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REPORT

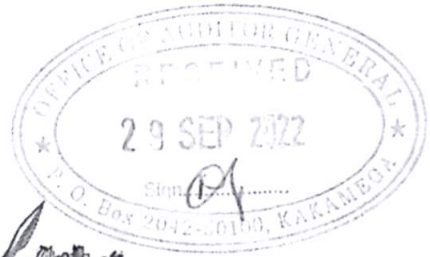
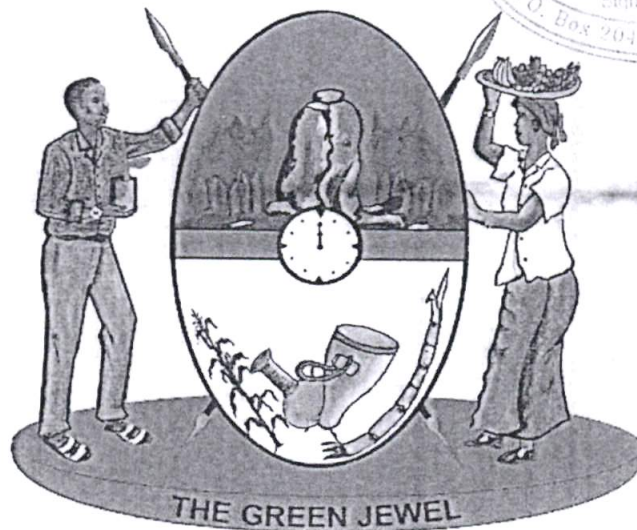
OF

THE AUDITOR-GENERAL

ON

MUMIAS MUNICIPALITY

**FOR THE TWENTY-TWO (22) MONTHS
PERIOD ENDING 30 JUNE, 2022**



MUMIAS MUNICIPALITY

County Government of Kakamega

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2022

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

County Government of Kakamega
Mumias Municipality
Annual Report and Financial Statements for the year ended June 30, 2022

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County Government of Kakamega
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Annual Report and Financial Statements for the year ended June 30, 2022

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1. Key Entity Information and Management

a) Background information

Mumias Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011 and Cities and Municipal Charter.

The Municipality is under the County Government of Kakamega and is domiciled in Kenya.

Main Economic activities are Farming, Trading and Transport.

b) Principal Activities

Vision - Mumias Township

To be a leading Municipality in the provision of quality services to general public and its residents. A desired liveable, inclusive of enterprising Municipality providing model urban service.

Mission – Mumias Township

To promote socio-economic development to diverse publics through the promotion of an intergrated sustainable planned infrastructure, clean natural enviroment, diverse recreational opportunities and superior services at affordable rates.

The principal activities of Mumias municipality are as follows:

- Overseeing the affairs of the Municipality or Town.
- Exercising executive authority as may be delegated by the Municipal Board/Town Committee.
- Developing and adopting policies, plans, strategies and programmes for efficient running of the municipality/township
- Formulating and implementing integrated development plans.
- Controlling land use, land sub-division for various development purposes as may be delegated.
- Promoting and undertaking infrastructural development and services within the Municipality or Town as may be delegated by the County Government.
- Developing and managing schemes, including site development in collaboration with the relevant National and County Agencies.
- Maintaining a comprehensive database and information system for the municipality or town.
- Enforcing the fees, levies and charges as may be authorized by the County Government for delivery of services.
- Ensuring provision of services to its residents.
- Initiating new laws or making recommendations for issues to be included in the laws.
- Implementing national policies and policies of the County Executive Committees as they affect the Municipality or Town.

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Mumias Municipality

Annual Report and Financial Statements for the year ended June 30, 2022

- Enforcing compliance with Constitutional provisions on Consumer Rights, fair administrative action, Bill of Rights and Values and Principles of Public Service.
- Preparing the Annual Appropriation Bill and submitting it to the County Treasury for consideration and transmission to the County Assembly for approval.
- Coordinating and facilitating citizen participation in the development of policies and plans and delivery of services.
- Implementing policies for fire and disaster management.
- Promoting a safe and healthy environment.
- Performing such other functions as may be delegated from time to time.

Whereas the core values for Mumias Municipality are :

Responsibility, Nationalism, Professionalism, Inclusivity, Responsive and innovativeness

c) Mumias Municipality Board

| Ref | Position | Name |
|-----|---|-----------------------------|
| 1. | Chairman of the Board | Mr. Sammy Joel Obingo |
| 2. | County Executive Committee Member responsible for Cities and Urban areas. | CPA Kulati Wangia |
| 3. | Chief officer -Lands | Mr. Fanuel Wemali Angaya. |
| 4. | Board Member 1 | Mrs. Grace Ong'ayo Namaithe |
| 5. | Board Member 2 | Mr. Bonface Makhandia |
| 6. | Board Member 3 | Mr. Joshua Aura |
| 7. | Board Member 4 | Mr. Iddi Mwaka |
| 8. | Board Member 5 | Mr. James Namatsi |
| 9. | Board Member 6 | Ms. Elvira .A. Wilunda |
| 10. | Municipality Manager | Mr Philip Menda |

d) Key Management

| Ref | Position | Name |
|-----|----------------------------|-------------------|
| 1 | Municipality Manager | Mr. Philip Menda. |
| 2 | Head of Finance department | Mr Mourice Kweyu. |

e) Fiduciary Oversight Arrangements

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:



**H.E. HON. FCPA Dr. WYCLIFFE AMBETSA OPARANYA EGH CGJ,
GOVERNOR KAKAMEGA COUNTY**

H.E. Hon. FCPA Dr. Wycliffe Ambetsa Oparanya, EGH CGJ, was elected in office in 2013 as the first Governor of Kakamega County following promulgation of the Constitution of Kenya, 2010. He was re-elected during 2017 general elections. He served for two terms as Chairman to Council of Governors (CoG).

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He was previously Minister of State for Planning, National Development and Vision 2030 in the government of President Mwai Kibaki in 2008 to 2013. Prior to this he was Member of Parliament for Butere for two five-year terms from 2002.

He is the deputy Party Leader of ODM, the second largest political party in Kenya.

Wycliffe Oparanya was born at Emabole in Butere Constituency Western Kenya on 25th March, 1956. He attended Mabole Primary School, Butere Boys High School and Kisii School. He then proceeded and acquired Bachelor of Commerce (Accounting option) and an MBA (Finance) from the University of Nairobi. He completed his PhD (Economics) at the University of Dar-es-Salaam, Tanzania.

He is a Fellow Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He was awarded the prestigious recognition for his contribution to the accounting profession in 2014 and became a Fellow of the Institute of Certified Public Accountants of Kenya (FCPA). He is also a member of numerous other professional bodies.

Hon. Oparanya has 23 years of experience in local and international Finance Management, Audit and Business Consultancy. He is a member of the Orange Democratic Movement which he serves as Deputy Party Leader.

Before joining politics in 2002, Oparanya worked at the Kenya Aerotech Ltd as Chief Financial Controller. He plunged into politics and successfully captured the Butere seat.



**H. E. PROF PHILIP MUSEVE KUTIMA, DEPUTY GOVERNOR
KAKAMEGA COUNTY**

PERSONAL INFORMATION

Prof Kutima was born on November 24th 1956 at Muyundi village, Chebwai Sub-location, Chegulo Location Malava Sub-county of Kakamega County, to Filipino Lutatwa Kutima and Lyaka Kutima. He is married to Prof. Helen Lydia Kutima with whom he has four children.

EDUCATION

Prof Kutima attended Chebwai Primary School, Musingu High School and Friends' School, Kamusinga for O- and A-level education. He has BSc, MSc, and PhD in Microbiology and Molecular Biology with a minor in Biochemistry from North Carolina State University, USA, where he graduated in 1987.

PROFESSIONAL SUMMARY

Prof. Kutima began his academic career as a Lecturer in the Departments of Dairy & Food Science and Biological Science at Egerton University in 1987. He then moved to Jomo Kenyatta University of Agriculture and Technology in 1990 as a Senior Lecturer, and later promoted to Associate Professor. He has university teaching and research experience of over 22 years during which he supervised several MSc and PhD students and has over 30 research papers. He is a member of several professional organizations including the Kenya Society of Biochemistry, Kenya Society of Microbiology and American Society for Microbiology.

