

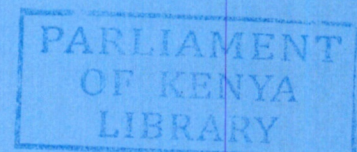
REPUBLIC OF KENYA



Enhancing Accountability

PAPERS LAID	
DATE	31/5/2023
TABLED BY	Majority Leader
COMMITTEE	-
CLERK AT THE TABLE	Chania

REPORT



OF

THE AUDITOR-GENERAL

ON

GARISSA MUNICIPAL BOARD

**FOR THE YEAR ENDED
30 JUNE, 2021**

OFFICE OF THE AUDITOR GENERAL
NORTH EASTERN REGIONAL OFFICE

03 NOV 2022

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P. O. BOX 88-70100 GARISSA

COUNTY GOVERNEMENT OF GARISSA



GARISSA MUNICIPAL BOARD

P.O BOX 563-70100 GARISSA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2021

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

County Government of Garissa
Garissa Municipal Board
Annual Report and Financial Statements for the year ended June 30, 2021

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County Government of Garissa
Garissa Municipal Board
Annual Report and Financial Statements for the year ended June 30, 2021

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1. Key Entity Information and Management

a) Background information

Garissa 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 on (Insert date) The Municipality is under the County Government of Garissa and is domiciled in Kenya.

b) Principal Activities

The principal activity/mission/ mandate of the Municipality is ...

1. Promotion, regulation and provision of refuse collection and solid waste management services.
2. Construction and maintenance of urban roads and associated infrastructure.
3. Construction and maintenance of storm drainage and flood controls.
4. Construction and maintenance of walkways and other non-motorized transport infrastructure.
5. Construction and maintenance of recreational parks and green spaces.
6. Construction and maintenance of street lighting.

c) Garissa Municipal Board

Ref	Position	Name	
1.	Chairman of the Board	Ibrahim Mohamed Salat	Chairman
2.	County Executive Committee Member responsible for Cities and Urban areas.	Habiba Nasib	
3.	Board Member 1	Ardho Mohamed Abdi	Vice Chairman
4.	Board Member 2	Mogan Dahir Dagane	Member
5.	Board Member 3	Fatuma Mohamed Ali	Member
6.	Board Member.....	Bishar Abdullahi Odowa	Member

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7.	City/Municipality Manager	Ismail maalim said
----	---------------------------	--------------------

(Input names of all the members who held office during the period)

d) Key Management

Ref	Position	Name
1	Municipality Manager	Ismail Said Maalim
2	Directors/Head of departments	Mohamed A. Buul

(Include all positions regarded as top management for the Municipality).

e) Fiduciary Oversight Arrangements

[Provide a high-level description of the key fiduciary oversight arrangements covering (say)]:

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

f) Registered Offices

P.O. Box 563-70100
Garissa municipal Board

Garissa, KENYA

g) Contacts

E-mail: info@garissa.go.ke
Website: www.garissa.go.ke

h) Bankers

Commercial Bank
P.O. Box 143-70100
Garissa, Kenya

Equity Bank Garissa Branch
P.O Box 700-70100
Garissa, kenya.

i) Independent Auditor

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

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2. Municipality Board

Name	Details of qualifications and experience
1. Board Member 1 <i>(Insert each Board Member's passport-size photo and name)</i>	<i>Provide a concise description of each Board Member's age, key academic and professional qualifications and work experience. Indicate whether the Board Member is independent or an executive director and which committee of the Board the Member chairs where applicable.</i>
2. Board Member 2	
3. Board Member 3	
4. Board Member 4	

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Annual Report and Financial Statements for the year ended June 30, 2021

3. Management Team

Name	Details of qualifications and experience
1. Manager 1: Ismail Said Maalim CEO- Municipal	<i>BACHELAR OF BUSINESS ADMINSTRAION</i>
2. Manager 2. M. A. Buul	Education background : Bachelor of Public Health, In public Service for over twenty (20) years
3. Manager 3: Mohamed Abdi Matan Manager -fire	Education background: Bachelor Of Commerce – Finance option
4. Manager 4: Jamal Omar Head of Accounts	Education background : Bachelor of commerce
<i>(Note: The City/Municipality Manager will feature under both the 'Board' and 'Management'.)</i>	

4. Municipality Board Chairperson's Report

The office of the Chairperson for the fund is responsible for the Monitoring and, where appropriate, regulating municipal services where those services are provided by service providers other than the Board of the Municipality

1. Changes in Fund Management Committee

The Board of the Municipality shall be composed of nine (9) members. Four (4) members of the Board of the Municipality shall be appointed by the County Executive Committee member for Urban Development with the approval of the County Assembly.

Five (5) members of the Board shall be nominated by the following umbrella bodies and appointed by the County Executive Committee member for Urban Development with the approval of the County Assembly.

