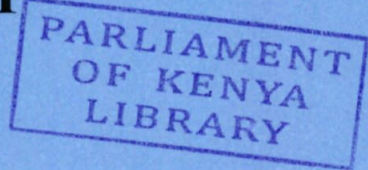


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

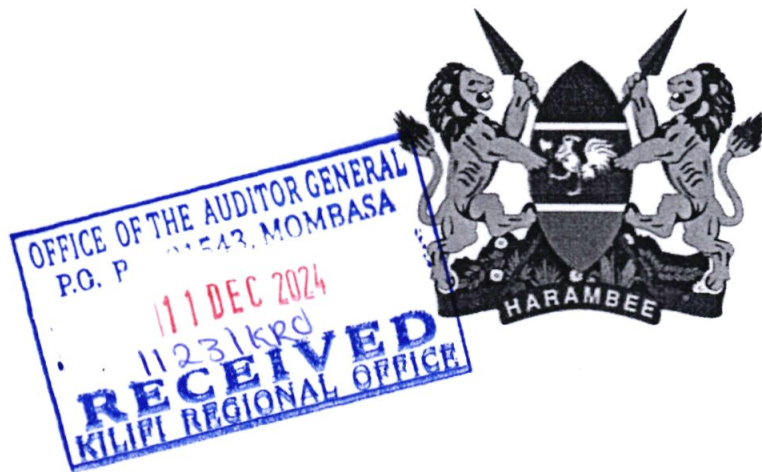
ON

MUNICIPALITY OF HOLA

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

COUNTY GOVERNMENT OF TANA RIVER

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep Mas Whip
COMMITTEE	
CLERK AT THE TABLE	Mechim



MUNICIPALITY OF HOLA
COUNTY GOVERNMENT OF TANARIVER

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 Tana River
Municipality of Hola
Reports and Financial Statements
For the year ended June 30, 2024*

(Blank Page)

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

Contents

1. Acronyms & Glossary of terms	ii
2. Key Entity Information and Management	iii
3. Hola Municipality Board	vii
4. Management Team	ix
5. The Municipality of Hola Board Chairperson's Report	x
6. Report of the Municipality Manager	xiii
7. Statement of Performance Against Predetermined Objectives for the FY2023/2024	xiv
8. Corporate Governance Statement	xv
9. Management Discussion and Analysis	xviii
10. Environmental and Sustainability Reporting	xix
11. Report of the Municipality Board Members	xxi
12. Statement of Management's Responsibilities	xxii
13. Report of the Independent Auditor	ii
14. Statement of Financial Performance for The Year Ended 30 June 2024.	1
15. Statement of Financial Position as at 30 June 2024	2
16. Statement of Changes in Net Assets as at 30 June 2024	3
17. Statement of Cash Flows for The Year Ended 30 June 2024	4
18. Statement of Comparison of Budget & Actual Amounts for the Year ended 30 June 2024	5
19. Notes to the Financial Statements	6
20. Annexes	30

1. Acronyms & Glossary of terms

a) acronyms

ADP	Annual Development plan
AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
NT	National Treasury
WB	World Bank
MOH	Municipality of Hola
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management	The key Management personnel who had financial responsibilities
----------------------	---

2. Key Entity Information and Management

a) Background information

The Municipality of Hola is established under the Urban Areas and Cities Act No. 13 of 2011 and Cities and Municipality of Hola Charter dated 12th July 2018. The Municipality of Hola is under the County Government of Tana River and is domiciled in Kenya.

b) Principal Activities

The principal activity/mission/ mandate of the Municipality of Hola is to:

1. Provide efficient and accountable management and regulating the affairs of the Municipality
2. Provide a governance mechanism that will enable the inhabitants of the municipal to:
 - i) Participate in determining the social services and expectations and regulatory framework which will best satisfy their needs.
 - ii) Verify whether public resources and authority are utilised or exercised as the case may be to their satisfaction.
 - iii) Enjoy efficiency in service delivery.
3. Vigorously pursue the development opportunities available to the municipality and provisions of civic amenities so as to enhance the quality of life of the inhabitants of the municipality of Hola.
4. Provide a high standard of social services in a cost-effective manner to the inhabitants of Municipality of Hola.
5. Provide social cohesiveness and a sense of civic duty and responsibility among the inhabitants and stakeholders in the municipality in order to facilitate collective action and commitment towards achieving the goal of a harmonious and stable community.
6. Provide services, laws and other matters for the benefits of municipal inhabitants.
7. Fostering the economic, social and environmental wellbeing of the Municipal inhabitants

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

c) The Municipality of Hola Board

Ref	Position	Name
1.	Chairman of the Board	Adhan Khalif Siyad
2.	County Executive Committee Member responsible for Cities and Urban areas.	Eng. Stephen Wachira
3.	Chief Officer Public Works, Roads, Transport, Housing and Urbanisation	Jeremiah Gijo
4.	Board Vice chair	Fatuma Gilasi
5.	Board Member	Alia Abarea
6.	Board Member	Isaac Odhiambo
7.	Board Member	Jonathan Mutava
8.	Board Member	John Manase
9.	Municipal Manager	CPA Jacob Jarha

d) Key Management

Ref	Position	Name
1	Municipal Manager	CPA Jacob Jarha
2	Directors/Head of departments	Mohamed Mwatunza
3	Director Finance & Ag. Chief Officer finance	Mariam A. Bunu
4	Chief officer Roads, transport, public works, transport and urbanization	Jeremiah Gijo