In 2009, Prof. Kutima moved to the African Institute for Capacity Development(AICAD) where he served as Deputy Executive Director for 4 years. AICAD is an international organization involved in poverty eradication through human capacity development. In 2013 he joined active politics as running mate to Dr. Wycliffe Ambetsa Oparanya. They won the elections and became the first Governor and Deputy Governor for Kakamega County respectively. They were reelected in 2017.

| No. | Entity | Role |
|------------|-------------------------------------|--|
| 1. | Audit and risk Management committee | Monitoring and reviewing risk, control and governance processes that have been established |
| 2. | County Assembly Committees | Legislation Oversight Representation |
| 3. | Committees of the senate | Oversight and advisory Accountability Express opinion on Books of account. Offer quality assurance on fiscal and monetary matters |

f) Registered Offices

P.o.Box 277-50102
Mumias Town
Hass-Juakali Road
Mumias, KENYA

g) Contacts

Telephone:056-31850/1852/31853
Email:mumiastown@kakamega.go.ke
Website:www.kakamega.go.ke
P.o.Box 277-50102

County Government of Kakamega

Mumias Municipality

Annual Report and Financial Statements for the year ended June 30, 2022

h) Bankers

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

2. Commercial Banks

- i) KCB Group- Po Box 152 (50100) Kakamega
- ii) Co-operative Bank-PO Box 595 (50100) Kakamega.

i) Independent Auditor

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

j) Principal Legal Adviser




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

County Legal Adviser

County Attorney
County Government of Kakamega
P.O Box 36-50100
Kakamega, Kenya




County Government of Kakamega
Mumias Municipality
Annual Report and Financial Statements for the year ended June 30, 2022

2. Mumias Municipality Board



| Name | Details of qualifications and experience |
|--|---|
|  <p data-bbox="248 891 568 925">Mr. Sammy Joel Obingo</p> | <p data-bbox="783 510 1430 853">Mr. Sammy Joel Obingo(Chairman Mumias Municipal Board) has a Bachelor’s degree in Chemistry and Physics from University of Nairobi. He is also a holder of Advanced Diploma in Marketing from the Chattered Institute of Marketing United Kingdom.He worked for several years with Associated Companies of Multi-National Companies as Sales/Marketing Manager, Wasa Sports Administrator Nationally</p> |
|  <p data-bbox="248 1317 639 1350">Mrs. Grace Ong’ayo Namaithe</p> | <p data-bbox="783 958 1430 1290">Mrs. Grace Ong’ayo Namaithe Vice Chair Mumias Municipality Board is a Bachelors degree in Education (Arts) from the University of Nairobi. She has extensive experience in teaching. Having been a school principal at Moi Girls Vokoli and Butere Girls High School her precious portfolio includes administration and management</p> |
|  <p data-bbox="248 1720 555 1753">Mr. Bonface Makhandia</p> | <p data-bbox="783 1384 1430 1771">Mr. Bonface Makhandia holds a Masters of Science degree in Agriculture Extension and a Bachelors of Science degree in Agricultural Engineering from Egerton University. He works at Mumias Sugar Company Ltd as Agro-development manager and a member of Kenya Society of Sugarcane Technologists. He is also former Chairman of Sukari Sacco Society.</p> |

*County Government of Kakamega
Mumias Municipality*

Annual Report and Financial Statements for the year ended June 30, 2022

| | |
|---|---|
|  <p>Mr. Joshua Aura</p> | <p>Mr. Joshua Aura Lutomia holds a Bachelors degree in Education (Arts) from Masinde Muliro University of Science and Technology. Currently undertaking MA in political science at Kenyatta University. He enjoys a long experience in primary education and cultural values in the society as the chairman of Wanga Mukulu Cultural shrine.</p> |
|  <p>Mr. Iddi Mwaka</p> | <p>Mr. Iddi Mwaka is a holder of Diplomas in Business Management/Administration and Sales Management and Marketing from College of Professional Management Britain. He has a vast experience in Information and Communication Technology.</p> |
|  <p>Mr. James Namatsi</p> | <p>Mr. James Namatsi holds a LLB (hons) from UoN and a Diploma from Kenya School of Law. He is an advocate of High Court of Kenya with 20 years standing experience. He is also a Certified Public Secretary CPC(K). He is a commissioner for oaths and Notary Public</p> |

3. Management Team

| Name | Details of qualifications and experience |
|---|---|
|  <p data-bbox="268 1153 478 1187">Mr Philip Menda</p> | <p data-bbox="813 488 1436 779">Mr Philip Menda currently serves the County Government Of Kakamega as the Municipal Manager of Mumias.He served under ministry of lands, housing, urban areas and physical planning as acting director urban areas.July 2018 to April 2019 – served the county Government of Kakamega as acting municipal manager of kakamega municipality.2nd September 2014 to June 2018 – serving the county Government of kakamega as an administrative officer1 stationed at Mumias Town.</p> <p data-bbox="813 806 1436 1198">25th February 2013 to 2nd September 2014- worked as interim payroll manager for the kakamega county Government seconded by the Transitional Authority. Initiated and established the county payroll. Kenya school of Government.Holds aBachelors degree in Bussiness Management ,Diploma in Human Resource Management.A certificate in senior management course. (Credit)29th May to 3rd June 2005-Government Training institute- Mombasa.A certificate in Effective Record management and Report writing.3rd to 28th June 2002- Government Training institute- Mombasa. A certificate in supervisory management course,</p> |
|  <p data-bbox="244 1848 494 1881">Mr.Maurice Kweyu.</p> | <p data-bbox="813 1227 1436 1478">Mr Maurice Kweyu currently serves the County Government Of Kakamega as the Municipality Finance officer..He served under ministry of Social services.Mr Maurice holds a Bachelor of commerce Accounting option(BCOM).Diploma in Bussiness Management,CPA,Supervisory management course-Kenya School of Government.</p> |

4. MUMIAS MUNICIPALITY BOARD CHAIRPERSON'S REPORT

FOREWORD BY THE MUNICIPALITY CHAIRPERSON

It is my pleasure to present the County Government of Kakamega Mumias Municipality Financial Reports and Statements for the year ended 30th June 2022. The statements present the financial performance of the Municipality for the period ended June 30th 2022.

The Financial Statements have been prepared in line with the Public Finance Management (PFM) Act 2012 and are in line with the format prescribed by the Public Sector Accounting Standards Board. The PFM Act requires that these statements be submitted to the Office of Auditor General and copied to the National Treasury, The Controller of Budget, and The Commission of Revenue Allocation within 30 days after end of the year.

The Financial Statements present the recent actual fiscal performance for the year and make comparisons to the budget appropriations for the same period. They further provide a comprehensive financial review with sufficient information to show changes from the projections outlined in the latest County Fiscal Strategy Paper 2021/2022.

The link between policy, planning and budgeting is critical as provided for in the Constitution and County Government Act. The financial statements play a critical role in the preparation of budget and management of public resources. To strengthen the budget preparation process the County Government will continue to embrace programme based budgeting and deepen public sector financial reforms e.g. incorporating feasibility study use of the Kakamega County statistical abstract which is prepared annually as part of budget preparation, project management and establishment of a Financial Reporting Unit, Sub County Treasuries and use of Vote Book Management System to increase efficiency and effectiveness in service delivery.

The Municipality is committed to upholding the trend of stable macroeconomic performance and ensures transparency by relaying performance indicators to the public. This will be realized through publishing and publicizing as required by the Constitution and the PFM Act, 2012.

Pursuant to Sec 149 of the PFM Act, 2012, I confirm that there was accountability to the County Assembly in ensuring that the resources of the County Government were authorized and lawfully utilized in an effective, efficient, economical and transparent manner.

MUMIAS MUNICIPALITY FINANCING

Article 202 of the Constitution of Kenya 2010 provides that revenue raised nationally shall be shared equitably among the National Government and County Governments. Each County Government's equitable share of revenue raised nationally is determined annually before the preparation of budget estimates through the Division of Revenue Act as required by articles 218 and 224 of the Constitution. The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with article 217 of the Constitution.

Mumias Municipality also finances its operations through donor funded programs like Kenya Urban Support Program (KUSP) and Urban Development Program (UDG).

FINANCIAL PERFORMANCE

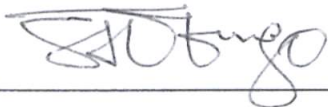
Mumias Municipality had approved budget of Kshs 269,311,034 comprising of Ksh51,605,959. Relating to Recurrent expenditure and Ksh 217,705,075 relates to Development expenditure.

Equitable share: There have always been challenges of delays in disbursement of equitable share to the County thus affecting adversely the planning and implementation of County operation.

