,423,410
Total cash and cash equivalents	8,435,471	94,560,790

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

Financial institution	Account number	2023-2024	2022-2023
		Kshs.	Kshs.
a)Institutinal Grant			
Central Bank of kenya (UIG)	1000404841	1,298	1,255,978
b)development grant account			
Central bank of kenya UDG	1000394374	0	88,873,142
Equity bank account UDG	0520280023457	4,607,638	8,260
Sub- total		4,608,936	90,129,120
Rentention account	1000323938	3,826,535	4,423,410
Grand total		8,435,471	94,560,790

13. Inventories

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Stationery	820,002	0
Consumables	0	0
Other inventories-tools	875,984	0
Total inventories at the lower of cost and net realizable value	1,695,986	0

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14. Property, Plant and Equipment

Description	Land 0%	Building 2%	Motor vehicles 25%	Furniture and fittings 12.5%	Computers 30%	Other Assets ROADS 10%	Capital Work in progress(KU RA ROAD) 0%	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 1 July 2022	0	0	0	2,159,980	7,102,638	104,373,213	0	113,635,831
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	0
As at 30th June 2023	0	0	0	2,159,980	7,102,638	104,373,213	0	113,635,831
Additions for the year	0	50,519,523	0	0	0	82,858,330	0	133,377,853
Disposals for the year	0		0	0	0	0	0	0
Transfer/adjustments	0		0	0	0	0	0	0
As at 30th June 2024	0	50,519,523	0	2,159,980	7,102,638	187,231,544	0	241,501,842
Depreciation and impairment	0	0	0	0	0	0	0	0
At 1 July 2022	0	0	0	0	0	0	0	0
Depreciation	0	0	0	269,998	2,130,791	20,846,308	0	23,247,097
Impairment	0	0	0	0	0	0	0	0
Transfers/ Adjustments	0	0	0	0	0	0	0	0

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Description	Land 0%	Building 2%	Motor vehicles 25%	Furniture and fittings 12.5%	Computers 30%	Other Assets ROADS 10%	Capital Work in progress(KU RA ROAD) 0%	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 30 June 2023	0	0	0	539,996	2,130,791	31,311,964	0	12,823,943
Depreciation for the year	0	1,010,387	0	269,998	2,130,791	18,723,154	0	22,134,330
Disposals for the year	0	0	0	0	0	0	0	0
Impairment for the year	0	0	0	0	0	0	0	0
Transfer/adjustment		0	0	0	0	0	0	0
As at 30th June 2024	0	0	0	809,994	4,261,582	50,035,118		113,635,831
NBV as at 30th Jun 2023	0	50,519,523	0	1,619,984	4,971,847	73,061,249	0	151,317,244
NBV as at 30th Jun 2024	0	49,509,136	0	1,349,986	2,130,791	137,196,426	0	190,186,339

Depreciation rates are per Asset-Liability Management Policy and the method used is on a straight line.

WIP KURA Road Municipality partial payment of ksh 50,000,000

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15. Intangible assets

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Cost	9,810,000	9,810,000
At beginning of the year 1st July 2022		
Additions	0	0
At end of the year 30th June 2023	9,810,000	9,810,000
At beginning of the year 1st July 2022		
Amortization	1,226,250	0
At end of the year 30th June 2023		
Impairment loss	0	0
At end of the year	2,452,500	0
At beginning of the year 1st July 2023		
Amortization	1,226,250	0
At end of the year 30th June 2024		
Impairment loss	0	0
At end of the year	3,678,750	9,810,000
NBV	6,131,250	9,810,000

Amortization rates are as per Asset –liability Management policy and the method used is on straight line method. (useful life 5-8yrs)

16. Trade and other payables from exchange transaction

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Trade payables pending bills	17,079,215	0
Retentions	3,826,535	4,423,410
Total trade and other payables	20,905,750	4,423,410
Ageing analysis:	2023-2024	% of the Total
Under one year	16,571,331	79.26%
1-2 years	507,884	2.43%
2-3 years	3,826,535	18.30%
Over 3 years	0	%
Total	20,905,750	99.99%

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17. Cash generated from operations

