

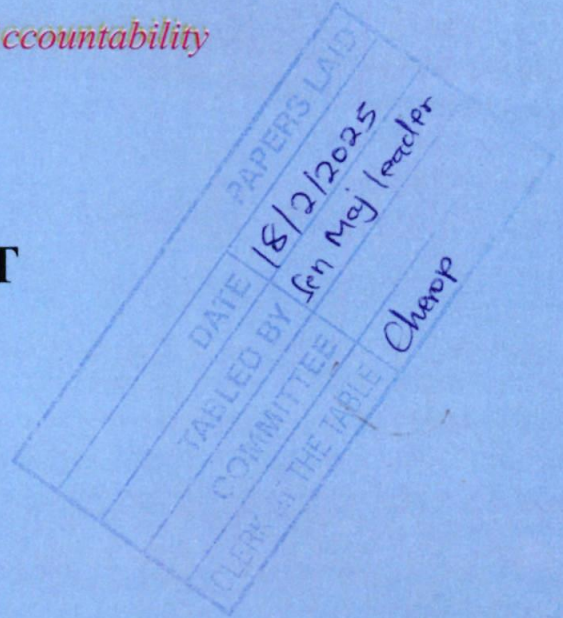
REPUBLIC OF KENYA



Enhancing Accountability



REPORT



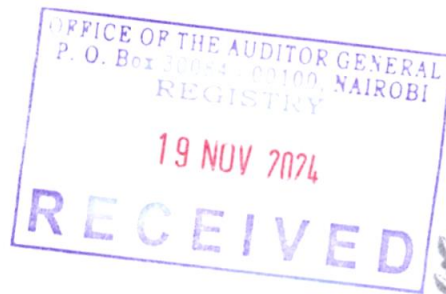
OF

THE AUDITOR-GENERAL

ON

KIKUYU MUNICIPALITY

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



KIKUYU MUNICIPALITY

County Government of Kiambu

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

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

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

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

Contents

1. ACRONYMS & GLOSSARY OF TERMS	IV
2. KEY ENTITY INFORMATION AND MANAGEMENT	V
3. MUNICIPALITY BOARD	VIII
4. KEY MANAGEMENT TEAM	XI
5. MUNICIPALITY BOARD CHAIRPERSON'S REPORT	XIII
6. REPORT OF THE MUNICIPALITY MANAGER	XV
7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY 2023/2024	XVII
8. CORPORATE GOVERNANCE STATEMENT	XIX
9. MANAGEMENT DISCUSSION AND ANALYSIS	XXII
10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING	XXIV
11. REPORT OF THE MUNICIPALITY BOARD MEMBERS	XXVI
12. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	XXVII
13. REPORT OF THE INDEPENDENT AUDITOR	XXIX
14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 TH JUNE 2024	1
15. STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE 2024	2
16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 TH JUNE 2024	4
17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 TH JUNE 2024	5
18. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR YEAR ENDED 30 TH JUNE 2024	6
19. NOTES TO THE FINANCIAL STATEMENTS	7
ANNEXES	31

1. Acronyms & Glossary of Terms

PSASB	Public Sector Accounting Standards Board
FY	Financial Year
OSHA	Occupational Safety & Health Act
DOSH	Department of Occupational Health and Safety
KUSP	Kenya Urban Support Programme
MAUD	Municipal Administration and Urban Development
OAG	Office of the Auditor General
UACA	Urban Areas and Cities Act
AUIP	Annual Urban Investment Plans
ISUDP	Integrated Strategic Urban Development Plans
IPSAS	International Public Sector Accounting Standards
APA	Annual Performance Assessment
IDEP	Integrated Development Plans
PAP	Project Affected Persons
P4R	Performance for Results
PfMA	Public Finance Management Act
PPADA	Public Procurement and Disposal Act
NMT	Non-Motorized Transport
NEMA	National Environment and Management Authority
CIDP	County Integrated Development Plan
SDG	Sustainable Development Goals
ESMP	Environmental and Social Management Plan

2. Key Entity Information and Management

a) Background information

Kikuyu Municipality was established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011 and Cities and Municipal Charter on 27th June 2018 the Municipality is under the County Government of Kiambu and is domiciled in Kenya.

b) Principal Activities

The municipality vision is to provide affordable, reliable and equitable distribution of services by creating a world class industrial and technological hub through harnessing partnerships and promoting green energy use.