CONCLUSION

Mumias Municipality recorded good progress in implementation of their agendas and projects. On behalf of Mumias Municipality, I would like to thank H.E. The Governor, H.E. The Deputy Governor for the leadership and support they have provided during the period. Further, my sincere gratitude goes to the County Municipalities Board Members for their continued efforts to realize the goals as set in the budget FY 2021/2022. I extend my gratitude to all other stake holders for pulling together and for their continued commitment, dedication and hard work to ensure service delivery to the people of Kakamega County. I would also like to thank the County Assembly under the leadership of the Speaker and the County Clerk for their co-operation and oversight role as well as donors who have continued to support us in implementing development of municipalities.

Finally, my sincere appreciation goes to all the citizens of Kakamega County for their continuous engagement with the County Government which has contributed to efficient service delivery and citizen centric development.



Mr Sammy Joel Obingo.
Municipality Board Chairperson

5. Report of the Municipality Manager

First and foremost, I acknowledge the valuable leadership and support of H.E The Governor and The Deputy Governor. I further wish to appreciate the County Executive Committee Member for Finance, Economic Planning & ICT for setting off the budget cycle by providing leadership to the process. Her guidance enabled the process to be completed in good time.

I wish to thank the Finance team who worked tirelessly to make the Financial report and statements preparation and consolidation succeed.

I may not mention everybody, but do acknowledge all those individuals who directly or indirectly put their efforts and contributed to the success of preparation and consolidation of the Financial Report and Statements for the period 2021/22.

On behalf of the Board members (BOM) of the Kakamega County Mumias Municipality, I have the honour to forward the Annual Reports and Financial Statement for the Financial Year ended June 30, 2022 to the relevant authorities/stakeholders for consideration.

As a Municipality its mandate is drawn from the Urban Areas and Cities Act of 2011 and Article 184 of the Constitution of Kenya 2010. Mumias Municipality provides a wide range of services .

Principal activities of Mumias municipality are as follows:

- Overseeing the affairs of the Municipality or Town.
- Exercising executive authority as may be delegated by the Municipal Board.
- Developing and adopting policies, plans, strategies and programmes for efficient running of the municipality.
- Formulating and implementing integrated development plans.
- Controlling land use, land sub-division for various development purposes as may be delegated.
- Promoting and undertaking infrastructural development and services within the Municipality or Town as may be delegated by the County Government.
- Developing and managing schemes, including site development in collaboration with the relevant National and County Agencies.
- Maintaining a comprehensive database and information system for the municipality or town.
- Enforcing the fees, levies and charges as may be authorized by the County Government for delivery of services.
- Ensuring provision of services to its residents.
- Initiating new laws or making recommendations for issues to be included in the laws.
- Implementing national policies and policies of the County Executive Committees as they affect the Municipality.
- Enforcing compliance with Constitutional provisions on Consumer Rights, fair administrative action, Bill of Rights and Values and Principles of Public Service.
- Preparing the Annual Appropriation Bill and submitting it to the County Treasury for consideration and transmission to the County Assembly for approval.
- Coordinating and facilitating citizen participation in the development of policies and plans and delivery of services.
- Implementing policies for fire and disaster management.
- Promoting a safe and healthy environment.

- Performing such other functions as may be delegated from time to time.

The Board is fully alive to its mandate and the fact that Mumias Municipality, having been established is still young and requires unequivocal support and guidance to lay a strong foundation for its future and sustainability through sound policies and strategies.

Mumias Municipality aspires to be the best Municipality in the Country through the adoption of best sound policies and strategies practices as well as the development and use of key instruments necessary for successful corporate governance in line with Urban Areas and Cities Act of 2011 and Article 184 of the Constitution of Kenya 2010.

During the year under review, the Board executed its functions well through its committees: The committees were vibrant throughout the year, followed by full board meetings. Under the Board's leadership, the Municipality developed a Strategic Plan . The strategic plan will enable the municipality work towards a common goal, while ensuring it to manage and reduce operations risks.

The Board worked with the management to develop and approve the municipality's Annual Budgets, Procurement Plans, Work Plans and Board Calendars for FY 2021-22 and FY 2022-23. The board also supported the Municipality to review the Organizational Structure in line with the municipality's mandate and corporate governance principles.

The Board conducted supervisory/oversight visits to all new projects. Arising from these supervisory visits, major repairs and additional works on the Projects has been carried out.

The Board is pleased with the operational and financial results delivered by management. However, being a young Municipality, Mumias Municipality has faced several challenges, key among them being inadequate funding and delayed disbursement of funds. The Board acknowledges the support it has received from H.E. the Governor and the County Executive Committee members in executing its mandate and functions. We are positive that this support will continue into successive years to enable the Municipality complete the construction and implementation of projects

The Board acknowledges the support and good working relationship with the Departments of Transport ,Infrastructure and roads , Finance economic Planning and Information Technology as well as other ministries and the county staff as a whole.



.....
Mr. Philip Menda.
Mumias Municipality Manager

6. Statement of Performance against Predetermined Objectives for the FY 2021/2022

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 Mumias Municipality (state the period of the strategic document/plan) plan are to

| STRATEGIC OBJECTIVE | | SECTOR | | ACTIVITY |
|-------------------------------------|-------|---|-----------|---|
| 1. Safe and healthy municipal | y | Security | | • Installing CCTV surveillance, street lights |
| | | Disaster management | | • Providing fire & rescue services |
| | | Public Health | | • Improving health minimising disease and well-being by |
| | | Traffic regulation | | • Recruiting of law enforcement officers |
| | | Environment | | • Minimising pollution |
| 2. Infrastructure-led municipal | y | Liquid Waste and solid waste management | | • Collection and disposal of wastes • Clean-up exercises |
| | | Urban network | transport | • Design parking areas • Constructing truck roads and by-passes |
| | | Water, sanitation, and sewerage system | | • Providing clean and safe water • Replacing dilapidated sewers |
| | | Housing | | • Providing shelter |
| 3. Social municipality | | Sports & Culture | | • Improve use of municipality's assets |
| | | Childcare | | • Supporting interventions for vulnerable children |
| | | Tourism | | • Promoting tourists attraction |
| 4. Sustainable settlement Municipal | human | Spatial management | planning | • Buying land for building houses • Zoning of development zoning areas |

| | | |
|--|------------------------------------|--|
| 5. Transparent municipality | Management | <ul style="list-style-type: none"> • Efficient and transparent governance • Increasing levels of service delivery • Staff capacity building |
| To provide decent living housing condition | Constructed Non-Motorized Roads | KMs of Non-Motorized roads constructed |
| | Tarmacked earth roads | KMs of earth roads tarmacked |
| | Land scaped urban Areas | SMs of area landscaped and beautified |
| | Tarmacked Earth roads | KMs of earth roads tarmacked |
| | Non-Motorized Walkways constructed | KMs of Non-Motorized Walkways constructed |
| To provide decent living housing condition | Constructed Non-Motorized Roads | KMs of Non-Motorized roads constructed |
| | Tarmacked earth roads | KMs of earth roads tarmacked |
| | Land scaped urban Areas | SMs of area landscaped and beautified |
| | Tarmacked Earth roads | KMs of earth roads tarmacked |
| | | |

7. Corporate Governance Statement

Mumias Municipality strives to improve the welfare of its people through formulation and implementation of all-inclusive multi-sectoral policies which guide the Government to deliver on its strategic mandate, which is founded on Three (3) pillars; 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

Kakamega County Assembly approves names of the nominees for positions of Chairperson and members of the Mumias Municipality after a vigorous vetting.

The Board comprises of members including the Chairperson. They will serve for a term in accordance with the provisions of law. Removal of the chairperson or board members follows a legal process.

Duties and Responsibilities

- Overseeing the affairs of the Municipality .
- Exercising executive authority as may be delegated by the Municipal Board Committee.
- Developing and adopting policies, plans, strategies and programmes for efficient running of the municipality
- Formulating and implementing integrated development plans.
- Controlling land use, land sub-division for various development purposes as may be delegated.
- Promoting and undertaking infrastructural development and services within the Municipality as may be delegated by the County Government.
- Developing and managing schemes, including site development in collaboration with the relevant National and County Agencies.
- Maintaining a comprehensive database and information system for the municipality.
- Enforcing the fees, levies and charges as may be authorized by the County Government for delivery of services.
- Ensuring provision of services to its residents.
- Initiating new laws or making recommendations for issues to be included in the laws.
- Implementing national policies and policies of the County Executive Committees as they affect the Municipality .
- Enforcing compliance with Constitutional provisions on Consumer Rights, fair administrative action, Bill of Rights and Values and Principles of Public Service.
- Preparing the Annual Appropriation Bill and submitting it to the County Treasury for consideration and transmission to the County Assembly for approval.
- Coordinating and facilitating citizen participation in the development of policies and plans and delivery of services.
- Implementing policies for fire and disaster management.
- Promoting a safe and healthy environment.
- Performing such other functions as may be delegated from time to time.