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Surplus/ (deficit) for the year before tax	67,902,270	0
Adjusted for:	0	
Depreciation	22,134,330	0
Amortisation	1,226,250	0
Gains/ losses on disposal of assets	0	0
Working Capital adjustments	91,262,850	0
Increase in inventory	0	0
Increase in payables	0	0
Net cash flow from operating activities	91,262,850	0

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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)
	<p>1.Inaccuracies of the Statement of Cash flows</p> <p>The statement of cash flows reflects closing cash equivalents balance of Kshs. 94,560,790. However, re-casting indicated a balance of Kshs. 83,282,688 resulting to an unexplained and unreconciled variance of Kshs 11,278,102. Further, the statement reflects total receipts of Kshs. 39,192,280 which includes an unsupported amount of Kshs. 3,347,782 in respect of other receipt that is not included in the statement of financial performance.</p> <p>In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.</p>	<p>The management wishes to clarify that the closing cash and cash equivalent balance was Kshs 94,560,790 ((and not Kshs 83,282,688) as indicated in the statement of cash flow for the year ended 30 June 2023 and note 10 of the same Financial Statement.</p>		
	<p>2.Inaccuracies of the statement of comparison of budget and actual amounts</p> <p>The statement of comparison of budget and actual amounts reflects revenue budget of Kshs. 35,844,498. However,</p>	<p>The management concurs with the auditor's observation that there was an unreconciled balance of kshs</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>review of the approved budget revealed final budget of estimates of Kshs. 165,190,997 resulting in an unexplained and unreconciled variance of Kshs. 129,346,499.</p> <p>In the circumstances, the accuracy and completeness of the amounts in the statement of comparison of budget and actual amounts could not be confirmed.</p>	<p>129,346,499, comprising of UIG account of Kshs 1,090,042 and UDG account of kshs 128, 256, 456. The unreconciled balance was as a result of an error of omission whereby the balances were in their respective special purpose accounts (SPA) which were not included in the statement of comparison of budget and actual amounts.</p>		
	<p>3.Inaccuracies in Rental Expenses</p> <p>The statement of financial performance reflects use of goods and services amount of Kshs. 8,203,122 which includes an amount of Kshs. 904,600 in respect of rental expenses as disclosed in note 6 to the financial statements. However, review of the tenancy agreement revealed</p>	<p>Management concurs with the auditor's observation that there was unreconciled variance of Kshs. 5,000 in respect of rental expense for the financial 2022-2023. However, this was an</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>monthly rent of an amount of Kshs. 75,800 resulting to recomputed rent of an amount of Kshs. 909,600, resulting to an unexplained and unreconciled variance of Kshs. 5,000.</p> <p>In the circumstances, the accuracy and completeness of the rental expenses amount of Kshs.904,600 could not be confirmed.</p>	<p>error during invoicing that captured the figure as ksh 904,600 instead of ksh 909600, the balance of ksh 5000 has been budgeted for payment in the subsequent year.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>5.Irregular Accounting to other County Government Entities</p> <p>The statement of financial performance reflects transfers to other county government entities of an amount of Kshs. 44,234,101 in respect of construction of county government roads and construction of fire stations and as disclosed in Note 9 to the financial statements. However, the construction of county government roads and construction of fire stations were wrongly classified as recurrent expenditure and not capital expenditure there by misstating property, plant and equipment in the statement of financial position.</p>	<p>The management concurs with the auditor observation. However, the error has been noted and going forward the recurrent and capital expenditure will be separated by adhering to the financial statement template as issued by the Public Sector Accounting Standards Board (PSASB) by 30th June of every year.</p>		