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

d) Fiduciary Oversight Arrangements

i) County Assembly committee

Ref	Position	Name
1	Chairman	Hon. Ismail B. Kodobo
2	Secretary	Hon. Halima G. Mohamed
3	Member	Hon. Yusuf A. Bile
4	Member	Hon. Musa Wario
5	Member	Hon. Hamid Babusa
6	Member	Hon. Fatuma Abadada
7	Member	Hon. Mahmud A. Barrow
8	Member	Hon. Zahira Hageyo Kori
9	Member	Hon. Abdulhakeem Shehe

e) Registered Offices

P.O. Box 3-70101, HOLA

National Irrigation Authority Building/House/Plaza,

Next to Hola Law Courts,

KENYA.

f) Contacts

Telephone: (+254) 0723733817

E-mail: holamunicipality21@gmail.com

g) Bankers

Commercial Banks

Kenya Commercial Bank Ltd

Hola Branch

P.O Box 100 - 70101

Hola, Kenya

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

h) Independent Auditor






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

i) Principal Legal Adviser





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

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




3. Hola Municipality Board

Name	Details of qualifications and experience	Passport photo
1. Adhan Siyad Khalif (Chairman Municipality of Hola)	A business man within Municipality of Hola and he is from Tana North representing the Urban areas	
2. Fatuma Gilasi (Vice chairman)	A business woman within Municipality of Hola. She is an appointee of the Governor from Galole	
3. John Ano Manase (Board Member)	A retired MCA Politician and a business man within the Municipality of Hola. He is an appointee of the Governor from Tana Delta	
4. Issack Odhiambo (Board Member)	A business man in the entire CBD of Municipality of Hola. He is an appointee of the Governor from Galole.	
5. (Board Member) Jacob Jarha (Municipal Manager)	Ongoing Advance level of the Certified Public Secretary course, Holder of Bachelor's degree in Commerce, A qualified Accountant CPA(K) Worked in various Government office as accounts clerk and	


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

	coordinator of the National Government Affirmative Action Fund	
6. (Board Member) Jonathan Mutava	Retired civil servant and a business man within Hola town. He is an appointee of the governor representing the informal sector	
7. (Board Member) Alia Govu Abarca	A business woman within Municipality of Hola. She is an appointee of the Governor from Galole	
8. (Board Member) Jeremiah Gijo	Chief Officer Public works, Roads, Transport, Housing and Urbanisation.	
9. (Board Member) Eng. Stephen Wachira	County Executive member Roads, Transport, Housing and Urbanisation	

4. Management Team

Name	Details of qualifications and experience	Passport photo
<p>1. Director Housing & Urbanisation and the coordinator of Kenya Urban Support Program Mohamed Mwatunza</p>	<p>Holder of Bachelor's Degree in Education Worked in government for more than twenty years. Clerk to County Council of Tana River</p>	
<p>2. Chief Officer Finance & Economic Planning CPA Mariam Abdalla Bunu</p>	<p>Holder of Bachelor's degree in Commerce Accounting Option. A qualified Accountant CPA(K) Worked in Various Government Offices for more than ten years</p>	
<p>3. Municipal Manager CPA Jacob Jarha</p>	<p>Ongoing certified public secretary course, holder of Bachelor's degree in Commerce Finance Option, A qualified Accountant CPA(K) Worked in various Government office as accounts clerk and coordinator of the National Government Affirmative Action Fund.</p>	

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

	Implementation of the resolution of the Municipal Board	
4. Chief Officer Roads and Public Works Jeremiah Gijo	Chief Officer Public works, Roads, Transport, Housing and Urbanisation.	

5. The Municipality of Hola Board Chairperson's Report

On behalf of the board, it's my pleasure to present the Municipality of Hola Annual Report and financial statements which reflect financial performance of the Municipality for the year ended 30th June 2024.

Sustainability

In pursuing our goal, we the Municipality of Hola have and will continue to manage our finances in accordance with the principles of fiscal responsibility as spelt out in the public finance management Act (2012) and its regulations and any other applicable laws on public finance;

Board and management changes

There were no significant changes on the board of management of our Municipality. However, two members left the board and the reasons hereto given below

Abdul hakim ware Shehe resigned after being nominated as a Member of County Assembly and Alfelt Mumbo resigned to contest in the 2022 general elections for Women representative seat.

As at today the Municipal Board comprised of

- | | |
|------------------------|------------|
| 1. Adhan Khalif Siyadh | Chairman |
| 2. Fatuma Gilasi | V/Chairman |
| 3. Jonathan Mutava | Member |
| 4. John Ano Manase | Member |
| 5. Alia Abarea | Member |
| 6. Isaac Odhiambo | Member |

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

- | | |
|---|--|
| 7. CPA. Jacob Jarha | Municipal Manager |
| 8. Jeremiah Gijo | C.O Roads, public works housing and urbanization |
| 9. Eng. Stephen Wachira
urbanization | C.E.C.M Roads, public works housing and |

- **Successes made.**

The board has been able to ensure that all the ongoing projects (Storm water drainage) have been 100% complete as at end of June, 2024.

- **Expenditures**

We have utilised the funds in the urban Development Grant Account to pay the development projects maintenance of streets lighting amounting to Kshs. 756,436.00 and paid for general office expenses out of the Urban Institutional Grant (UIG) account amounting to Kshs. 1,581,455.40 in both accounts.

- We have completed the storm water project and took maintenance of streets lighting we look forward to putting more street lighting in areas that have no street lights.

- **Future outlook**

Our Focus for the future is to prioritize on solid waste management, increase streetlights coverage and construct a big market for the residence of the Municipality of Hola.

We are aiming to at least employ some staff through the County Public Service Board of Tana River to make our services more efficient and effective.