The municipality's mission is to be an innovative and sustainable industrial city.

The municipality will strive to achieve the above Mission by;

- a) Contributing actively to the development of its environment, human and social capital;
- b) Offering high-quality services to all who live in, do business in or visit Kikuyu Municipality; and being known for its responsive, efficient, effective

c) Key Management

The Municipality management is under the following key organs:

- County department of in charge of Municipalities i.e., Municipal Administration and Urban development
- Board of Management
- Municipal Manager
- Management
- County Planning and Urbanization Assembly Committee

d) Fiduciary Management

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

SN	Position	Name
1	Municipality Manager	Paul Waruhiu
2	Resident Engineer	Eng Peter Karanja
3	Programme Coordinator	Martin Kangiri
4	Assistant Resident Engineer	Eng. Simon Sibhora

e) Fiduciary Oversight Arrangements

- i) Audit and Risk Management Committee-The board sub-committee comprises of three key board members who reports to the overall board on audit and risk matters. Members who sit in this committee are representatives of professional bodies who are in good standing.
- ii) Kiambu County Assembly: The municipal budget is anchored in the department of Land, Housing Physical Planning Municipal Administration and Urban Development before execution, it's approved by the County Assembly of Kiambu. Quarterly reports are also submitted to ensure budget executions are adhered.
- iii) Kenya Urban Support Program – The State Department of Housing and Urban Development manages the overall grant for all the municipalities in the counties. As part of their monitoring, the County submit quarterly statements of expenditure as part of control
- iv) Office of the Auditor General: The OAG has a statutory obligation where it audits financial statements for all the municipals in the County
- v) Internal Audit: The county has a vibrant internal audit office that undertakes internal controls for the undertaking of the programs.
- vi) World Bank Office: This is the main donor of the program and undertakes impact assessments on improvement of urban areas in the counties to support devolution.

f) Registered Offices

P.O. Box 149-00902 Kikuyu
KENYA

g) Contacts

Telephone: (+254) 723887250
E-mail: kikyumunicipality@kiambu.go.ke
Website: <https://kiambu.go.ke/kikuyu-municipality/>

h) Bankers

Commercial Banks
1. Family Bank Kikuyu Branch-10200003407

i) Independent Auditor



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

j) Principal Legal Adviser

The Office of the County Attorney
County Government of Kiambu
P.O. Box 2344 - 00200
Kiambu, Kenya

3. Municipality Board

Name	Details of qualifications and Experiences
 <p data-bbox="295 880 612 909">Independent Board Member</p>	<p data-bbox="794 336 1362 1126">Anne Muthoni Wambaa has had a distinguished career in the agriculture sector, culminating in her historic election as the first woman Chairperson of the Agricultural Society of Kenya (ASK). She has been a dedicated advocate for women's advancement, community development, and social welfare, as evidenced by her involvement in various women's organizations such as NCWK, MYWO, and NBPW. Anne's commitment to public service has been recognized through her appointment as a Commissioner at the Electoral Commission of Kenya and the prestigious Moran of the Burning Spear (MBS) award for her distinguished service to the Kenyan people. Her educational background includes a teaching diploma from Kenyatta College and a degree in Law (LLB) from the University of Nairobi. Throughout her career, Anne has demonstrated exceptional leadership, compassion, and a deep understanding of the plight of marginalized communities, leaving a lasting legacy in the public sector.</p> <p data-bbox="794 1137 1241 1200">Gender Mainstreaming Committee Infrastructure Development Committee</p>
 <p data-bbox="301 1682 592 1711">Executive Board Member</p>	<p data-bbox="794 1209 1362 1711">Paul Waruhiu is a dedicated community development professional with extensive expertise in program planning, community engagement, and project oversight. In his role as Program Manager at Youth for Change Action Group, he adeptly managed the execution of strategic initiatives and donor-supported community development ventures. Additionally, as County Manager at the Kiambu Senator's Office, he skillfully supervised diverse community projects at the county level. Paul holds a Bachelor of Arts in Social Studies (Sociology) from Moi University and a Diploma in Business Management from the Kenya Institute of Management.</p> <p data-bbox="794 1722 1238 1785">Infrastructure Development Committee Legal Committee</p>