- i. An umbrella body representing professional associations in the area.
- ii. An association representing the private sector in the area.
- iii. A cluster representing registered associations of the informal sector in the area.
- iv. A cluster representing registered neighbourhood associations in the area.
- v. An association of the Municipality.

Currently there are only five members after four members of the board could meet the requirement of the urban and cities act and also requirement of the World Bank guidelines and KUSP Projects.

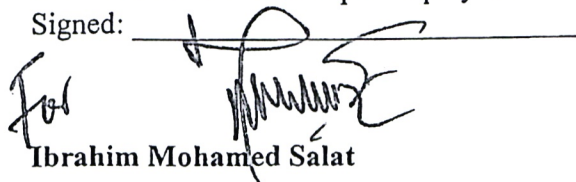
2. Review of the Fund's Performance

The program has touched the lives of many since the municipal as it has improved the drainage system and ensured that the Biashara that used if rainy season does despite the heavy rained experienced in the last two financial years, it has controlled waste management within the municipality.

3. Future Outlook of the Fund

The office of the Chairperson of Garissa municipal board request H.E the Governor Garissa to allocate more funds to department as department deals many sensitive issues like brigades and waste management that requires daily operations and saving lives. Also, the Garissa County Government under the leadership of H.E the Governor intends to develop professional and technical skills of municipal employees.

Signed: _____


Ibrahim Mohamed Salat

Chairperson-Garissa Municipal Board

County Government of Garissa

Garissa Municipal Board

Annual Report and Financial Statements for the year ended June 30, 2021

Ibrahim Mohamed Salat

Name:

Chairperson of the Board

5. Report of the Municipality Manager

Garissa Municipal Board Fund was established by and derives its authority and accountability Garissa Municipal Charter as well as Urban Areas and Cities Act in 2018

The challenges faced by the fund includes.

The following are among the challenges faced by the funds Administrator: -

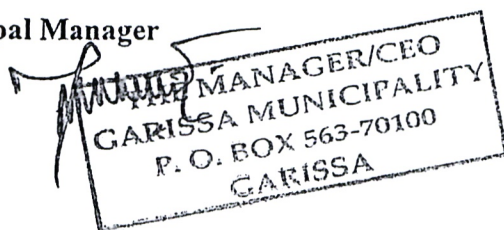
- I. Non- payment of taxes by the local community
- II. Budget constraints that leads the lack supervision and Adequate Management of the department.
- III. Delay in the release of the funds. This leads the department not make appropriate measures to control problems like floods and waste control.
- IV. Lack of administrative capacity to fully tap revenue sources

Way forward

- i. The department is developing measures to ensure that community members pay taxes at appropriate times
- ii. Through the board the department has requested the treasury to improve their and release funds as the department is dealing with crucial issue after the health.
- iii. The municipality is developing to work closely with revenue to train it personnel's and M-pesa payments to reduce corruption cases on revenue collection.
- iv. The Manifesto of H.E the Governor has detailed to source funds from donors and well-wishers to avoid reliance on the exchequer disbursement.

Name: ISNAIL SAID MAALIM

Municipal Manager



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6. Statement of Performance Against Predetermined Objectives for the year 2020/2021

Guidance

[Refer to the City/Municipality's annual budget and program plan report on the extent of the Municipality's progress in attaining the plan. Report on the metrics met, objectives yet to be met, challenges and opportunities of the Municipality in implementation of its program plan. Refer to the strategic plan if the entity has one.]

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

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

(Progress on attainment of Strategic development objectives (Adopted from XX City/Municipality- Customize as per specific City/Municipality)),

Below we provide the progress on attaining the stated objectives:

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

Amend the table above accordingly.

7. Corporate Governance Statement

The Garissa Municipal Board is committed to good corporate governance, which promotes the long-term interest of the county Government of Garissa and other stakeholder, strengthens Board and Management accountability and helps build public trust.

- a) The Board members are appointed by the county Governor of Garissa to oversee the board activities and overall success of the board in order to discharge its mandate and the Board members may be removed under subsection (1) –
 - a. By the county governor*
 - b. By the board, supported by votes of at least two -thirds of members of the board*
 - c. Upon petition by the resident of a municipality.**
- b) Under the provision of Urban areas and cities act 2011, the role and function are as follows: -
 - I. Oversees the affairs of the municipality*
 - II. Develop and adopt policies, plan, strategies and programs and may set target for delivery of services*
 - III. Formulate and implement an integrated development plan**
- c) Induction and training, City/Municipality Board members and member's performance,*
- d) Number of Municipality Board meetings held and the attendance to those meetings by members*
- e) Board remuneration, the members shall not receive a salary from the board but shall be paid sitting allowance.*

8. Management Discussion and Analysis

Under this section, the management shall give a report:

- a. On the operational and financial performance of the Municipality during the period,*
- b. Entity's key projects or investments decision implemented or ongoing,*
- c. City/Municipality's compliance with statutory requirements,*
- d. Major risks facing the City/Municipality, material arrears in statutory and other financial obligations, and*
- e. Any other information considered relevant to the users of the financial statements.)*

(The management should make use of tables, graphs, pie charts and other descriptive tools to make the information as understandable as possible.)