- **Appreciation**

I would like to appreciate the county executive for giving us the Municipal charter which brought together the Municipal of Hola Board members and entire team for their dedication and cooperation during the transition period.

I also would like to appreciate the county assembly committee for their consistent oversight in the use of our approved budgets.

Further, I would like to appreciate the cooperation and support from key stakeholders and residents in running the affairs of the municipality.

May God bless all of us and the entire county in general

- Signed:

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



.....
Name: Adhan Khalif Siyad

Chairperson of the Board

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

6. Report of the Municipality Manager

The Board of the municipality of Hola achieved tremendous milestone in discharging of its mandate.

In compliance with the constitutional requirement and vision 2030 goals, the board had set a uniform criteria and guidelines that promote equity, equality, and fairness in provision of services in Hola. The board made sure that equal rights are provided to the marginalised and people living with disability.

The board has to a great extent, involved stakeholders and created a cohesive and conducive environment that enables it to carry its mandate effectively and efficiently.

Financial Performance

a) Revenues

During the financial year ended 30th June 2024, the Board received KShs. 2,339,9115.00 from the County government as funding from world bank for both Urban Development Grant and Urban institutional Grant broken down as follows.

Urban Development Grant KShs. 1,145,355.40

Urban Institutional Grant KShs. 1,194,559.40

The county had also allocated KShs. 36,450,000.00 for recurrent expenditure and 50,000,000.00 for development expenditure.

The fund was utilised to pay for maintenance of street lighting and capacity building of board members of the Municipality of Hola.

Conclusion

FY 2023/2024 was a good year generally with a good progress despite lack of additional funds. We have identified gaps and areas to improve in the subsequent years.

Signed: _____


CPA Jacob Jarha
Municipal Manager
Accounting officer Municipality of Hola

7. Statement of Performance Against Predetermined Objectives for the FY2023/2024

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a County Government entity shall prepare financial statements in respect of the entity in formats to be prescribed by the Accounting Standards Board including a statement of the county government entity’s performance against predetermined objectives. The key development objectives of the Hola Municipality 2021-2025 strategic plan/integrated Development plan are to:

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

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Urban planning	To control urban development	To create orderly development in urban areas	Number of development plans conforming with rules and regulations governing urban development	In the FY under review lands and physical planning department has been Developing two plans i. Mahono cluster and Handampia Cluster Within the Municipality of Hola. The department is also developing special plan for Municipality of Hola

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

Program	Objective	Outcome	Indicator	Performance
Construction of storm water drainage	Safe guard business and households from flooding during rainy season	Contained rain water flooding	Construction of 3 kms of storm water	We completed the Construction of 3 kms length of the storm water and installed drainage covers

8. Corporate Governance Statement

THE BOARD

Municipality of Hola is established by Urban Areas and Cities Act 2012 and derives its authority and accountability from the Act. The board objectives are to vigorously pursue the development opportunities which are available in the Municipality and to institute such measures as are necessary for achieving public order and the provisions of civic amenities, so as to enhance the quality of life of the inhabitants of the Municipality.

The board is committed to ensuring compliance with the Urban Areas and Cities Act 2012, the Municipal charter and other relevant laws and regulations.

THE MEMBERSHIP OF THE BOARD

The Municipality of Hola board, comprised of 7 members and were recruited based on,

- a) An umbrella body representing professional associations in the area
- b) An association representing the private sector in the area
- c) A cluster representing registered associations of the informal sector in the area
- d) A cluster representing registered neighbourhood associations in the area
- e) An association of the municipality and appointed by the County Executive Committee within approval of the county assembly.

The board members are responsible for the long-term strategic dimensions. The municipality members are provided with full, appropriate and timely information that enables them to maintain full and effective control over the strategic, financial operation and compliance issues.

BOARD MEETINGS

The board members are to meet at least once in a quarter in order to monitor the implementation of the funds, strategic plan and achievement of the targets.

However, as provided by the Act the chairman shall, upon requisition by members convene a special meeting of the board at any given time.

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

STATEMENT OF COMPLIANCE

The board of trustees confirmed that the Municipality had throughout the FY 2022/2023 complied with all statutory and regulatory requirements and that the Municipality had been managed in accordance with the principles of good governance.

INTERNAL CONTROL AND RISK MANAGEMENT

Standing Instructions

The Municipality of Hola is in the process of developing a strategic plan/Integrated development plan, Code of ethics and Service Charter that will be applicable to all employees. This will entail a number of standing instructions to employees designed to enhance internal controls.

Organisation Structure

The Board is on the process of updating its organisational structure that will clearly detail lines of authority and control responsibilities in line with the Urban and Cities Act 2012.

Internal Control Framework

The Board continues to review its internal control to ensure it maintains a strong and effective internal control environment. Business processes and controls are reviewed in an ongoing basis.

Depreciation policy

The Municipality board provide for depreciation of assets and liability as shown below on straight line method.

Class	Type of Asset	Estimated Useful life	Rate
1	Motor Vehicle	4 Years	25% pa
2	Computers	3 Years	33.33%pa
3	Servers	5 Years	20.00% pa
4	Photocopiers, Scanners& Printers	3 Years	33.33%pa
5	Computer accessories & devices	3 Years	33.33%
6	Computer software	3 Years	33.33%
7	Computer networks, cables and similar equipment's	3 Years	33.33%
8	Furniture & equipment's	8 Years	12.5%
9	Partitions, furniture's and fittings	8 Years	12.5%
10	Building and improvements ¹²	50 Years	2%
11	Plants & Machinery	8 Years	12.5%
12	Photocopier, air conditioner, telephone& fax	8 Years	12.5%
13	Other office equipment's	8 Years	12.5%

Risk management

The Board targets to develop a risk management framework which will guide the Municipality in identifying assessing and managing the risks and prescribe mitigating measures of all the risks both external and internal.