	<p>Mary Mungai aged 67, has earned MSC in Agriculture and has held various senior positions before ultimately becoming the Commissioner for Cooperative Development</p> <p>Legal Committee Gender Mainstreaming Committee</p>
	<p>Hon. Francis Wainaina Binary, 51, holds a Bachelor's Degree in Public Administration & Governance, a Diploma in Public Relations, and a Certificate in Paralegalism & Community Development. He has served as the First Member of the County Assembly for Kikuyu Ward, Kiambu County, held roles as Director of Housing & Amenities at WITHIN Foundation International, and as a Project Implementation Committee Member at CDTF DANIDA</p> <p>Finance, Revenue & Audit Committee Infrastructure Development Committee</p>

Independent Board Member




Independent Board Member





Independent Board Member

George Wainaina is a seasoned Accountant and Business Development Specialist with an Executive Master's Degree in Business Administration from Inoorero University. He has previously served as the Chief of Staff at Nairobi City County. He has held various notable positions in different organizations, including Former Councilor of Karuri Ward, Former Chairman of Karuri Water Board, Director of Pawfal Ventures Limited, Director of Ndeiya Farm Limited, and Chairman of the Board of Management at Thimbigua Secondary School. Finance, Revenue & Audit Committee Infrastructure Development Committee

4. Key Management Team

Name	Details of qualifications and experience
<p>1. Manager: Paul Waruhiu Mwenda</p> 	<p>Paul Waruhiu is a dedicated community development professional with extensive expertise in program planning, community engagement, and project oversight. In his role as Program Manager at Youth for Change Action Group, he adeptly managed the execution of strategic initiatives and donor-supported community development ventures. Additionally, as County Manager at the Kiambu Senator's Office, he skillfully supervised diverse community projects at the county level. Paul holds a Bachelor of Arts in Social Studies (Sociology) from Moi University and a Diploma in Business Management from the Kenya Institute of Management. Age 43</p>
<p>2. Resident Engineer</p>  <p>Peter Karanja Njenga</p>	<p>Eng. Njenga is a holder of a Master's of Science in civil engineering from the University of Nairobi. He holds a BSc degree in Civil Engineering from the University of Nairobi and has 18 years' experience in different fields of structural and civil engineering works namely Projects management, material testing and analysis, construction supervision of structures and road projects and structures design. Registered Professional Engineer with the Engineer's Board of Kenya and a Corporate Member Engineer under the Institution of Engineers of Kenya Age 44</p>
<p>3. Assistant Resident Engineer</p>  <p>Eng. Simon Sibhora</p>	<p>B.Tech. in Civil & Structural Engineering Civil and Structural Professional Engineer (A4291) registered by Engineers Board of Kenya and a Corporate Member (M9334) of Institution of Engineers of Kenya. Over ten (10) years engineering experience in planning/initiation, design and construction supervision of Roads and has served as a resident Engineer, assistant Resident Engineer and site Manager for various projects. Age 43</p>