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	<p>In the circumstances, of the balances in the financial statements could not be confirmed.</p>			
	<p>6.Undisclosed Board Expenses The statement of financial performance reflects total expenses amounting to Kshs.61,561,786 which did not</p>	<p>The Management wishes to clarify that the expenditure totaling to</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>include board expenses. However, review of the expenditure schedules revealed that the Management incurred an amount of Kshs.575,800 in respect of board expenses which were not reported in the financial statements. Further, the payment of board allowances were not supported with payment vouchers, board minutes and signed attendance registers.</p> <p>In the circumstances, the accuracy and completeness of the total expenditure of Kshs.61 ,561,786 could not be confirmed.</p>	<p>Kshs. 575,800 in respect of board expense was reported under travel, subsistence and other allowances. The supporting documents for the Kshs 575,800 in respect of board allowances have since been provided.</p>		
	<p>7.Non-Amortization of Intangible Assets</p> <p>The statement of financial position reflects intangible assets balance of Kshs. 18, 154,373 as disclosed in Note 12 to the financial statements which includes an adjustment of Kshs. 844,373 whose details have not been explained. Further, no disclosure has been made for failure to amortize and reflect the residual value of the assets in accordance with clause 40 of the summary of significant accounting policies.</p>	<p>The management concurs with the auditor's observation. This was an error of omission which has since been rectified in the subsequent financial year.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the accuracy and fair statement of the intangible assets balance of Kshs.18, 154,373 could not be confirmed.			
	<p>8.Presentation and Disclosures in the Financial Statements</p> <p>Review of the annual reports and the financial statements submitted for audit revealed that the statement of changes in net assets did not include the capital grants, revaluation reserves and total net assets. Similarly, the schedule of property, plant and equipment as disclosed in Note 11 to the financial statements did not include the description of the assets and capital work in progress. Further, significant accounting policies on revenue recognition, financial instruments, subsequent measures, amortized cost, fair value of net assets, trade and other receivables, impairments and</p>	<p>The management concurs with the auditor's observation that in the year under review we did not have change in net assets and therefore capital grant, revaluation reserves and net total assets were omitted. This was an error of omission which has since been rectified in the subsequent financial year by adhering to the financial statement template given by the Public Sector Accounting Standards Board every 30th of JUNE.</p>		

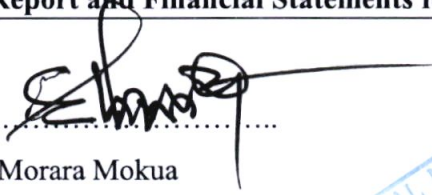
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Municipality of Nyamira

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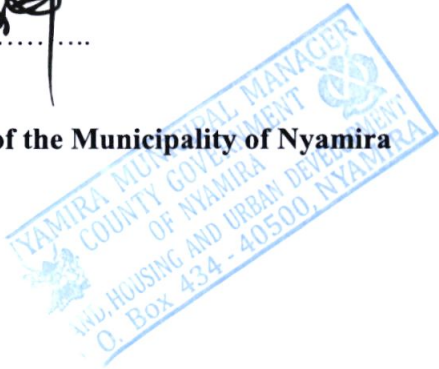
	<p>inventories were not included.</p> <p>In the circumstances, Management did not comply with the Public Sector Accounting Standards Board (PSASB) guidelines in the presentation of the financial statements.</p>	<p>In the year under review the County Government did not have an accounting policy on revenue recognition, financial instruments, subsequent measures, amortized cost, fair value of net assets, trade and other receivables, impairments and inventories.</p> <p>In the absence of the policy it was not possible to amortize the assets however, in subsequent year the County Government is using the National Government Policy</p>		
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County Government of Nyamira
Municipality of Nyamira
Annual Report and Financial Statements for the year ended June 30, 2024



CPA Morara Mokuu

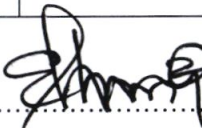
Accounting officer of the Municipality of Nyamira




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

Appendix 2: Inter-Entity Transfers

CITY/MUNICIPALITY NAME: Municipality of Nyamira				
Breakdown of Transfers from the County Executive of Nyamira County				
FY 2023/2024				
		<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>FY to which the amounts relate to</u>
a.	Recurrent Grants			
	UIG	04/ 07 /2024	1,254,500	FY 2023-2024
		Total	1,254,500	
b.	Development Grants			
		04/07/2024	10,208,640	FY 2023-2024
		Total	10,208,640	
c.	Direct Payments			
	Recurrent	15/07/2024	38,521,452	FY 2023-2024
	Development	15/07/2024	72,092,573	FY 2023-2024
		Total	110,614,025	


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CPA Morara Mokuia
Municipality Manager




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Jemimah Abuga
HOAS