Management Team

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

The management team is comprising of the Municipal Manager, Director Urban development services, Chief officer Finance and economic planning and Chief Officer Urbanisation. The Municipality implements the Board decision and policies through action plans. The team meets on demand to review these actions plans to ensure that the board objectives are achieved effectively and efficiently.

Auditor

The fund is audited by the Auditor General

9. Management Discussion and Analysis

The municipality of Hola has continued to grow over the years. The management has put measures in place to safeguard risks. The management has ensured that we comply with statutory requirements relating to the functions of the Municipality.

Operational and functional performance of the Board

The Board did received funds for both Urban Institutional Grant and Urban development grant account for the year ending 30th June 2024 and these funds were utilised to pay for maintenance of street lightings and training of municipal board members.

Key projects or investments decisions implemented or ongoing

- a) Storm water drainage system (PHASE I1) -Kshs. 64,834,700.00
- b) Storm water drainage concrete covers- Kshs. 683,356
- c) Storm water drainage concrete covers –Kshs. 4,811,912

Compliance with statutory requirements

The board complied with the following listed requirements but not limited to

- i)NSSF Deductions
- ii)NHIF deductions
- iii)Income tax deductions
- iv) Preparation of submission of reports in a timely manner.
- v) All other statutory requirements

Major challenges facing the board

The Municipality of Hola Board is new hence needs a lot of capacity building in order to understand the environment and working procedures of Municipalities’.

The Municipality is also understaffed to which impacts negatively on the effective delivery of service.

The Urban Areas and Cities Regulations are yet to be developed to operationalise fully the Act.

The residents and Members of the county Assembly are yet to fully accept the concept of municipality.

Conclusion

We appreciate the unrelenting support from the Municipal board, management staff, the county government, development partners and the key stakeholders. We look forward in continuing partnership and cooperation in areas of mutual interest.

10. Environmental and Sustainability Reporting

The board engages NEMA in all the projects undertaken by the Municipality of Hola for Screening and environmental and social impact assessment for all its projects.

1. Sustainability strategy and profile

The board has engaged the County executive as well as the County Assembly for allocation of Budget to fund its operation. The board had been allocated recurrent but not development budget for her development agenda in the financial year 2023/2024

2. Environmental performance

The board had earmarked on tree planting exercise in a programme termed. "Greening the Municipality of Hola" This program will not only be addressing the challenges of climate change but also creating job for youth, women and persons living with disability who are residing within the Municipality of Hola

3. Employee welfare

Currently the Municipality of Hola has one staff that is the Municipal Manager who was recruited competitively through the public service board.

The welfare of the employee is well catered through budgeting for pension, gratuity and medical cover for the staff and family members.

Efforts to get new staff in various position and interns with the approved structure are underway through the County Public service board. The County public service Board is an entity that will ensure compliance with employment laws during hiring of staff.

4. Market place practices

The organisation should outline its efforts to:

a) Responsible competition practice.

The board has put in place measures to discourage corruption, political patronage and unfair competition in awarding of tenders.

Responsible Supply chain and supplier relations

a). Contractors are awarded tenders fairly as well paid in good time. Proper communication to supplier through advertisement in our daily nation

b) Responsible marketing and advertisement

Outdoor advertisement goes through public relation scrutiny on the content before allowed to be realised in the Market. Annual taxes are applied consistently on common business taking place within the Municipality.

c) Product stewardship

The Municipality continuously provides streetlights and garbage collection services to its residents.

5. Community Engagements

The Municipality of Hola engages the residents in all its development projects through public participation and public forums

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

11. Report of the Municipality Board Members

The Board Members submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the Municipality of Hola affairs.

Principal activities

The Municipality of Hola is established by Urban and Cities Act 2012 and derives its authority and accountability from this Act. The Board objectives seek to provide an enabling environment for development of economic opportunities available within the Municipality and to institute measures necessary for achieving public order while enhancing provisions of civic amenities and access to basic social services.

Performance

The performance of the Municipality of Hola for the year ended June 30, 2023 are set out on pages 1-33

Board Members

There was significant change in the chairmanship of the Municipality of Hola. Enos Mwaruka resigned from the Municipality of Hola as the Board chairman and Adhan Siyad was appointed by member to replace him as the Board Chairman. Abdulhakeem Shehe resigned after being nominated as a member of county assembly and Alfelt Mumbo also resigned to contest in the 2022 general elections.

Auditors

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

By Order of the Board


Name: CPA Jacob Jarha

Municipal Manager & Accounting officer

Secretary to 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 Municipal manager is responsible for the preparation and presentation of the Municipality's financial statements, which give a true and fair view of the state of affairs of the Municipality for and as at the end of the financial year ended on June 30, 2023. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Municipality,
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- (iv) Safeguarding the assets of the Municipality,
- (v) Selecting and applying appropriate accounting policies, and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Municipality Manager accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Urban Areas and Cities Act No. 13 of 2011*. The Municipality of Hola Manager is of the opinion that the financial statements give a true and fair view of the state Municipality's transactions during the financial year ended June 30, 2023, and the financial position as at that date.

The Municipality Manager further confirms the completeness of the accounting records which have been relied upon in the preparation of financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the Municipality of Hola Manager has assessed the Hola Municipality's ability to continue as a going concern and disclosed, as

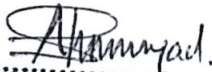
**County Government of Tana River
Municipality of Hola
Annual Report and Financial Statements for the year ended June 30, 2024**

applicable, matters relating to the use of going concern basis of preparation of the financial statements.