<p>4. KUSP Program Coordinator</p>  <p>Martin Kangiri</p>	<p>Martin has an ongoing Ph.D. Urban Economics-University of South Africa, an Executive Diploma in Urban Development - London School of Economics and Political Science, Master of Economics (Finance) and Bachelor of Arts (Economics). Martin is an Economist with over ten years working experience for both public and private sector organizations in Coordination, supervision and promotion of economic ties with development partners. He is currently the Acting Chief Officer Lands, Physical Planning, Municipal Administration and Urban Development and the Director Creation of Thika Industrial Smart City. Age: 39</p>
<p>5. CECM MAUD</p>  <p>Salome Muthoni Wainaina</p>	<p>Salome Wainaina is a holder of a Bachelor of Economics and Political Science degree and has an MBA in Strategic Management. She additionally has certifications in Leadership and Governance courses. She has over 20 years' experience in marketing and strategic management in both private and public sector. Age: 52</p>

5. Municipality Board Chairperson's Report

Successes made.

- Municipal Manager, Municipal board members and seconded county staff in place.
- Formation of the Project Implementation Committee to oversee the overall execution of works in the municipality in the various infrastructural projects within the municipality.
- Delegation of specific functions by the Governor to the Municipalities as envisaged in the municipal service charter.
- Improvement of urban infrastructure such connectivity- roads, street lighting, sewer, landscaping and beautification

Review of the Municipality Board's performance

During the period under review, Kikuyu Municipal Board was able to implement three infrastructural development projects which include;

- Upgrading of Ondiri Road 0.9Km to Bituminous Standards (phase I).
- Proposed upgrading of Mwimuto Access Road, Kiharu Drive, Wambaa outfall drain, Kikuyu NMT, Jeevanjee Alution Block and Lusigetti Market sheds in Kikuyu Municipality.
- Proposed Upgrading of Kidfarmco Road 1.15Km to Bituminous Standards and street lighting.

The financial performance during the period under review was exceptional with absorption of all the funds in line with the Program Operations Manual (POM) of the KUSP World Bank conditional grant.

Challenges faced

- Competition for projects to be selected in the Annual Urban Investment Plans by citizens during project selection exercise.
- Delegation of functions and Gazettement of more roles. There has been consistent lobbying by the board to ensure delegation and Gazettement of more functions.
- Lack of a municipality vote head despite numerous request by the board. This has led to challenges in sorting out the recurrent expenditures.

- Resource allocation of conditional grant (Urban Development Grant) is based on 2009 population census which has since grown massively to population according to 2019 census.
- Delayed relocation of services and utilities during infrastructural development such KPLC and water companies.

Future outlook of the Municipality Board

During the year the board successfully formulated its new proposed strategic plan FY 2022/2023-FY2027/2028 which aims to ensure Kikuyu Municipality growth including implementation of projects under the Kiambu Integrated Strategic Urban Development Plan. The main objectives of the proposed strategic plan are to; Promote a stable, progressive, resilient and self-sufficient community, facilitate an empowered citizenry, build a sustainable environment and to create and maintain a competent and dynamic workforce.

On the governance front, the Board inducted 5 new board members into the activities and operations of the Municipality. The 5 members have brought on the board fresh and diverse perspectives and increased the efficiency and reach of the Municipality.

Name: Anne Muthoni Wambaa



.....

Chairperson of the Board

6. Report of the Municipality Manager

The Municipality was established under section 9 of the Urban Areas and Cities Act (2011) and granted the Municipal charter gazetted on 2nd November 2018.

The municipal board was constituted on 27th June 2018 headed by the board chairman elected by the board members.

The Municipal manager was appointed in accordance with the Urban Areas and Cities Act, 2011 (Amended 2019) and reports to the Municipal Board.

The municipality through the Kenya Urban Support Program has received a conditional grant towards development of infrastructural projects ranging from roads, street lighting, solid waste management equipment, urban aesthetics, recreational facilities, non-motorized transport, market shed among others.