Mumias Municipality conducted induction process for board members because, starting a new role in a new organisation can be an anxious time and an effective induction programme **alleviates anxiety**. Induction enables them to understand more about the organisation, their role and ways of working, as well as to meet new colleagues. Mumias Municipality has conducted a number of board meetings to deliberate on issues affecting the municipality and bring long term solutions to the problems.

PREAMBLE

This service delivery charter puts into place standards that will guide the Mumias Municipality in providing quality services to its employees, clients and the general public.

The Charter provides information on the range of services offered and charges levied by the Municipality to residents and the general public, their expectations and mechanisms of redressing their concerns.

MANDATE

Mumias Municipality mandate is drawn from the Urban Areas and Cities Act of 2011 and Article 184 of the Constitution of Kenya 2010.

| Services rendered | Client Requirements | User Charges (Kshs) | Time frame |
|--|--|----------------------------------|-----------------------------|
| Issuance business permits | Previous business permit Approved inspection report of premises | As per approved finance act | 30.min |
| Provision of market space | Using the available space | Depending on the goods displayed | daily |
| Recommendation for approval of building plan | Presentation copies of building plans and land ownership documents | As per approved finance act. | 7 days |
| Registration of social welfare group | Presentation of application forms and group constitution | 500/= | 3days |
| Removal of solid waste | Dumping waste at designated sites | Nil | daily |
| Policy formulation and governance | Participation through contribution of views and ideas | Nil | As at and when need arises. |

8. Management Discussion and Analysis

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Kakamega County Mumias Municipality Executive Committee (CEC) member for Lands,urban areas and physical planning 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, 2022. This responsibility includes: (i)Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii)Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county Executive; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv)Safeguarding the assets of the county Executive; (v)Selecting and applying appropriate accounting policies; and (iv)Making accounting estimates that are reasonable in the circumstances.

The CEC member for Lands accepts responsibility for the Municipality financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for Lands is of the opinion that the Municipality's financial statements give a true and fair view of the state of the Municipality transactions during the financial year ended June 30, 2022, and of its financial position as at that date.

The CEC member for Lands further confirms the completeness of the accounting records maintained for the Municipality which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

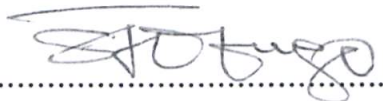
The CEC member for Lands confirms that the Municipality has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Municipality funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

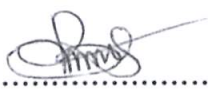
Further the CEC member for Lands confirms that the Municipality financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

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 Municipality's financial statements were approved by the Board on 21st 2022 and signed on its behalf by:


.....
Name: Sammy Joel Obirigo
Chairperson of the Board


.....
Name: Philip M. Menda
Accounting officer of the Board

9. Environmental And Sustainability Reporting

This is the mother law of all environmental aspects in the Country. From it, there are regulations that have been developed including Wetlands Regulations, Environmental Regulations (EIA/EA), Water Quality Regulations, Controlled Substances, Biodiversity Regulations, Air Quality Regulations, Waste Management Regulations and Noise Regulations. These regulations regulate the various environmental aspects.

The act talks of having a County Environment Action Plan developed which should be adopted by the County Assembly. The purpose of environmental action plans is to co-ordinate and harmonize the environmental policies, plans, programmes and decisions of the national and county governments, as the case may be, in order to-

- i. minimize the duplication of procedures and functions; and promote consistency in the exercise of functions that may affect the environment;
- ii. secure the protection of the environment across the country; and
- iii. Prevent unreasonable actions by any person, state organ or public entity in respect of the environment that are prejudicial to the economic or health interests of other counties or the country.

In section 147A, EMCA gives counties the powers to make legislation in respect of all such matters as are necessary or desirable that are required or permitted under the Constitution and EMCA.

• National Environment Policy, 2013

This policy touches on various aspects including:

- Public participation

A coordinated and participatory approach to environmental protection and management will be enhanced to ensure that the relevant government agencies, county governments, private sector, civil society and communities are involved in planning, implementation and decision making processes.

- Climate Change

Strengthen capacity for national and county level institutions to support national climate resilience, low carbon development through integrating climate change into implementation strategies.

- Environmental Monitoring and assessment

Ensure periodic reporting on county and national status of environment.

- Institutional Arrangement

Streamline and strengthen the capacity of environmental institutions at the national and county levels so as to make them more effective and participatory.

The policy also requires that environmental concerns are integrated in all policy, planning and development processes, through strengthening the capacity of environmental institutions at the county levels so as to make them more effective in ensuring compliance and enforcement.

• County Environmental Management Act, 2019

It has a number provisions relating to air pollution, noise pollution, public nuisances and waste management. These are key aspects that environmental performance should look at.

• **Draft County Climate Change Policy, 2020**

Once enacted, this policy will be key in monitoring, evaluating and reporting climate change adaptation and mitigation strategies.

The County's **successes** include development of a number of legislation to guide environmental performance such as Environmental Management Act, 2019 and County Water Act 2019. Through the Environmental Management Act, 2019, the County has been able to resolve a number of complaints ranging from noise pollution, solid waste pollution, and waste water management just to mention a few. Other draft legislation that are crucial include County Natural Resources Management Bill, Climate Change Bill and Climate Change Policy.

Some of the **shortcomings** include:

- Inadequate awareness of the public on the significance of complying with environmental and social safeguards in implementing development projects.
- Extra costs get incurred for stalled and delayed projects and resolving issues that could have been prevented when County projects comply with social and environmental safeguards.

There is a revised draft National Sustainable Waste Management Policy which is a **waste management policy** for the country. The national policy:

- aims at transitioning the waste sector in every county away from low collection rates, illegal dumping and uncontrolled dumpsites to affordable waste collection, recycling and composting, and minimize waste fractions that are finally disposed to a well-engineered and regulated landfill.
- supports the creation of the planning, finance, technical and governance capacities that county governments need to effectively deliver on their mandate under the Constitution of Kenya 2010, to be the lead actors in delivering sustainable waste management services, by providing an enabling policy and regulatory environment to facilitate the counties to effectively deliver waste management services including, facilitating inter-county cooperation under the metropolis approach, financial incentives, research, Some of the **efforts to reduce environmental impact of the county's products** include:
 - Provision of a dumpsite to dump the solid waste emerging from the municipal area of the County. The dumpsite is well maintained to ensure there is a conducive living environment for the surrounding community.
 - Promotion of 3R principle (refuse, reduce and recycle) among the county residents to ensure minimum waste is generated.
 - Plans to incorporate a private investor in developing a county landfill.

1. Employee welfare

The County Government of Kakamega is guided by the following policies on human capital management;

- i. Constitution of Kenya (2010).
- ii. County Human Resource Policy.
- iii. County Government Act (2012).

During recruitment, the County ensure that stakeholders/relevant departments are involved by providing their staff needs guided by their staff establishment/organization structure. These staff needs from all departments are consolidated by Public service and Administration department and forwarded as the County staff needs to the County Public Service Board (CPSB) for recruitment. The board ensures that it sticks not only to the gender rule during hiring process but also considers regional balance as required by law.

In order to improve the staff skills, manage careers, appraisal and reward systems, the County ensured that all the staff in the county fill PAS forms and all departments sign annual performance contracts. The best performing department is always awarded the 13th salary as motivation and this is done annually. The County also ensures continuous and systematic upgrading of county staff skills through training and capacity building based on identified gaps.

Considering the policy on safety and compliance with Occupational Safety and Health Act 2007 (OSHA), the County ensured that all offices have been installed with fire extinguishers, have fire assembly points, have indicative directions to all offices and adhere to Work Injury Benefits Act (WIBA) by compensating employees who get injured while on duty

2. Market place practices-

The organisation should outline its efforts to:

a) Responsible Supply chain and supplier relations-

Using appropriate procurement methods that ensure equity and transparency.