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

Approval of the financial statements

The Municipal financial statements were approved by the Board on 1st September 2023 and signed on its behalf by:



.....
Name: ADHAN SIYAD
Chairperson of the Board
Municipality of Hola



.....
Name: CPA. Jacob Jarha
Municipal Manager & Accounting Officer
Municipality of Hola

REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON MUNICIPALITY OF HOLA FOR THE YEAR ENDED 30 JUNE, 2024 – COUNTY GOVERNMENT OF TANA RIVER

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.
- 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 aim to address the Auditor-General's statutory roles and responsibilities 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 Hola set out on pages 1 to 30, which comprise the statement of financial position as at 30 June, 2024 and

Report of the Auditor-General on Municipality of Hola for the year ended 30 June, 2024-County Government of Tana River

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

In my opinion, except for the effects of the matter 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 Hola-County Government of Tana River 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 No.13 of 2011, Cities and Municipality of Hola Charter dated 12 July, 2018, County Government Act, 2012 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Property, Plant and Equipment

The statement of financial position and as disclosed in Note 10 to the financial statements reflects property, plant and equipment balance of Kshs.113,088,601. However, the supporting schedule showing asset description, date of purchase, value, location and ownership details were not provided for audit.

In the circumstances, the accuracy, completeness, valuation and ownership of property, plant and equipment balance of Kshs.113,088,601 could not be confirmed.

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

Emphasis of Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on a comparable basis amount of Kshs.38,369,915 and Kshs.34,064,610 respectively resulting to an underfunding of Kshs.4,305,305 or 11% of the budget. Similarly, the Municipality spent an amount of Kshs.3,356,651 against actual receipts of Kshs.34,064,610 resulting to an underutilization of Kshs.30,707,957 or 90% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial statements, Report on Lawfulness and Effectiveness in the Use of Public Resources and Report on Internal Controls, Risk Management and Governance Section of my report. Management had not resolved the issues as at 30 June, 2024.

Other Information

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

In connection with my audit on the Municipality of Hola'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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Independence

The Municipality of Hola was granted Charter on 12 June, 2018 which was supposed to grant its operational independence from the County Government of Tana River. However, review of the operation of the Municipality revealed lack of autonomy as Municipality budget was prepared and controlled by the County Executive and the budget was not approved by the Municipal Board. This is contrary to Section 12(1) of the Urban Areas and Cities Act, 2011 which states that the Management of a City and Municipality shall be vested in the County Government and administered on its behalf by a Board, a Manager appointed pursuant to Section 28 and such other staff or officers as the County public service may determine.

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

2. Failure to Prepare an Integrated Urban Areas Development Plan

Municipality of Hola has not prepared an Integrated Urban Area Development Plan in accordance with section 5(b) of the Urban Areas and Cities Act, 2011. The Integrated Development Plan (Integrated Development Plan) is a critical road map in achieving the development goals for an urban area hence failure to come up with the plan means Municipality of Hola may not achieve its intended goals. This contrary to Section 38 of the Urban Areas and Cities Act (Cap 275) Areas Act provides that a city or urban area shall prepare an integrated city or urban area development plan in accordance with the Third Schedule to this Act.

In the circumstances, Management was in breach of the law

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter 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.

Failure to Implement Internal Audit Recommendations

Review of records maintained by the Municipality revealed that, there was no evidence that accounting officer developed and submitted response and action plan as required by Regulation 165 of Public Finance Management (County Governments) Regulations, 2015. Further, audit recommendations implementation status report was not prepared by the internal auditor. Therefore, the subject Matter on Action on Internal Audit Reports by the board was not fully adhered to on matters of implementation and follow up on recommendations.

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Municipality's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of 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 Municipality's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective

processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

31 December, 2024

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

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

	Notes	2023/2024	2022/2023
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the county Government	6	2,339,915	9,300,207
Total revenue		2,339,915	9,300,207
Expenditure			
Use of goods and services	7	3,356,651	21,223
Depreciation & Amortization	10	3,814,751	0
Total expenses		7,171,402	21,223
Other gains/losses			
Gain/loss on disposal of assets		0	0
Surplus/Loss for the period		(4,831,487)	9,278,984

The notes set out on pages 1 to 33 form an integral part of these Financial Statements. The entity financial statements were approved on 21st July 2024 and signed by:


 Name: CPA. Jacob Jarlia
 Municipal Manager & Accounting Officer
 Municipality of Hola

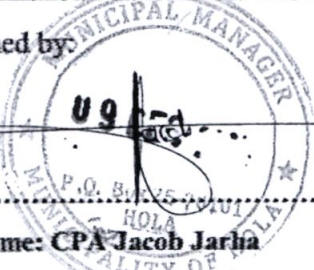

 Name: CPA. MARIAM ABDALLA BUNU
 Head of Finance
 ICPAK M/No 20519


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

15. Statement of Financial Position as at 30 June 2024

	Note	2023/2024	2022/2023
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	9	1,590	1,018,325
Non-current assets			
Property, plant, and equipment	10	113,088,601	23,873,465
Total Non-current Assets		113,088,601	23,873,465
Total assets		113,090,191	24,891,790
Liabilities			
Current liabilities	11	0	0
Non-current liabilities			
Total liabilities			
Net assets		116,903,351	24,891,790
Capital/Development Grants/Fund		1,018,325	15,612,806
Reserves		0	0
Accumulated surplus/loss		(4,831,487)	9,278,984
Total net assets and liabilities		113,090,191	24,891,790

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 1st September 2023 and signed by:


Name: CPA Jacob Jarlia
Municipal Manager & Accounting Officer
Municipality of Hola
Date:



Name: CPA. MARIAM ABDALLA BUNU
Head of Finance
ICPAK M/No 20519
Date:

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

16. Statement of Changes in Net Assets as at 30 June 2024

	Capital/ Development Grants/Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs.	Kshs.	Kshs.
Balance as at 1 July 2022	73,025,248		(11,341,685)	61,683,563
Surplus/(deficit) for the period	0		(7,059,573)	(7,059,573)
Funds received during the year	62,422,362			62,422,362
Balance as at 30 June 2023	135,447,610		(18,401,258)	117,046,352
Balance as at 1 July 2023	135,447,610		(18,401,258)	117,046,352
Surplus/(deficit) for the period	0		(4,831,487)	(4,831,486)
Funds received during the year				
Revaluation gain				
Balance as at 30 June 2024	135,447,610		(23,232,744)	(112,214,866)

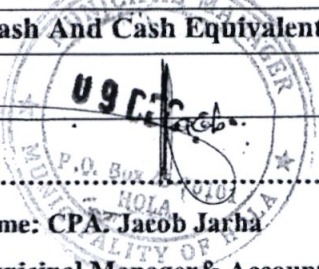

Name: CPA Jacob Jarha
Municipal Manager & Accounting Officer
Municipality of Hola



Name: CPA. MARIAM ABDALGA RUNTU
Head of Finance
ICPAK M/No. 20519

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

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

	Note	2023/2024	2022/2023
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the County Government		0	0
Other Incomes	6	2,339,915	9,300,207
Total Receipts		2,339,915	9,300,207
Payments			
Use of goods and services	7	3,356,650	21,223
Total Payments		3,356,157	(21,223)
Net cash flows from operating activities	16	(1,016,735)	9,278,984
Cash flows from investing activities			
Purchase of PPE & intangible assets		0	(23,873,465)
Proceeds from sale of PPE		0	0
Net cash flows used in investing activities		0	(23,873,465)
Cash flows from financing activities			
Receipts from Capital grants		0	0
Net cash flows used in financing activities			
Net decrease in cash & cash equivalents		(1,016,735)	(14,594,481)
Cash And Cash Equivalents At 1 July 2023		1,018,325	15,612,806
Cash And Cash Equivalents At 30 June 2024	9	1,590	1,018,325


 Name: CPA. Jacob Jarha
 Municipal Manager & Accounting officer
 Municipality of Hola


 Name: CPA. MARIAM ABDALLA BUNU
 Head of Finance
 ICPAK M/No 20519

09 DEC 2024

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

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

	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	38,369,915	0	38,369,915	34,064,610	4,305,305	89%
Public contribution and donation	0	0	0	0	0	0%
Interest income	0	0	0	0	0	0%
Miscellaneous income(specify)	0	0	0	0	0	0%
Total Revenue	38,369,915		38,369,915	34,064,610	4,305,305	89%
Expenses						
Use of goods and services	13,101,236	0	13,101,236	9,978,137	3,123,099	76%
Board expenses	4,924,400	0	4,924,400	3,860,550	1,063,850	78%
Staff costs	21,240,000	0	21,240,000	17,886,008	3,353,992	84%
Finance costs	4,215	0	4,215	0	4,215	0%
Total Expenditures	39,270,250	0	39,270,250	31,724,695	7,545,555	81%
Surplus for the period	(900,339)	0	(900,339)	2,339,915	3,356,650	
Capital Expenditure	50,000,000	0	50,000,000	49,792,505	207,495	100%

19. Notes to the Financial Statements

1. General Information

The Municipality of Hola is established by and derives its authority and accountability from Urban Area and Cities Act 2013. The Municipality of Hola is under the County Government of Tana River and is domiciled in Kenya.

The entity's principal activity is to:

1. Provide efficient and accountable management and regulating the affairs of the Municipality'
2. Provide a governance mechanism that will enable the inhabitants of the municipal to:
 - i) Participate in determining the social services and expectations and regulatory framework which will best satisfy their needs.
 - ii) Verify whether public resources and authority are utilised or exercised as the case may be to their satisfaction.
 - iii) Enjoy efficiency in service delivery.
3. Vigorously pursue the development opportunities available to the municipality and provisions of civic amenities so as to enhance the quality of life of the inhabitants of the municipality of Hola.
4. Provide a high standard of social services in a cost-effective manner to the inhabitants of Municipality of Hola.
5. Provide social cohesiveness and a sense of civic duty and responsibility among the inhabitants and stakeholders in the municipality in order to facilitate collective action and commitment towards achieving the goal of a harmonious and stable community.
6. Provide services, laws and other matters for the benefits of municipal inhabitants.
7. Fostering the economic, social and environmental wellbeing of the Municipal inhabitants

The Board objectives seek to provide an enabling environment for development of economic opportunities available within the Municipality and to institute measures necessary for achieving public order while enhancing provisions of civic amenities and access to basic social services.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on accrual 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 *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

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

3. Application of New and revised standards (IPSAS)

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023

IPSASB deferred the application date of standards from 1st January 2022 owing to COVID 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year ending June 30,2023.

4. Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (*cash, goods, services and property*) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Municipality of Hola and can be measured reliably.

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2022/23 was approved by the County Assembly on 18th September 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Hola Municipality upon receiving the respective approvals in order to conclude the final budget.