The management of these projects is overseen by Project Implementation Teams which handle various issues ranging from Environmental issues, social safeguard issues, and contract payment structures.

These projects have changed the face of the municipality with the following key benefits realized:

- Newly constructed roads and those recarpeted in the town have enhanced the movement of goods, people and services.
- Led to decongesting of the town.
- Street lighting has helped beef up security as well as enabling more night working hours for traders in the informal sector such as street hawkers and vendors.
- Public parks contribute to the carbon sinks of the highly urbanized municipality as well as providing a place where people can recreate.
- The solid waste management equipment such as the tippers, skip loaders and skips, back hoes etc have helped enhance waste collection resulting to a cleaner environment.
- Job creation.

A number of challenges have however been realized, ranging from:

- Inadequacy of funds to invest more on infrastructural projects to serve the high population.
- Vandalism of street furniture such as road signs.
- Unpredictable weather conditions thus delaying the programmed works.
- Delayed relocation of the sewer line encroaching the corridor
- Scramble for the projects during public participation
- Issues of storm water outfalls.
- Leaking sewer manholes and Decic tanks along some sections of the corridor thus compromising the earthworks.
- Delayed relocation of services along the road reserves.
- The local community is against the setting up of a waste transfer station.

As per the strategic focus areas outlined in the Municipal Draft Strategic Plan (2022-2027), emphasis has been put on the following areas; ease of doing business, employment creation, environmental sustainability, health, youth and gender empowerment, education, trade and industry as well as improving the overall road connectivity of the municipality.

Our ability to serve the public in the municipality has been clearly outlined and an exciting future lies ahead if we all work together to make this the incredible Municipality that our children will inherit from us.



.....
Name: Paul Waruhiu

Municipality Manager

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

Introduction

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

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

Most of the projects listed below were continuing projects from FY 2022/2023 since there was no funding for the year FY 2023/2024.

Detailed analysis for each objective and outcome is presented in the table below;

Programme Name: Kikuyu Municipality						
Objective: To Improve Infrastructural Developments in Kikuyu Municipality and its Urban Areas						
Outcome: Creation of liveable cities, improved urban infrastructure, revenue improvement						
Sub Programme	Key output	Key performance indicator	Baseline		Planned Target FY 23/24	Actual FY 23/24
			Year	Value		
General Administration & Support Services: Costing of Salaries	Improved efficiency and effectiveness in quality service delivery	No. of Officers Recruited	2022	0	2	1
Staff Training and development programs	Sustainable and satisfied work force	No. of staff sponsored for promotional, refresher courses & CPD programs	2022	0	10	12
Operation & Maintenance: General office	Consistency of information, methods, skills and controls	No. of offices equipped & furnished and general office maintenance	2022	0	1	1
Construction and upgrading of Municipal Infrastructures	Improvement of Roads	Kilometres of Roads Constructed	2022	km	7km	7km
	Improvement of Sewer System	Kilometres of Sewer lines constructed	2022	km	0km	0km
	Improvement of Street Lighting	No. of Street Lights Installed	2022	0	30	30
	Improvement of Bus Parks	No. Bus parks Rehabilitated	2022	0	0	0
	Improvement of Market sheds & Ablution Blocks	No. of Market sheds & Ablution Blocks	2022	0	1	1

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

Construction & Rehabilitation of Stadium	No. of Stadium built or rehabilitated	2022	0	0	0	0
Provision of Waste Management & Equipment	No. of Waste Management stations constructed or/ & Equipment bought	2022	0	0	0	0
Improvement of NMT & Parking Lots	No. of NMTs & Parking Lots constructed	2022	km	10km	10km	10km
Construction of Recreational centers	No. Recreational facilities Constructed	2022	0	1	1	1
Construction of Fire station and Purchase of Disaster management Equipment	No. of Fire stations constructed and Disaster management Equipment Purchased	2022	0	0	0	0
Construction of Storm water Drains	Kilometers of storm water Drains Constructed	2022	km	7 km	6km	6km
Incorporation of green energy as an alternative source of power within the municipality	No. of KWh units of green wind energy generated	2022	0	0	0	0
	Volume of bio gas produced	2022	0	0	0	0
	No. of KWh units of solar PV energy generated	2022	0	0	0	0
Total						

8. Corporate Governance Statement

Roles of the Municipal Board

Kikuyu Municipal Board is responsible for overall management of the municipality and is committed to ensuring that its business and operations are conducted with integrity, professionalism and in compliance with the law.