- Use of standard tender documents as guided by Public Procurement Regulatory Authority.
- Supplier development program sensitization and training for special groups.
- Debriefing of unsuccessful bidders to enhance competitiveness and transparency.
- Reporting of contracts awards to relevant authorities and general public
- Procurement based on approved budget and procurement plan.

(i) Treating Suppliers Responsibility by honoring Contract

- Formation of **Contract Implementation teams** for complex projects to monitor projects.
- Consultations and negotiations with suppliers before contract signing especially for complex projects.

(ii) Respecting Payment Practice

- Formation of adhoc Inspection & acceptance Committee to expedite receiving of goods /accepting work to facilitate payment
- Ensuring supporting documents for payment are available on payment vouchers.
- Ensuring necessary approvals are done before payment.

- i. The County Government has undertaken public sensitization and awareness as a key pillar in promotion of fair competition. This has empowered the citizen in decision making as first line of consumer protection. The empowerment has promoted responsible political involvement in promotion of fair trade competition, it is winning political good will to reduce public outcry during enforcement of fair trade practices regulations
- ii. The County Advocates the use of approved, uniform and accurate weighing and measuring standards for trade transactions in order to eliminate unfair trade competition.
- iii. Traders in the County are encouraged to patent their intellectual rights in order to safe guard their innovation against unfair competition through counterfeiting.
- iv. The County Government has undertaken public sensitization and awareness as a key pillar in promotion of fair competition. This has empowered the citizen in decision making as first line of consumer protection. The empowerment has promoted responsible political involvement in promotion of fair trade competition, it is winning political good will to reduce public outcry during enforcement of fair trade practices regulations
- v. The County Advocates the use of approved, uniform and accurate weighing and measuring standards for trade transactions in order to eliminate unfair trade competition.
- vi. Traders in the County are encouraged to patent their intellectual rights in order to safe guard their innovation against unfair competition through counterfeiting.

b) Responsible ethical practices-

- i. Conducted an awareness programme to inform consumers on their rights and obligations. This safeguards them against exploitation by fraudulent traders.
- ii. Inspects and investigates consumer complaints with intention to promote fair trade competition
- iii. Instituted legal proceedings arising from consumer rights complaints to remedy the aggrieved parties.
- iv. Monitors trade description applied on goods and services to ensure they are accurate to enable consumers make informed decisions.
- v. Maintains a complaints registers, a suggestion boxes and a customer care desk where issues of anti-corruption are handled.
- vi. Put in place Anti-corruption posters and complies with procurement regulations in all its activities.

c) Stewardship of goods and services

- vii. Conducted an awareness programme to inform consumers on their rights and obligations. This safeguards them against exploitation by fraudulent traders.
- viii. Inspects and investigates consumer complaints with intention to promote fair trade competition
- ix. Instituted legal proceedings arising from consumer rights complaints to remedy the aggrieved parties.
- x. Monitors trade description applied on goods and services to ensure they are accurate to enable consumers make informed decisions.

3. Community Engagements

The County Government of Kakamega engages with the community in a structured way through the administrative arm called Community Area Administrators' Office (CAA.s) This is a representation of the Governor's Office at the community level. There is collaboration between the two levels of Governments which helps the County to understand issues affecting its residents' livelihoods and discuss how well to address them. Further, the County ensures that all disaster/ emergency cases in the County have proper interventions.

The County also supports the vulnerable and its citizens through various programs like shelter improvement, donations during Governors christmas tree celebrations, public participation, sporting activities, music and cultural festivals and construction of gender based violence rescue centre

10. Report of Mumias Municipality Board Members

The Board Members submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the Mumias Municipality affairs.

Principal activities of Mumias municipality are as follows:

- Overseeing the affairs of the Municipality.
- Exercising executive authority as may be delegated by the Municipal Board.
- Developing and adopting policies, plans, strategies and programmes for efficient running of the municipality.
- Formulating and implementing integrated development plans.
- Controlling land use, land sub-division for various development purposes as may be delegated.
- Promoting and undertaking infrastructural development and services within the Municipality as may be delegated by the County Government.
- Developing and managing schemes, including site development in collaboration with the relevant National and County Agencies.
- Maintaining a comprehensive database and information system for the municipality or town.
- Enforcing the fees, levies and charges as may be authorized by the County Government for delivery of services.
- Ensuring provision of services to its residents.
- Initiating new laws or making recommendations for issues to be included in the laws.
- Implementing national policies and policies of the County Executive Committees as they affect the Municipality .
- Enforcing compliance with Constitutional provisions on Consumer Rights, fair administrative action, Bill of Rights and Values and Principles of Public Service.
- Preparing the Annual Appropriation Bill and submitting it to the County Treasury for consideration and transmission to the County Assembly for approval.
- Coordinating and facilitating citizen participation in the development of policies and plans and delivery of services.
- Implementing policies for fire and disaster management.
- Promoting a safe and healthy environment.
- Performing such other functions as may be delegated from time to time.

Performance

The performance of Mumias Municipality for the year ended June 30, 2022 are set out on page 21 to 28.

Board Members

The members of the Board who served during the year are shown on page(x) to (xxi) (*refer to the key entity information and management page*). The changes in the Board during the financial year are as shown below:

Auditors

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

OR

[XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the entity for the year/period ended June 30, 20xx, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf].

By Order of the Board



.....
Name: Philip M. Menda.
Secretary of the Board

11. 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 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, 2022. 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.

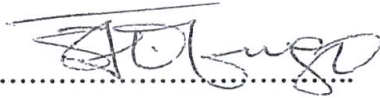
The Municipality Manager accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Urban Areas and Cities Act No. 13 of 2011*. The Municipality Manager is of the opinion that the financial statements give a true and fair view of the state of Municipality's transactions during the financial year ended June 30, 2022, 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 Manager has assessed the Municipality's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

Nothing has come to the attention of 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 Municipality financial statements were approved by the Board on 27/9 2022 and signed on its behalf by:



.....
Mr Sammy Joel Obingo
Chairperson of the Board



.....
Name: Philip M. Mwendwa
Accounting officer of the Board

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MUMIAS MUNICIPALITY FOR THE TWENTY-TWO (22) MONTHS PERIOD ENDING 30 JUNE, 2022

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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, the risk management environment and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Mumias Municipality set out on pages 1 to 27, which comprise of the statement of financial position as at 30 June, 2022, 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 period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the

Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Mumias Municipality as at 30 June, 2022, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Public Finance Management Act, 2012 and the Urban Areas and Cities Act, 2011.

Basis for Adverse Opinion

1. Accuracy and Presentation of the Financial Statements

1.1 Variances Between Amounts in the Financial Statements and Supporting Schedules

Variances were noted between amounts in the financial statements and those in supporting schedules as shown below:

| Component | Amounts in Financial Statements (Kshs) | Amount in Supporting Schedules (Kshs) | Variance (Kshs) |
|---|---|--|------------------------|
| Office and General Supplies and Services – Note 4 | 32,507,449 | 32,499,099 | 8,350 |
| Routine Maintenance - Other Assets – Note 4 | 765,356 | 819,900 | (54,544) |
| Finance Costs | 69,630 | 38,447 | 31,183 |

1.2 Reserves

The statement of changes in net assets reflects a balance of Kshs.183,105,351 in respect of reserves as at 30 June, 2021. However, no documentary evidence and schedules were provided to support the balance.

In the circumstances, the accuracy and completeness of the respective balances could not be confirmed.

2. Cash and Cash Equivalents

The statement of cash flows reflects a balance of Kshs.116,027,042 in respect of cash and cash equivalents as at 1 July. However, the source of the balance could not be confirmed since this is the first set of financial statements for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.64,461,751 as at 30 June, 2022 could not be confirmed.

3. Property, Plant and Equipment

The statement of financial position reflects a balance of Kshs.319,058,717 in respect of property, plant and equipment as at 30 June, 2022. However, the balance is at variance

with the balance of Kshs.251,980,408 shown in Note 10 to the financial statements resulting to an unexplained difference of Kshs.67,078,309.

In addition, Note 10 on property, plant and equipment reflects a balance of Kshs.319,058,717 as at 30 June, 2021, resulting to a further unexplained balance as there were no financial statements for the year 2021.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.319,058,717 could not be confirmed.