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

the actuals as per the statement of financial performance has been presented under section 6 of these financial statements.

c) Property, plant and equipment

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

d) Intangible assets

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

e) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and

Receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Municipality of Hola has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Municipality assesses at each reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Municipality of Hola financial assets that can be reliably estimated asset or the entity of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

f) Inventories

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

Raw materials: purchase cost using the weighted average cost method

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

(Significant accounting policies continued)

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 Municipality of Hola.

g) Provisions

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

h) Contingent liabilities

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

i) Contingent assets

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

j) Nature and purpose of reserves

The Municipality of Hola creates and maintains reserves in terms of specific requirements.

k) Changes in accounting policies and estimates

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

l) Employee benefits – Retirement benefit plans

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

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefits are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m) Foreign currency transactions

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

n) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being

acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

o) Related parties

The Municipality of Hola 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 Municipality, or vice versa. Members of key management are regarded as related parties and comprise the Board members, the Municipality of Hola Managers and Municipality of Hola Accountant.

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

q) Comparative figures

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

r) Events after the reporting period

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorized for issue.

Two types of events can be identified:

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

(b) Those that are indicative of conditions that arose after the reporting date (*non-adjusting events after the reporting date*).

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

s) Currency

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

5. Significant judgments and sources of estimation uncertainty

The preparation of the Municipality of Hola 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 e.g.

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 Municipality of Hola 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 Municipality of Hola. 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 Municipality of Hola.
- 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.

6. Transfers from the County Government

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	1,194,559	0
Transfers from County Govt. –Development	1,145,356	0
Refund		9,300,207
Total	2,339,915	9,300,207

This is a grant from world bank under the Kenya urban support program to the municipality of Hola meant for operation.

7. Use of Goods and Services

Description	2023/2024	2022//2023
	Kshs.	Kshs.
Bank charges	4,215	21,223
Domestic travel and Subsistence	2,099,000	0
Office and General supplies and services	47,000	0
Hire of Transport	450,000	0
Maintenance of electricity	756,436	0
Total	3,356,651	21,223

Note The expenditures were incurred as guided by the project operations manuals on eligible expenditures

County Government of Tana River

Municipality of Hola

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

(Notes To the Financial Statements Continued)

8. Cash and cash equivalents

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Current account	1,590	1,018,325
Total cash and cash equivalents	1,590	1,018,325

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

Financial institution	Account number	2023/2024	2022/2023
		Kshs.	Kshs.
a) Current account			
Kenya Commercial Bank	(Uig) Account No1253247080	1,008	450
Kenya Commercial Bank	Hola Municipal Account No 1282903314	147	399
Kenya Commercial Bank	(Udg) Account No 1253247862	435	1,017,476
Central Bank of Kenya	Uig Account No 1000424982	0	0
Central Bank of Kenya	Udg Account No.1000484834	0	0
Grand total		1,590	1,018,325

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

(Notes to the Financial Statements Continued)

10. Property, Plant and Equipment

	Storm water drainage	Inventory software	Equipment	Furniture and fittings	Cell phone	Computers	Capital Work in progress	Total
Description	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
	0.025	0.3	0.125	0.125	0.33	0		
As at 1 July 2021	41,724,300	2,358,000	400,000	3,407,100	3,400,000	5,200,000	0	56,489,400
Additions	55,084,745	0	0	0	0	0	0	55,084,745
Disposals	0	0	0	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0	0	0	0
As at 30 th June 2022	96,809,045	2,358,000	400,000	3,407,100	3,400,000	5,200,000	0	111,574,145
Depreciation and impairment								
As at 1 st July 2021	1,043,108	707,400	50,000	425,888	1,122,000	1,716,000	0	5,064,395
Depreciation for the year	2,420,226	707,400	50,000	425,888	1,122,000	1,716,000	0	6,441,514
As at 30 th June 2022	3,463,334	1,414,800	100,000	851,775	2,244,000	3,432,000	0	11,505,909
NBV as at 30 th June 2022	93,345,711	943,200	300,000	2,555,325	1,156,000	1,768,000	0	100,068,236
As at 1 st July 2022	96,809,045	2,358,000	400,000	3,407,100	3,400,000	5,200,000		111,574,145

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

	Storm water drainage	Inventory software	Equipment	Furniture and fittings	Cell phone	Computers	Capital Work in progress	Total
Description	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
	0.025	0.3	0.125	0.125	0.33	0		
Additions	23,873,465	0	0	0	0	0	0	23,873,465
Disposals								
As at 30th June 2023	120,682,510	2,358,000	400,000	3,407,100	3,400,000	5,200,000	0	135,447,610
Depreciation and impairment								
As at 1 st July 2022	3,463,334	1,414,800	100,000	851,775	2,244,000	3,432,000	0	11,505,909
Depreciation for the year	3,017,063	707,400	50,000	425,888	1,122,000	1,716,000	0	7,038,350
As at 30th June 2023	6,480,396	2,122,200	150,000	1,277,663	3,366,000	5,148,000	0	18,544,259
NBV as at 30th June 2023	114,202,114	235,800	250,000	2,129,438	34,000	52,000	0	116,903,351
NBV as at 1st July 2023	120,682,510	2,358,000	400,000	3,407,100	3,400,000	5,200,000	0	135,447,610
Additions	0	0	0	0	0	0	0	0
Disposal	0	0	0	0	0	0	0	0
As at June 2024	120,682,510	2,358,000	400,000	3,407,100	3,400,000	5,200,000	0	135,447,610
Depreciation and Impairment								
As at July 2023	6,480,396	2,122,200	150,000	1,277,663	3,366,000	5,148,000	0	18,544,259
Depreciation for the year	3,017,063	235,800	50,000	425,888	34,000	52,000	0	3,814,750