In recent years, various recommendations have been made in several legal and professional publications in an attempt to determine the most appropriate way for boards to be structured to achieve the highest standards of corporate governance.

The corporate governance of the board takes place within a framework which exists to regulate the conduct of board members, staff, customers and members of the public.

The key instruments within the framework are

- i) The Kenya Constitution
- ii) UACA (2011,2019)
- iii) PFM Act, 2012
- iv) PPADA,2015
- v) Employment Act 2007
- vi) SRC Guidelines on Remuneration of board members
- vii) Municipal Board Charter
- viii) Board Bylaws, policies and procedures

In accordance with the Urban Areas and Cities 2011 (amended 2019) the board of the Municipality shall perform the following functions:

- i. Oversee the affairs of the Municipality;
- ii. Develop or adopt policies, plans, strategies and programmes and set targets for service delivery;
- iii. Formulate and implement an integrated development plan;
- iv. Control land, land sub-division, land development and zoning by public and private sectors for any purpose, including industry, commerce, markets, shopping and other

employment centers, residential areas, recreational areas, parks, entertainment, passenger transport, agriculture, and freight and transit stations within the framework of the spatial and master plans for the Municipality as delegated by the County executive committee.

- v. Promoting and undertaking infrastructural development and services within Municipality as delegated by the County executive committee.
- vi. Developing and managing schemes, including site development in collaboration with the relevant national and county agencies;
- vii. Maintaining a comprehensive database and information system of the administration;
- viii. administering and regulating its internal affairs;
- ix. Implementing applicable national and county legislation;
- x. Entering into contracts, partnerships or joint ventures as it may consider necessary for the discharge of its functions;
- xi. Monitoring and, where appropriate, regulating municipal services where those services are provided by service providers other than the Board of the Municipality;
- xii. Preparing and submitting its annual budget estimates to the relevant County Treasury for consideration and submission to the County Assembly for approval as part of the annual County Appropriation Bill;
- xiii. Collecting rates, taxes levies, duties, fees and surcharges on fees as delegated by the County Government.
- xiv. Settling and implementing tariff, rates and tax and debt collection policies as delegated by the County Government.
- xv. Monitoring the impact and effectiveness of any services, policies, programs or plans;
- xvi. Establishing, implementing and monitoring performance management systems;
- xvii. Promoting a safe and healthy environment;
- xviii. Facilitating and regulating public transport
- xix. Performing such other functions as delegated by the County executive committee.

Board Induction and Training

In consultation with the State Department of Housing and Urban Development, the Department of Municipal Administration under the Kiambu County Government has officially inducted all the Kiambu County board members.

Board Meetings

The board meets at least four times in a financial year.

The Board is remunerated as guided by the salaries and remuneration commission.

Ethics and conduct as well as governance audit

Several audits have been conducted by the World Bank, State Department of Housing and Urban Development, Internal auditors and the Office of the Auditor General.

9. Management Discussion and Analysis

Key projects 2023/2024

The Municipality has increased revenue collection improving financial performance of the entity within the year by improving service delivery and enforcement.

The county devolved all functions to the municipality thus making them autonomous.