9. Environmental And Sustainability Reporting

Garissa municipality exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on pillars: putting the residents/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

1. Sustainability strategy and profile

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

2. Environmental performance

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

3. Employee welfare

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The City/Municipality should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

4. Market place practices

The organisation should outline its efforts to:

a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

b) Responsible Supply chain and supplier relations

Explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

c) Responsible marketing and advertisement

Outline efforts to maintain ethical marketing practices

d) Product stewardship

Outline efforts to safeguard consumer rights and interests

5. Community Engagements

Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community (The Municipality gives details of CSR activities carried out in the year and the impact to the society. The statement may also include how the City/Municipality promotes education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives) Where no CSR activities are undertaken during the year, there is no need to include the statement).

10. Report of the City/Municipality Board Members

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are hereby included.

Results

The results of the Fund for the year ended June 30, 2021 are set out.

Trustees

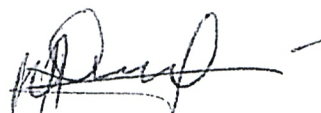
The members of the Board of Trustees who served during the year are shown (*refer to the key entity information and management page*). The changes in the Board during the financial year are as shown below:

Auditors

The Auditor General is responsible for the statutory audit of the Fund 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, 2021 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

Member of the Board



Date: 19-06-2022

County Government of Garissa

Garissa Municipal Board

Annual Report and Financial Statements for the year ended June 30, 2021

ISMAIL SAID MAALIM

Name:

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 City/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 City/Municipality for and as at the end of the financial year ended on June 30, 20xx. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the City/Municipality, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the City/Municipality, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Municipality 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 City/Municipality's transactions during the financial year ended June 30, 20xx, and the financial position as at that date.

The City/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 City/Municipality Manager has assessed the City/Municipality's ability to continue as a going concern and disclosed,

County Government of Garissa
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Annual Report and Financial Statements for the year ended June 30, 2021

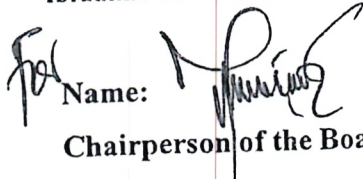
as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

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 Garissa Municipal's financial statements were approved by the Board on __30 June_ 2021 and signed on its behalf by:

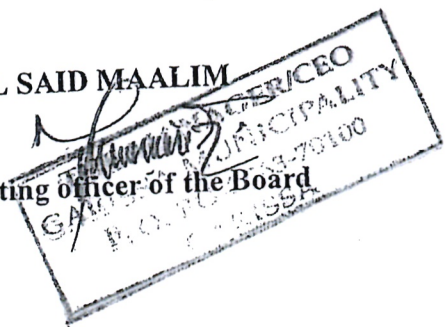
Ibrahim Mohamed Salat


Name: _____
Chairperson of the Board

ISMAIL SAID MAALIM

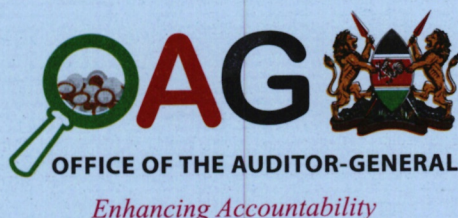
Name: _____

Accounting officer of the Board



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON GARISSA MUNICIPAL BOARD FOR THE YEAR ENDED 30 JUNE, 2021

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 Boards are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the Board 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 Board.

An unmodified opinion does not necessarily mean that the Board 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

Qualified Opinion

I have audited the accompanying financial statements of Garissa Municipal Board set out on pages 1 to 42, which comprise the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other

explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Garissa Municipal Board as at 30 June, 2021 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Urban Areas and Cities Act, 2011 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Cash and Cash Equivalents

The statement of the financial position, as disclosed in note 17 to the financial statements, reflects cash and cash equivalent balance of Kshs.52,254,359. However, bank reconciliation statements were not submitted to the Auditor-General for review.

In the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs.52,254,359 could not be confirmed.

2. Misclassification of Hospitality Expenses

Note 12 to the financial statements reflects use of goods and services balance of Kshs.211,994,831 which includes hospitality, supplies and services balance of Kshs.553,500. However, review of this expenditure revealed that the expenses related to purchase of motor vehicle tyres, stationery, and cleaning items which do not relate to hospitality expenses.