**County Government of Tana River
Municipality of Hola**

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

Description	Storm water drainage	Inventory software	Equipment	Furniture and fittings	Cell phone	Computers	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 30 th June 2024	0.025 9,497,459	0.3 2,358,000	0.125 200,000	0.125 1,703,550	0.33 3,400,000	0 5,200,000	0	22,359,009
NBV as at 30 th June 2024	111,185,051	0	200,000	1,703,550	0	0	0	113,088,601

1. Cash generated from operations

	2023/2024	2022/2023
	Kshs.)Kshs.
Surplus/ (deficit) for the year before tax	(4,831,486)	1,018,325
Adjusted for:		
Working Capital adjustments	3,814,751	8,260,659
Net cash flow from operating activities	(1,016,735)	9,278,984

Other Disclosures

2. Related party balances

a) Nature of related party relationships

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

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

3. Financial risk management

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

*County Government of Tana River
Municipality of Hola
Annual Report and Financial Statements for the year ended June 30, 2024
(Other Disclosures Continued)*

I. Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Municipality of Hola management based on prior experience and their assessment of the current economic environment.

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

	Total amount Kshs.	Fully performi ng Kshs.	Past due Kshs.	Impaired Kshs.
At 30 June 2024				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances	1,008			
Total	1,008			
At 30th June 2024				
Receivables from exchange transactions				
Receivable from non-exchange Transaction				
Bank Balances	435			
Totals	435			

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

At 30 June 2023				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances	147			
Total	1,590			

(Other Disclosures Continued)

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

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

II. Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs.	Kshs.	Kshs.	Kshs.
At 30 June 2023				
Trade payables				
Current portion of borrowings				
Provisions				
Employee benefit obligation				
Total				
At 30 June 2024				

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

Trade payables				
Current portion of borrowings				
Provisions				
Employee benefit obligation				
Total				

III. Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Municipality of Hola income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Municipality of Hola Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the Municipality of Hola exposure to market risks or the manner in which it manages and measures the risk.

IV. Foreign currency risk

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

		Other currencies	Total
	Kshs.	Kshs.	Kshs.
At 30 June 2023			

County Government of Tana River

Municipality of Hola

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

Financial assets (furniture's)			
Investments			
Cash	1,590		1,590
Debtors/ receivables			
Liabilities			
Trade and other payables			
Borrowings			
Net foreign currency asset/(liability)	1,590		1,590

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on surplus/ deficit	Effect on Equity
	Kshs.	Kshs.	Kshs.
2023			
Euro	15%	0.00%	0.00%
USD	18%	0.00%	0.00%
2022			
Euro	10%	0.00%	0.00%
USD	10%	0.00%	0.00%

V. Interest rate risk

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

Management of interest rate risk

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

(Other Disclosures continued)

VI. Capital risk management

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

	2023/2024	2022/2023
	Kshs.	Kshs.
Accumulated surplus/loss	(4,831,486)	9,278,984
Total Funds	(4,831,486)	9,278,984
Total borrowings		
Less: cash and bank balances	1,590	1,018,325
Net debt/ (excess cash and cash equivalents)		8,260,659
Gearing	89%	71%

20. Annexes

Annex I. 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)
	Failure to prepare Integrated Urban Areas Development Plan	Started but not yet subjected to public participation	Not Resolved Ongoing	By end of FY 2023/2024 once funds are available
	Lack of audit committee and internal Audit	Audit committee has been established	Resolved	Resolved
	Understaffing of the Municipality	Relevant staff from the County Government have been seconded to the Municipality of Hola	Resolved	By end of FY 2023/2024 relevant staff to have been employed

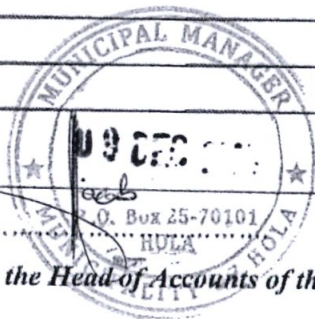
Sign.....
Manager, Hola Municipality



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

Annex 2: Inter Entity Transfers

MUNICIPALITY NAME: MUNICIPALITY OF HOLA				
Breakdown of Transfers from the County Executive of Tana River County				
FY 2022/2023				
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (Ksh.)</u>	<u>Indicate the FY to which the amounts relate</u>
		3/10/2019	41,200,000	2019/2020
		24/9/2020	8,800,000	2020/2021
		Total	50,000,000	
b.	Development Grants	<u>Bank Statement Date</u>	<u>Amount (Ksh.)</u>	<u>Indicate the FY to which the amounts relate</u>
		3/10/2019	50,000,000	2019/2020
			62,422,362	2021/2022
		Total	112,422,362	
c.	Direct Payments/Recurrent	<u>Bank Statement Date</u>	<u>Amount (Ksh.)</u>	<u>Indicate the FY to which the amounts relate</u>
			2,339,915	2023/2024
		Total	2,339,915	
		Grand Total	164,762,277	



.....


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

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

Annex 3: Reporting of Climate Relevant Expenditures

Name of the Organization Municipality of Hola
 Telephone Number 0723733817
 Email Address: holamunicipal21@gmail.com
 Name of CEO/MD/Head Jacob Barisa Jarha

Name and contact details of contact person (Jacob Barisa Jarha)

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Storm water Drainage	Construction of storm water drainage	To combat the effects of flooding in urban area	Construction of storm water drainage and cleaning of the drainage					World Bank	Municipality of Hola, state department and county government of Tana River
Greening of the Municipality of Hola	Greening Tana program	To combat the effects of climate change by lowering temperatures which are necessary for production	Planting of trees within the Municipality of Hola					County government of Tana River	County Government of Tana River.

Annex 4: Disaster Expenditure Reporting Template

Date:

Entity

Period to which this report refers (FY)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