4. Failure to Disclose Reporting Period

The Municipality Board prepared and presented financial statements for a period of twenty-two (22) months ending 30 June, 2022. However, no disclosure has been provided in the financial statements to this effect as required by paragraph 71 of International Public Sector Accounting Standards (IPSAS) 1, which provides that if an entity prepares financial statements for a period shorter or longer than one financial year, then a disclosure should be made giving reasons for the same. Further, the cover page of the financial statements indicates 'year ended' while the financial statements are for twenty-two (22) months.

In the circumstances, the financial statements were not prepared in accordance with the requirements of International Public Sector Accounting Standards.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.541,539,877 and Kshs.324,185,532 respectively, resulting to under-funding of Kshs.217,354,345 or 40% of the budget.

Similarly, the Municipality Board incurred actual expenditure of Kshs.123,770,415 against approved budget of Kshs.541,539,877 resulting to under-performance of Kshs.417,769,462 or 77% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Construction of Walkways and Landscaping Works

The Municipality Board awarded a contract to a local contractor for construction of walkways and landscaping works at a contract sum of Kshs.51,038,454. Examination of tender documents submitted by bidders revealed that the bidders were required to submit to the IFMIS procurement portal, amongst other documents, serialized tender documents and a bid bond of Kshs.200,000. However, review of the IFMIS portal attachment by the bidders revealed that the winning bidder did not fill the tender document in its entirety and did not submit the bid bond in the portal as provided for in the tender document. No explanation was provided for awarding the tender to a bidder who did not meet the tender requirements. This is contrary to Section 80(1) of the Public Procurement and Asset Disposal Act, 2015 which states that the Evaluation Committee shall evaluate and compare the responsive tenders other than tenders rejected under Section 82(3).

Further, tender opening minutes revealed that tender opening was carried out on 16 November, 2021 while the Tender Opening Committee was constituted on 24 November, 2021. No explanation was provided on why the tenders were opened before constituting the Tender Opening Committee.

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

2. Construction of Mumias Bus Park and Access Roads

The Municipality Board awarded a contract to a local contractor for construction of Mumias Bus Park and access roads at a contract sum of Kshs.185,663,366. However, review of tender evaluation report revealed that the evaluation was conducted on 25 May, 2021, which was beyond the tender validity period of 120 days from the date of advertisement as provided for in the tender documents. Further, according to the tender documents, the successful bidder was required to submit a performance bond within 28 days upon receipt of award notification. The performance bond was, however, submitted on 4 May, 2021, being 30 days after receipt of award notification.

In addition, the contractor was required to submit a performance security of 10% of the contract sum, being Kshs.18,566,337. However, the contractor submitted a performance security of 5% of the contract sum, being Kshs.9,283,168. No explanation was provided for the contravention of the contract agreement.

Review of records available indicate that the project was handed over on 26 July, 2022 while the Inspection and Acceptance Committee carried out inspection of the project on 1 August, 2022. The inspection report indicated that as at the date of inspection, the

project was 99% complete and the contractor had been paid the entire contract sum. No explanation was provided on why the project was handed over before being inspected by the Inspection and Acceptance Committee.

Physical inspection of the project carried out on 1 December, 2022 revealed that although the project had been certified as complete and handed over and full payment made to the contractor, substantial works had not been done. These included laying of manhole covers, landscaping and testing and commissioning of electric works. In addition, cabros at the main gate on the acceleration and deceleration lanes had sunk, leaving uneven sharp curves, an indication of poor workmanship and substandard works. It was also observed that although the project was certified as complete, the bus park has not been commissioned and put to use to date.

In the circumstances, Management was in breach of the law, and the Municipality Board did not obtain value for money from the project.

3. Tenders Awarded Without Tender Opening Committees

During the period under review, the Municipality Board awarded four (4) contracts for works and services worth a total of Kshs.266,147,495. However, the tenders were awarded without being subjected to tender opening, contrary to Section 78(1) of the Public Procurement and Asset Disposal Act, 2015, which provides that an accounting officer is required to appoint a Tender Opening Committee for any procurement undertaking.

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

4. Operational Autonomy of Mumias Municipality

During the audit, it was observed that only office operations were being carried out by the Municipality Board while project implementation was being done by the County Executive through the Department of Lands, Housing, Urban Areas Development and Physical Planning. This is contrary to Section 21(1)(a) of the Urban Areas and Cities Act, 2011 which gives Municipality Boards executive authority as delegated by County Executives.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based

on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, 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 the Municipality Board

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards and for maintaining effective internal control 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 sustain services, disclosing, as applicable, matters related to sustainability and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Municipality or to cease its 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of

my audit report. However, future events or conditions may cause the Municipality to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Municipality to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 May, 2023

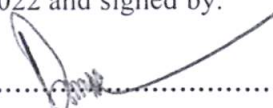
13. Statement of Financial Performance for The Year Ended 30 June 2022.

| | Notes | 2021/22 | 2020/21 |
|---|-------|-----------------------|-----------------------|
| | | Kshs. | Kshs. |
| Revenue from non-exchange transactions | | | |
| Transfers from the County Government | 6 | 75,086,020.19 | 24,500,000 |
| Public Contributions and Donations | 7 | - | - |
| Kenya urban support programme | 8 | 112,309,573.05 | 57,465,847.40 |
| Other revenues (<i>Receipts in dev</i>) | 9 | - | 38,336,826 |
| | | 187,395,593.24 | 120,302,673.40 |
| Total revenue | | 187,395,593.24 | 120,302,673.40 |
| Expenditure | | | |
| Use of goods and services | 12 | 40,394,515 | 24,758,624.50 |
| Staff costs | 13 | 351,100.00 | 383,103.00 |
| Acquisition of assets | 14 | 198,173,492 | 103,151,414.56 |
| Finance costs-including bank charges | 15 | 38,447.30 | 50,390.50 |
| Total expenses | | 238,960,885 | 128,343,533 |
| Other gains/losses | | | |
| Gain/loss on disposal of assets | 16 | - | - |
| Surplus/(deficit)for the period | | (51,565,292) | (8,040,859) |

The notes set out on pages 21 to 27 form an integral part of these Financial Statements. The entity financial statements were approved on 27th Sept 2022 and signed by:



.....
Name: Mr. Philip Menda
Municipality Manager



.....
Name: Mr Maurice Kweyu
Head of Finance

14. Statement of Financial Position As At 30 June 2022

| | Note | 2021/22 | 2020/21 |
|---|------|----------------------|--------------------|
| | | Kshs. | Kshs. |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 17 | 64,461,750.56 | 275,252,586.58 |
| Total Non-current Assets | | - | - |
| Total assets | | 64,461,750.56 | 275,252,587 |
| Total liabilities | | - | - |
| Net assets | | 64,461,750.56 | 275,252,587 |
| Reserves | | 116,027,042 | 283,293,446 |
| Accumulated surplus | | (51,565,292) | -8,040,859 |
| Total net assets and liabilities | | 64,461,750.56 | 275,252,587 |

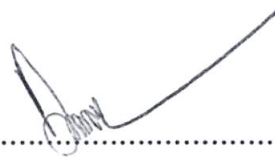
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 27th Sept 2022 and signed by:



.....
Name: Mr. Philip Menda

Municipality Manager

Date:



.....
Name: Mr Maurice Kweyu

Head of Finance

Date:

15. Statement of Changes In Net Assets As At 30 June 2022

| | Capital/ Development Grants/Fund | Revaluation Reserve | Accumulated surplus | Total |
|-----------------------------------|--|------------------------|------------------------|----------------------|
| | | Kshs. | Kshs. | Kshs. |
| Balance as at 1 July 2020 | - | - | - | - |
| Surplus/(deficit) for the period | - | - | - | - |
| Funds received during the year | - | - | - | - |
| Revaluation gain | - | - | - | - |
| Balance as at 30 June 2021 | - | - | 64,461,750.56 | 64,461,750.56 |
| Balance as at 1 July 2021 | - | - | 64,461,750.56 | 64,461,750.56 |
| Surplus/(deficit) for the period | - | - | (51,565,291.77) | (51,565,291.77) |
| Funds received during the year | - | - | - | - |
| Revaluation gain | - | - | - | - |
| Balance as at 30 June 2022 | - | - | 12,896,458.56 | 12,896,458.56 |