In the circumstances, this amount was wrongly classified and therefore overstating the hospitality, supplies and services expenditure by Kshs.553,500.

3. Unsupported Office and General Supplies

Note 12 to the financial statements reflects use of goods and service balance of Kshs.211,994,831 which includes an expenditure of Kshs.3,280,000 in respect of office and general supplies and service. This amount includes Kshs.780,000 spent on purchase of office general supplies. However, store ledgers (S3) and S11 store issues notes were not provided for audit review to confirm the delivery of the goods.

In the circumstances, the accuracy and completeness of the expenditure amounting to Kshs.780,000 could not be confirmed.

4. Inaccuracies in the Financial Statements

The financial statements provided for audit had the following inaccuracies:-

- 4.1** The statement of financial position reflects total assets of Kshs.52,254,359 and total net assets and liabilities of negative Kshs.24,682,281 therefore the statement of financial position was unbalanced;

- 4.2 The statement of financial performance reflects a deficit of Kshs.24,682,281 while the statement of changes in net assets reflects a surplus of Kshs.10,608 resulting in unreconciled variance of Kshs.24,692,889; and
- 4.3 The financial statements reflect comparative balances that differs with the previous year audited balances as detailed below;

Component	Comparative Balances in the Financial Statements (Kshs.)	Previous Year Audited Balances (Kshs.)	Variance (Kshs.)
Transfers from the County Government	-	51,000,000.00	(51,000,000.00)
Public Contribution	274,506,000.00	-	274,506,000.00
Total Expenses	198,221,660.00	50,989,392.00	147,232,268.00
Surplus	76,284,340.00	10,608.00	76,273,732.00
Cash and Cash Equivalents	76,498,806.00	10,608.00	76,488,198.00

In the circumstances, the accuracy and completeness of the above balances included in these financial statements could not be confirmed.

5. Variance Between the Financial Statements and Supporting Schedules

Comparison of the amount reflected in the financial statements and the supporting schedules provided for audit revealed the following unexplained variances:

Component	Audited Account Balance (Kshs.)	Supporting Analysis (Kshs.)	Variance (Kshs.)
Rent and Rates	-	206,800.00	(206,800.00)
Hospitality Supplies and Services	553,500.00	960,000.00	(406,500.00)
Office and General Supplies	3,280,000.00	-	3,280,000.00
Fuel, Oil and Lubricants	3,500,000.00	4,000,000.00	(500,000.00)
Other Operating Expenses	191,692,581.00	22,964,443.00	168,728,138.00
Routine Maintenance	470,000.00	160,000	310,000.00
Bank Charges	-	3,185.00	(3,185.00)

In the circumstances, the accuracy and completeness of the above balances included in these financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Garissa Municipal Board 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 qualified 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget of Kshs.239,625,978 and actual revenue of Kshs.187,312,550 resulting to an under collection of revenue of Kshs.52,313,428 or 22%.

The under collection of revenue may negatively impact on the delivery of goods and services to the public.

2. Unresolved Prior Year Matter

Various prior year audit issues remained unresolved as at 30 June, 2021. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow up of auditor's recommendations section of the financial statements.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of the Financial Statements

The Board submitted the financial statements for the year ended 30 June, 2021 on 23 August, 2022, eleven (11) months after the official deadline. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires the financial statements to be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

2. Irregular Constitution of the Board

The Garissa Municipal Board operated with only five (5) members against a requisite number of nine (9) members contrary to Section 14(1) of the Urban Areas and Cities (Amendment) Act, 2019 which requires the Board to constitute nine (9) members.

In the circumstances, the 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, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Failure to Establish an Internal Audit Department

A review of the operations of the Board revealed that the internal audit department was not in place. Proper monitoring of the organization's governance process and accountability cannot be accomplished without operationalization of internal audit and audit committee.

In the circumstances, the Management may face internal control challenges in operations of the Board.

2. Lack of Audit Committee

During the year under review, the Board operated without the audit committee. This means that the Accounting Officers lacked support with regard to their responsibilities for issues of risk, control and governance and associated assurance and on follow up on the implementation of the recommendations of internal and external auditors.

In the circumstances, the Management may face internal control challenges in operations of the Board.

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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Board's ability to continue to sustain services, disclosing, as applicable, matters related to the sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the Board or terminate 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.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and 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 controls 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 controls may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 Board's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Board to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Board to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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

02 May, 2023

County Government of Garissa
Garissa Municipal Board
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14. Statement of Financial Position As At 30 June 2021

	Note	2020/2021	2019/2020
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	17	52,254,359	76,498,806
Receivables from exchange transactions	18	000	000
Receivables from Non- exchange transactions	19	000	000
Prepayments	20	000	000
Inventories	21	000	000
		52,254,359	76,498,806
Non-current assets			
Property, plant, and equipment	22	-	-
Intangible assets	23	-	-
Total Non-current Assets		-	-
Total assets		52,254,359	76,498,806
Liabilities			
Current liabilities			
Trade and other payables	24	-	-
Provisions	25	-	-
Borrowings	26	-	-
Employee benefit obligations	27	-	-
		-	-
Non-current liabilities			
Provisions	25	-	-
Borrowings	26	-	-
Non-current employee benefit obligation	27	-	-
Total liabilities		000	000
Net assets		-	-
Capital/Development Grants/Fund		52,254,359	76,498,806
Reserves		000	000
Accumulated surplus		(24,682,281)	76,498,806
Total net assets and liabilities		52,254,359	76,498,806

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Garissa Municipal Board

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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on ____30 june____ 2021 and signed by:

ISMAIL SAID MAALIM

..... THE MANAGER/CEO
Name: GARISSA MUNICIPALITY
P.O. BOX 563-70100
City/Municipality: GARISSA
Date: _____

JAMAL OMAR

Name: GARISSA MUNICIPAL BOARD
Head of Finance: HEAD OF ACCOUNTS
ICPAK M/No: Box 563-70100
Date: _____

Garissa Municipality
County Government of Garissa
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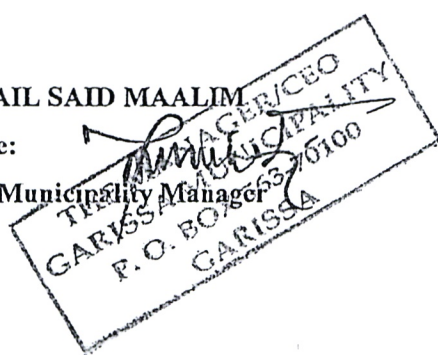
15. Statement of Changes In Net Assets As At 30 June 2021

	Capital/ Development Grants/Fund	Revaluation Reserve	Accumulated Surplus	Total
		Kshs.	Kshs.	Kshs.
Balance as at 1 July 2019	233,506,000	000	000	233,506,000
Surplus/(deficit) for the period	00	00	00	00
Funds received during the year	00	00	00	00
Revaluation gain	00	00	00	00
Balance as at 30 June 2020	76,497,231	00	00	76,497,231
Balance as at 1 July 2020	76,497,231	000	000	76,497,231
Surplus/(deficit) for the period	10,608	000	000	10,608
Funds received during the year	000	000	000	000
Revaluation gain	00	000	-	00
Balance as at 30 June 2021	52,254,359	000	000	52,254,359

ISMAIL SAID MAALIM

Name:

City/Municipality Manager

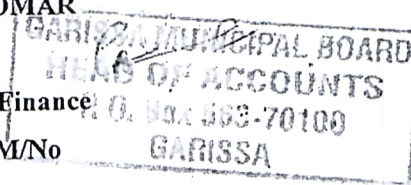


AMAL OMAR

Name:

Head of Finance

ICPAK M/No



*Garissa Municipality
County Government of Garissa
Annual Report and Financial Statements for the year ended June 30, 2021*

16. Statement Of Cash Flows for The Year Ended 30 June 2021

	Note	2020/2021	2019/2020
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the County Government		11,500,000	000
Public contributions and donations (World bank)		175,812,550	274,706,000
		000	000
<i>Other receipts (Specify)</i>		000	000
Total Receipts		187,312,550	274,706,000
Payments			
Contracted services		191,692,581	
General expenses		11,494,900	
Expenses		8,8007,350	
Finance costs		000	
Total Payments		211,994,831	198,221,660
Net cash flows from operating activities	28	(24,682,281)	74,484,340
Cash flows from investing activities			
Purchase of PPE & intangible assets		000	000
Proceeds from sale of PPE		000	000
Net cash flows used in investing activities		000	000
Cash flows from financing activities			
Receipts from Capital grants		00	000
Proceeds from borrowings		000	000
Repayment of borrowings		000	000
Net cash flows used in financing activities		000	000
Net increase/(decrease) in cash & cash equivalents		000	000
Cash And Cash Equivalents At 1 July	17	76,497,231	233,506,000
Cash And Cash Equivalents At 30 June	17	52,254,359	76,497,231

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(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)

ISMAIL SAID

Name:

City/Municipality Manager

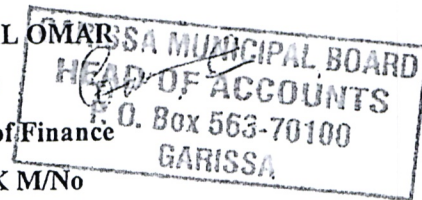


JAMAL OMAR

Name:

Head of Finance

ICPAK M/No



Garissa Municipality
County Government of Garissa
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17. Statement of Comparison of Budget & Actual Amounts for the Year ended 30 June 2021