.....
Name: Mr Philip Menda
City/Municipality Manager

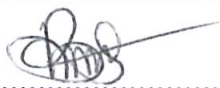


.....
Name: Mr Maurice Kweyu
Head of Finance

16. Statement Of Cash Flows for The Year Ended 30 June 2022

| | Note | 2021/22 | 2020/21 |
|---|------|-----------------------|-----------------------|
| | | Kshs. | Kshs. |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from the County Government | | 11,350,250.00 | 24,500,000 |
| Kenya urban support program | | 112,309,573.05 | 57,465,847 |
| Payments on behalf of Municipality | | 63,735,770.19 | - |
| Other receipts (receipts dev) | | - | 38,336,826 |
| Total Receipts | | 187,395,593.24 | 120,302,673.40 |
| Payments | | | |
| Use of goods and services | | (40,394,515) | (24,758,625) |
| Staff costs -Casuals | | (351,100.00) | (383,103) |
| Acquisition of assets | | - | - |
| Finance costs-including bank charges | | (38,447.30) | (50,391) |
| Transfer to crf | | (3,330) | - |
| Total Payments | | (40,787,392) | (95,110,555) |
| Net cash flows from operating activities | 28 | - | - |
| Cash flows from investing activities | | | |
| Purchase of assets | | (198,173,492) | (103,151,415) |
| Proceeds from sale of PPE | | - | - |
| Net cash flows used in investing activities | | (198,173,492) | (103,151,415) |
| Cash flows from financing activities | | | |
| Net cash flows used in financing activities | | - | - |
| Net increase/(decrease)in cash &cash equivalents | | (51,565,292) | (8,040,859) |
| Cash And Cash Equivalents At 1 July | 17 | 116,027,042.33 | 283,293,446 |
| CashAndCashEquivalentsAt30 June | 17 | 64,461,750.56 | 275,252,587 |

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation. The above illustration assumes direct method)




Name:Mr Philip Menda
Municipality Manager




Name:Mr Maurice Kweyu
Head of Finance

17. Statement of Comparison of Budget & Actual Amounts for the Year ended 30 June 2022

| Revenue/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation Difference to Final Budget |
|--------------------------------------|--------------------|-------------|--------------------|----------------------------|-------------------------------|---|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| RECEIPTS | | | | | | |
| Transfers from the County Government | 20,000,000 | - | 20,000,000 | 11,350,250 | 8,649,750 | 56% |
| Payments on behalf of townships | 100,200,000 | - | 100,200,000 | 63,735,770.19 | 36,464,230 | 63% |
| Kenya urban support programme | 140,111,034 | - | 140,111,034 | 112,309,573 | 27,801,461 | 80% |
| Other revenues (Receipts in dev) | 9,000,000 | - | 9,000,000 | | 9,000,000 | |
| | 269,311,034 | - | 269,311,034 | 187,395,593 | 81,915,441 | 69% |
| PAYMENTS | | | | | | |
| Compensation of Employees | 400,000 | - | 400,000 | 351,100 | 48,900 | 87% |
| Use of goods and services | 69,666,161 | - | 69,666,161 | 40,394,515 | 29,271,646 | 57% |
| Transfer to CRF | 56,000 | | 56,000 | 3,330 | 52,670 | 59% |
| Acquisition of Assets | 199,138,873 | - | 199,138,873 | 198,173,492 | 965,381 | 99% |
| Bank Charges | 50,000 | - | 50,000 | 38,447 | 11,553 | 76% |
| Covid-19 Expenses | | - | - | - | - | |
| | 269,311,034 | - | 269,311,034 | 238,960,885 | 30,350,149 | 88% |
| | | | | (51,565,291.57) | 51,565,292 | |


.....

Name: Mr Philip Menda
Municipality Manager
Date:


.....

Name: Mr Maurice Kweyu
Head of Finance
Date:

18. Notes to the Financial Statements

1. General Information

Mumias Municipality is established by and derives its authority and accountability from PFM Act. The Municipality is under the Kakamega County Government and is domiciled in Kenya.

The entity's principal activity is

- Overseeing the affairs of the Municipality .
- Exercising executive authority as may be delegated by the Municipal .
- Developing and adopting policies, plans, strategies and programmes for efficient running of the municipality
- Formulating and implementing integrated development plans.
- Controlling land use, land sub-division for various development purposes as may be delegated.
- Promoting and undertaking infrastructural development and services within the Municipality as may be delegated by the County Government.
- Developing and managing schemes, including site development in collaboration with the relevant National and County Agencies.
- Maintaining a comprehensive database and information system for the municipality .
- Enforcing the fees, levies and charges as may be authorized by the County Government for delivery of services.
- Ensuring provision of services to its residents.
- Initiating new laws or making recommendations for issues to be included in the laws.
- Implementing national policies and policies of the County Executive Committees as they affect the Municipality .
- Enforcing compliance with Constitutional provisions on Consumer Rights, fair administrative action, Bill of Rights and Values and Principles of Public Service.
- Preparing the Annual Appropriation Bill and submitting it to the County Treasury for consideration and transmission to the County Assembly for approval.
- Coordinating and facilitating citizen participation in the development of policies and plans and delivery of services.
- Implementing policies for fire and disaster management.
- Promoting a safe and healthy environment.
- Performing such other functions as may be delegated from time to time.

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 *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, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Application of New and revised standards (IPSAS)

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

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 2022.

| Standard | Effective date and impact: |
|---|--|
| <p>IPSAS 41: Financial Instruments</p> | <p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. |
| <p>IPSAS 42: Social Benefits</p> | <p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity;</p> |

| | |
|--|---|
| | <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</p> |
| Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments | <p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> |
| Other improvements to IPSAS | <p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> |
| IPSAS 43 | <i>Applicable 1st January 2025</i> |

| | |
|---|---|
| | <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> |
| <p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p> | <p><i>Applicable 1st January 2025</i></p> <p>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.</p> |

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2021/2022

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 City/Municipality and can be measured reliably.

(Notes to financial statements continued)

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 2021/22 was approved by the County Assembly on 30th June 2021. 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 upon receiving the respective approvals in order to conclude the final budget.

The Municipality's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 17. Statement of Comparison of Budget & Actual Amounts for the Year ended 30 June 2022 of these financial statements.

(Significant accounting policies continued)

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 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

(Significant accounting policies continued)

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 City/Municipality 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 City/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 City/Municipality of financial assets that can be reliably estimated asset or the entity of financial assets that can be reliably estimated.

(Significant accounting policies continued)

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.

(Significant accounting policies continued)

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

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.

g) Provisions

Provisions are recognized when the Municipality has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the City/Municipality expects

(Significant accounting policies continued)

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 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 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 creates and maintains reserves in terms of specific requirements.
Municipality to state the reserves maintained and appropriate policies adopted

k) Changes in accounting policies and estimates

The 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.

l) Employee benefits – Retirement benefit plans

The Municipality provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed

contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the Municipality does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to scheme obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

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

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 City/Municipality regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over 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.

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.

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

r) Currency

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

5. Significant judgments and sources of estimation uncertainty

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

(Significant accounting policies continued)

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 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 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 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.

(Notes to the Financial Statements)

6. Transfers from the County Government

| Description | 2021/22 | 2020/21 |
|--|-----------------------|----------------------|
| | Kshs. | Kshs. |
| Transfers from County Govt. – Recurrent | 11,350,250.00 | 24,500,000.00 |
| Payments by County on behalf of the entity | 90,504,560.19 | - |
| Total | 101,854,810.19 | 24,500,000.00 |

7. Use of Goods and Services

| Description | 2021/22 | 2020/21 |
|--|----------------------|----------------------|
| | Kshs. | Kshs. |
| Utilities, supplies and services | 1,780,781.00 | 6,599,130 |
| Communication, supplies and services | 437,180.50 | 795,026 |
| Domestic travel and subsistence | 571,408.00 | 1,882,668 |
| Printing, advertising, supplies & services | 297,665.00 | 473,335 |
| Hospitality supplies and services | 6,075,758.70 | 7,482,614 |
| Specialized materials and services | 227,724.20 | 838,260 |
| Office and general supplies and services | 30,562,244.00 | - |
| Other operating expenses (<i>Specify</i>) | - | 5,468,816 |
| Routine maintenance – vehicles and other equipment | 33,120.00 | 56,100 |
| Routine maintenance – other assets | 172,600.00 | 865,686 |
| Hire of Transport, equipment etc | 236,034.00 | - |
| Bank Charges | - | 50,391 |
| Depreciation and amortisation | - | - |
| Total | 40,394,515.20 | 24,512,026.00 |

8. Staff costs

| Description | 2021/22 | 2020/21 |
|----------------------------|-------------------|----------------|
| | Kshs. | Kshs. |
| Salaries and wages-Casuals | 351,100.00 | 383,103 |
| Staff gratuity | - | - |
| Total | 351,100.00 | 383,103 |