	Original Budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	A	B	c=(a+b)	D	e=(c-d)	f=d/c
Revenue		Kshs.	Kshs.	Kshs.	Kshs.	
Transfers from the County Government	80,800,000	3,000,000	77,800,000	11,500,000	66,300,000	15%
Public contributions and donations [World bank]	175,812,550	000	175,812,550	175,812,550	000	100%
Interest income	000	(000)	000	000	(000)	0%
Other income (<i>specify</i>)	000	(000)	000	000	(000)	0%
Total Revenue	242,625,978	3,000,000	239,625,978	187,312,550	66,3000	78%
Expenses						
Contracted services	167,012,550	000	167,012,550	211,994,831	(24,688,493)	-15%
General expenses	20,300,000	000	20,300,000	20,296,864	3,136	99.9 %
Finance costs	000	000	000	000	000	%
Total Expenditure	178,512,550	000	178,312,550	211,999,468		
Surplus for the period	64,113,428	3,000,000	52,313,428	(38,873,918)		
Capital Expenditure	178,512,550	000	178,512,550	211,999,468	83,522,236	32%

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Budget notes

[Provide an explanation of differences between actual and budgeted amounts (10% over/ under)]

(Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes.

Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.)

ISMAL SAID MAALIM

.....
Name: ISMAL SAID MAALIM
City/Municipality: GARISSA
Date: 17/10/2022

.....
Name: ISMAL SAID MAALIM
Head of Finance: ISMAL SAID MAALIM
ICPAK M/No: 562-70100
Date: 17/10/2022

18. Notes to the Financial Statements

1. General Information

Garissa Municipality is established by and derives its authority and accountability from xxx Act. The Municipality is under the Garissa County Government and is domiciled in Kenya. The entity's principal activity .

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 (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. 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
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: 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. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • 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. <i>(State the impact of the standard to the Entity if relevant)</i>
IPSAS 42: Social Benefits	Applicable: 1st January 2023 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: (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and

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	(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <i>(State the impact of the standard to the Entity if relevant)</i>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: 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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. 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. <i>(State the impact of the standard to the Entity if relevant)</i>
Other improvements to IPSAS	Applicable 1st January 2023 • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <i>State the impact of the standard to the Entity if relevant</i>
IPSAS 43	Applicable 1st January 2025

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	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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>State the impact of the standard to the Entity if relevant</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>State the impact of the standard to the Entity if relevant</i>

iii. Early adoption of standards

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

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.

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 2021/22 was approved by the County Assembly on xxx (Date). 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 City/Municipality upon receiving the respective approvals in order to conclude the final budget. Accordingly, the City/Municipality recorded additional appropriations of nil on nil following the governing body's approval.

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

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(Significant accounting policies continued)

statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

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 City/Municipality recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Intangible assets

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

e) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

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(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.

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

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(Significant accounting policies continued)

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

(Significant accounting policies continued)

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

h) Contingent liabilities

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

(Significant accounting policies continued)

r) Events after the reporting period

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

Two types of events can be identified:

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

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

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

s) Currency

The financial statements are presented in Kenya Shillings (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.

State all judgements, estimates and assumptions made .

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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.

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(Significant accounting policies continued)

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.

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(Notes to the Financial Statements)

6. Transfers from the County Government

Description	2021/22	2020/21
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	11,500,00	51,000,000
Payments by County on behalf of the entity	000	000
Total	11,500,000	51,000,000

(Provide brief explanation for this revenue)

7. Public Contributions and Donations

Description	2020/2021	2019/2022
	Kshs.	Kshs.
Donation from development partners-UDG	167,012,550	233,506,000
Contributions from the public	000	000
Donation from development partners- UIG	8,800,000	41,000,000
Total	175,812,550	274,506,000

8. Levies, Fines and penalties

Description	2020/2021	2019/2020
	Kshs.	Kshs.
Levies	000	000
Fines	000	000
Penalties	000	000
Others <i>(indicate and specify)</i>	000	000
Total	000	000

9. Other Revenues from Non-Exchange Transactions

Description	2020/2021	2019/2020
	Kshs.	Kshs.
Transfers from other government entities	000	000
Others <i>(indicate and specify)</i>	000	000
Total	000	000

(Provide a brief explanation for this revenue)

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(Notes To the Financial Statements (Continued))

10. Interest income

Description	2020/2021	2019/2020
	Kshs.	Kshs.
Interest income from investments	000	000
Interest income on bank deposits	000	000
Others (Specify)	000	000
Total interest income	000	000

(Provide brief explanation for this revenue)

11. Other income

Description	2020/2021	2019/2020
	Kshs.	Kshs.
Income from sale of tender documents	000	000
Others (specify)	000	000
Total other income	000	000

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

12. Use of Goods and Services

Description	2020/2021	2019/2020
	Kshs.	Kshs.
Utilities, supplies and services	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	8,495,750	-
Foreign travel and subsistence	000	-
Printing, advertising, supplies & services	000	-
Rent and rate	000	-
Training expenses	1,935,000	-
	553,500	-
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	3,280,000	-
Fuel, oil and lubricants	3,500,000	-
Other operating expenses – Contracted works	191,692,581	-
Routine maintenance – vehicles and other equipment	470,000	-
Routine maintenance – other assets	-	-

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Description	2020/2021	2019/2020
	Kshs.	Kshs.
Contracted Professional Services	-	-
Audit fees	-	-
Hire of Transport, equipment etc	2,068,000	-
Bank Charges	-	-
Depreciation and amortisation	-	-
Total	211,994,831	-

13. Staff costs

Description	2020/21	2019/20
	Kshs.	Kshs.
Salaries and wages	-	-
Staff gratuity	-	-
Social security contribution	-	-
Other staff costs (<i>Specify</i>)	-	-
Total	-	-

14. Board expenses

Description	2020/21	2019/20
	Kshs.	Kshs.
Chairman/Members' Honoraria	-	-
Sitting allowances	-	-
Medical Insurance	-	-
Induction and Training	-	-
Travel and accommodation	-	-
Conference Costs	-	-
Other allowances (<i>Specify</i>)	-	-
Total	-	-

15. Finance costs

Description	2020/21	2019/20
	Kshs.	Kshs.
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
Total	-	-

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(Notes To the Financial Statements Continued)

16. Gain/(loss) on disposal of assets

Description	2020/2021	2019/2020
	Kshs.	Kshs.
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

17. Cash and cash equivalents

Description	2020/2021	2019/2020
	Kshs.	Kshs.
Fixed deposits account	-	-
On – call deposits	-	-
Current account	52,254,859	76,498,792
Others(specify)	-	-
Total cash and cash equivalents	52,254,859	76,498,792

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

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

Financial institution	Account number	2020/2021	2019/2020
		Kshs.	Kshs.
a) Fixed deposits account			-
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
Sub- total		-	-
b) On - call deposits			-
Kenya Commercial bank		-	-
Equity Bank etc		-	-
Sub- total		-	-
c) Current account			
Kenya Commercial bank	12602111657	1575	000
Equity Bank – UDG	0580279018087	52,251,223	76,484,040
Equity bank-UIG	0580279032289	1,561	13,191
Sub- total		52,254,359	76,498,792
d) Others(specify)			-
Cash in transit		-	-
Cash in hand		-	-
Mobile Money		-	-
Sub- total		-	-

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		2020/2021	2019/2020
Financial institution	Account number	Kshs.	Kshs.
Grand total		52,254,359	76,498,792

{Notes To the Financial Statements Continued}

18. Receivables from exchange transactions

Description	2020/2021	2019/2020
	Kshs.	Kshs.
Current Receivables		
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total Current receivables (a)	-	-
Non-Current receivables		
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total Non- current receivables (b)	-	-
Total receivables from exchange transactions	-	-

19. Receivables from Non-Exchange transaction

Description	2020/2021	2019/2020
	Kshs.	Kshs.
Transfer from County Executive	11,500,000	000
Transfer from World bank Fund	175,812,550	274,506,000
Total receivables from non-exchange transactions	187,312,550	274,506,000

20. Prepayments

Description	2021/22	2020/21
	Kshs.	Kshs.
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(<i>specify</i>)	-	-
Total	-	-

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21. Inventories

Description	2020/21	2019/20
	Kshs.	Kshs.
Stationery	-	-
Consumables	-	-
Other inventories(<i>specify</i>)	-	-
Total inventories at the lower of cost and net realizable value	-	-

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22. Property, Plant and Equipment

Description	Land	Building	Motor vehicles	Furniture and fittings	Computers	Other assets (specify)	Capital Work in Progress	Total
Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.
As at 1 July 2020	000	0000	000	000	000	000	000	000
Additions	000	0000	000	000	000	000	000	000
Disposals	000	0000	000	000	000	000	000	000
Transfers/adjustments	000	0000	000	000	000	000	000	000
As at 30 th June 2021	000	0000	000	000	000	000	000	000
Additions	000	0000	000	000	000	000	000	000
Disposals	000	0000	000	000	000	000	000	000
Transfer/adjustments	000	0000	000	000	000	000	000	000
As at 30 th June 2022	000	0000	000	000	000	000	000	000
Depreciation and impairment	000	0000	000	000	000	000	000	000
At 1 July 2020	000	0000	000	000	000	000	000	000
Depreciation	000	0000	000	000	000	000	000	000
Impairment	000	0000	000	000	000	000	000	000
Transfers/ Adjustments	000	0000	000	000	000	000	000	000
As at 30 June 2021		000	000	000	000	000	000	000