9. Finance costs

| Description | 2021/22 | 2020/21 |
|------------------------|------------------|---------------|
| | Kshs. | Kshs. |
| Including Bank Charges | 38,447.30 | 50,391 |
| Total | 38,447.30 | 50,391 |

10. Cash and cash equivalents

| Description | 2021/22 | 2020/21 |
|--|----------------------|-----------------------|
| | Kshs. | Kshs. |
| Current account | 64,461,750.56 | 275,252,586.58 |
| Others(<i>specify</i>) | - | - |
| Total cash and cash equivalents | 64,461,750.56 | 275,252,586.58 |

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

| | | 2021/22 | 2020/21 |
|--|----------------|----------------------|-----------------------|
| Financial institution | Account number | Kshs. | Kshs. |
| a) Current account | | | |
| Central Bank Urban Development | | - | 57,465,848.40 |
| Kakamega Urban Development Grant Account KCB | | - | 101,757,668.35 |
| Mumias Urban Development Grant Account KCB | | 64,441,885.76 | 116,023,585.83 |
| Kakamega Township | 01141632089800 | - | 2,027.50 |
| Mumias Township | 1176165240 | 19,864.80 | 3,456.50 |
| Total | | 64,461,750.56 | 275,252,586.58 |

(Notes to the Financial Statements Continued)

11. Property, Plant and Equipment

| | Plant and machinery | Building | Furniture and fittings | Computers | Total |
|--|----------------------|-----------------------|------------------------|------------------|-----------------------|
| Description | Shs | Shs | Shs | Shs | Shs |
| As at 30 th June 2021 | - | 74,685,686.05 | 523,510.00 | 51,100 | 75,260,296.05 |
| Additions | 18,100,000.00 | 180,073,492.31 | | - | 198,173,492.31 |
| Disposals | - | | - | - | - |
| Transfer/adjustments | - | - | - | - | - |
| As at 30th June 2022 | 18,100,000.00 | 254,759,178.36 | 523,510.00 | 51,100.00 | 273,433,788.36 |
| Depreciation and impairment | - | - | - | - | - |
| At 1 July 2020 | - | - | - | - | - |
| Depreciation | | | | | - |
| Impairment | | | | | - |
| Transfers/ Adjustments | | | | | - |
| As at 30 June 2021 | | 74,685,686.05 | 523,510.00 | 51,100 | 75,260,296.05 |
| Depreciation | 6,027,300.00 | 0 | 130,877.50 | 17,016.30 | 6,175,193.80 |
| Disposals | | | | | - |
| Impairment | | | | | - |
| Transfer/adjustment | | | | | - |
| As at 30th June 2022 | | | | | - |
| | | | | | - |
| NBV as at 30th June 2021 | 0 | 74,685,686.05 | 523,510.00 | 51,100 | 75,260,296.05 |
| NBV as at 30th June 2022 | 12,072,700.00 | 254,759,178.36 | 392,632.50 | 34,084 | 267,258,594.56 |

Other Disclosures

12. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

| | 2021/22 | 2020/21 |
|---------------------------------|---------|---------|
| | Kshs. | Kshs. |
| Transfers from related parties' | - | - |
| Transfers to related parties | - | - |

c) Key management remuneration

| | 2021/22 | 2020/21 |
|-----------------------------|---------|---------|
| | Kshs. | Kshs. |
| Board of Board Members | - | - |
| Key Management Compensation | - | - |
| Total | - | - |

d) Due from related parties

| | 2021/22 | 2020/21 |
|----------------------------|---------|---------|
| | Kshs. | Kshs. |
| Due from parent Ministry | - | - |
| Due from County Government | - | - |
| Total | - | - |

13. Financial risk management

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

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

I. Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external 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 City/Municipality's management based on prior experience and their assessment of the current economic environment.

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

| | Total amount Kshs. | Fully performing Kshs. | Past due Kshs. | Impaired Kshs. |
|--|-----------------------|---------------------------|-------------------|-------------------|
| At 30 June 2022 | | | | |
| Receivables from exchange transactions | - | - | - | - |
| Receivables from non-exchange transactions | - | - | - | - |
| Bank balances | - | - | - | - |
| Total | - | - | - | - |
| | - | - | - | - |
| At 30 June 2021 | - | - | - | - |
| Receivables from exchange transactions | - | - | - | - |
| Receivables from non-exchange transactions | - | - | - | - |
| Bank balances | - | - | - | - |
| Total | - | - | - | - |

(Other Disclosures Continued)

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

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 City/Municipality has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The City/Municipality has significant concentration of credit risk on amounts due from xxx.

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

II. Liquidity risk management

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

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

| | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|-------------------------------|--------------------------|---------------------------|----------------------|--------------|
| | Kshs. | Kshs. | Kshs. | Kshs. |
| At 30 June 2022 | | | | |
| Trade payables | - | - | - | - |
| Current portion of borrowings | - | - | - | - |
| Provisions | - | - | - | - |
| Employee benefit obligation | - | - | - | - |
| Total | - | - | - | - |
| At 30 June 2021 | - | - | - | - |
| 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 City/Municipality on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

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

There has been no change to the City/Municipality's exposure to market risks or the manner in which it manages and measures the risk.

IV. Foreign currency risk

The City/Municipality has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the City/Municipality's 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 2022 | | | |
| Financial assets | - | - | - |
| Investments | - | - | - |

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. |
| 20xx | | | |
| Euro | 10% | xxx | xxx |
| USD | 10% | xxx | xxx |
| 20xx-1 | | | |
| Euro | 10% | xxx | xxx |
| USD | 10% | xxx | xxx |

V. Interest rate risk

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

Management of interest rate risk

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

VI. Capital risk management

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

| | 2021/22 | 2020/21 |
|--|----------------|----------------|
| | Kshs. | Kshs. |
| Revaluation reserve | - | - |
| Capital/Development Grants/City/Municipality | - | - |
| Accumulated surplus | - | - |
| Total Funds | - | - |
| | - | - |
| Total borrowings | - | - |
| Less: cash and bank balances | - | - |
| Net debt/(excess cash and cash equivalents) | - | - |
| Gearing | xx% | xx% |

19. Annexes

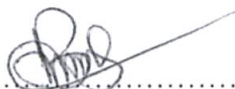
Annex 1. Progress on Follow up of Auditors Recommendations.

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

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

Guidance Notes:

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



.....
To be Signed by the Accounting officer of the Entity

Annex 2: Inter Entity Transfers

| CITY/MUNICIPALITY NAME:MUMIAS MUNICIPALITY | | | | |
|---|--------------------|----------------------------|-----------------------|--|
| Breakdown of Transfers from the County Executive of Kakamega County | | | | |
| FY 20xx-1/20xx | | | | |
| | | <u>Bank Statement Date</u> | <u>Amount (Kshs.)</u> | <u>Indicate the FY to which the amounts relate</u> |
| a. | Recurrent Grants | | | |
| | | 10-Sep-21 | 1,500,000.00 | 2021/2022 |
| | | 06-Oct-21 | 1,500,000.00 | 2021/2022 |
| | | 04-Nov-21 | 1,500,000.00 | 2021/2022 |
| | | 24-Dec-21 | 1,500,000.00 | 2021/2022 |
| | | 04-Mar-22 | 1,500,000.00 | 2021/2022 |
| | | 26-May-22 | 1,500,000.00 | 2021/2022 |
| | | 21-June-22 | 1,500,000.00 | 2021/2022 |
| | | 22-June-22 | 850,250.00 | 2021/2022 |
| | | Total | 11,350,250.00 | |
| b. | Development Grants | | | |
| | | 25.03.2022 | 30,451,735.55 | 2021/2022 |
| | | 21/01/2022 | 81,678,738.80 | 2021/2022 |
| | | Total | 112,130,474.35 | |
| c. | Direct Payments | | | |
| | | | 90,504,560.19 | |
| | | Total | 90,504,560.19 | |

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

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

Annex 3: Reporting of Climate Relevant Expenditures

Name of the Organization
 Telephone Number
 Email Address
 Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

| Project Name | Project Description | Project Objectives | Project Activities | | | | | Source Of Funds | Implementing Partners |
|--------------|---------------------|--------------------|--------------------|----|----|----|----|-----------------|-----------------------|
| | | | | Q1 | Q2 | Q3 | Q4 | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

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 |
| | | | | | | |
| | | | | | | |
| | | | | | | |