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	Land	Building	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
Description	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Depreciation		000	0000	000	000	000	000	000
Disposals		000	0000	000	-	000	000	000
Impairment		-	000	-	-	000	-	000
Transfer/adjustment		-	000	0000	000	000	000	000
As at 30 th June 2022		000	0000	000	000	000	000	000
NBV as at 30 th June 2021	000	0000	000	000	000	000	000	000
NBV as at 30 th June 2022	000	0000	000	000	000	000	000	000

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

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23. Intangible assets

Description	2020/2021	2019/20
	Kshs.	Kshs.
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

24. Trade and other payables from exchange transactions

Description	2020/21	2019/20
	Kshs.	Kshs.
Trade payables	-	-
Refundable deposits (Retentions, court bonds etc)	-	-
Accrued expenses	-	-
Other payables (<i>Specify</i>)	-	-
Total trade and other payables	-	-

25. Provisions

Description	2020/21	2019/20
	Kshs.	Kshs.
Balance at the beginning of the year	-	-
Additional Provisions (<i>Specify</i>)	-	-
Provision utilised	-	-
Balance at the end of the year	-	-
	-	-
Current Portion of provision	-	-
Long term portion of provision	-	-
Total Provisions	-	-

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26. Borrowings

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

Description	2020/21	2019/20
	Kshs.	Kshs.
Short term borrowings (current portion)	-	-
Long term borrowings	-	-
Total	-	-

(NB: the total of this statement should tie to note 20 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed)

Description	2020/21	2019/20
	Kshs.	Kshs.
Balance at beginning of the period	-	-
Borrowings during the year	-	-
Repayments of borrowings during the period	-	-
Balance at end of the period	-	-

The table below shows the Distribution of borrowings:

	2020/21	2019/20
	Kshs.	Kshs.
Borrowings		
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Borrowings from other government institutions	-	-
Total balance at end of the year	-	-

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27. Employee benefit obligations

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

28. Cash generated from operations

	2020/21	2019/20
	Kshs	Kshs
Surplus/ (deficit) for the year before tax	-	-
Adjusted for:	-	-
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
Working Capital adjustments	-	-
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
Net cash flow from operating activities	-	-

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

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Other Disclosures

29. Related party balances

a) Nature of related party relationships

Entities and other parties related to the 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 Municipality/scheme is related to the following entities:

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

b) Related party transactions

	2020/21	2019/20
	Kshs.	Kshs.
Transfers from related parties'	-	-
Transfers to related parties	-	-

c) Key management remuneration

	2020/21	2019/20
	Kshs.	Kshs.
Board of Board Members'	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

	2020/21	2019/20
	Kshs.	Kshs.
Due from parent Ministry	-	-
Due from County Government	-	-
Due from County Assembly	-	-
Total	-	-

(Other Disclosures continued)

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e) Due to related parties

	2020/21	2019/20
	Kshs.	Kshs.
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Due to County Assembly	-	-
Total	-	-

30. Contingent liabilities

Contingent liabilities	2020/21	2019/20
	Kshs.	Kshs.
Court case against the entity	-	-
Bank guarantees	-	-
Total	-	-

(Give details)

31. Contingent Assets

Contingent liabilities	2020/21	2019/20
	Kshs.	Kshs.
Court case against the entity	-	-
Others Specify	-	-
Total	-	-

32. 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:

(Other Disclosures Continued)

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I. Credit risk

The Garissa 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 Garissa 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)

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(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 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 Municipality's short, medium and long-term liquidity management requirements. The Municipality manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the 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 2021				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2020	-	-	-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

(Other Disclosures continued)

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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 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 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 2021			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables	-	-	-
Liabilities	-	-	-
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on surplus/ deficit	Effect on Equity
	Kshs.	Kshs.	Kshs.
20xx			
Euro	10%	-	-
USD	10%	-	-
20xx-1			
Euro	10%	-	-
USD	10%	-	-

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.

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(Other Disclosures continued)

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:

	2020/21	2019/20
	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	-	-

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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:

- Use the same reference numbers as contained in the external audit report.
- Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management.
- Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue.
- 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

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Annex 2: Inter Entity Transfers

MUNICIPALITY NAME: GARISSA MUNICIPAL BOARD				
Breakdown of Transfers from the County Executive of Garissa County				
	FY 2020-1/2021			
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
			000	
			00	
		Total	000	
b.	Development Grants	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
			000	
			000	
			000	
		Total	000	
c.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
			00	
			00	
		Total	000	

(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

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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		

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Annex 4: Disaster Expenditure Reporting Template

Date:

Entity

Period to which this report refers (M/Y)	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