Project Name	Contract Sum	Implementation %	Start date	End date	Works done
Upgrading of Ondiri Road 0.9Km to Bituminous Standards (phase I)	50,534,962.10	85%	10th March 2022	11th October 2023	Project substantially Complete
Proposed Upgrading of Kidfarmco Road 1.15Km to Bituminous Standards and street lighting	78,733,234.94	100%	10th March 2022	30th June 2023	Project Complete and In Use
Proposed upgrading of Mwimuto Access Road, Kiharu Drive, Wambaa outfall drain, Kikuyu NMT, Jeevanjee Alution Block and Lusigetti Market sheds in Kikuyu Municipality	99,958,414.87	100%	10th March 2022	30th June 2023	Project Complete and In Use

Compliance with statutory requirements

The municipality is compliant with the various statutory requirements:

- NEMA requirements were complied with by obtaining the licenses for our projects
- KRA on remittance of statutory deductions

Major risks facing the organization

1.Unaligned Kikuyu Municipality Charter

The municipality needs support and goodwill from the County Government for the charter to be reviewed and aligned to the UACA 2011,2019

2.Lack of implementation of the Governance and Institutional Framework

The municipality needs support and goodwill from the County Government for deployment of staff and delegation of responsibilities according to the UACA 2011,2019.

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

The municipality sustainability strategy has been informed by various sustainable development efforts where the municipality is focused on SDG no. 11 which is to ‘make cities and human settlements inclusive, safe, resilient and sustainable urban areas which ensures effective urban development and management.’ Programmes of the National Government and the CIDP also informs that sustainability strategy of the municipality. The municipality has been able to develop a strategic plan anchored in the CIDP III of the Kiambu County Government. This strategic plan, a product of public participation considers the five pillars of sustainability: Governance, The Economy, Environment, Culture and Social pillars.

2. Environmental performance

The municipality recognizes that environmental sustainability as the greatest challenge of the 21st century and commits to ensuring that all its major strategies and operations consider their environmental and ecological aspects and impacts.

The Municipality has a robust Solid Waste Management Policy and Solid Waste Management Plan approved by the Municipality Board. This policy framework is a response to the growing challenges of solid waste management within the municipality and creates a blueprint for:

- i. Protecting public health and environment
- ii. Facilitating public and private sector collaboration and participation.
- iii. Encouraging full stakeholder support.
- iv. Unfolding of more detailed plans, programmes and project
- v. Structure planning and sustainability
- vi. Effective and achievable implementation and monitoring

Promoting greater public awareness and behavior change.

The municipality has ensured that contractors adhere strictly to their Environmental and Social Management Plan (ESMP) has been prepared by municipality and contractors

The ESMP prepared is based on an overall environmental and social assessment, which includes

- (i) The general baseline at project areas

(ii) Evaluation of potential environmental and social impacts of different project components and subcomponents and

(iii) Assessment of environmental practices in different ongoing and completed projects.

This standardized ESMP provides the guidelines for the preparation of all mitigation plans to respond to the anticipated project impacts, once projects begin after contractors are procured.

3. Employee welfare

Currently, the hiring of employees is guided by the County Public Service Board with a manager appointed on 27 June 2018. Four more employees i.e., Civil and Electrical Engineer, Surveyor and Environment Officer were seconded to the manager from the County to assist the manager in the implementation of the Kenya Urban Support Program -World Bank Grant.

Policies that guide Staff development are currently undertaken by the Department of Municipal Administration although the municipality has been willing to take care of its own employees.

The municipality has requested for the deployment of more staff in order to discharge its mandate under the UACA 2011,2019 after delegation of responsibilities by the County and its allocation of attendant resources.

The municipality always ensures that contractors of projects stay on compliance to the *Occupational Safety and Health Act of 2007*, OSHA guidelines and require registration of contractors with Department of Occupational Health and Safety (DOSHS).

11. Report of the Municipality Board Members

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

Principal activities

The principal activities of the Municipality are to strengthen urban institution and to provide the necessary urban infrastructure to the residents.

Performance

The performance of the Municipality for the period ended June 30th, 2024 is set out in section 8 of this report.

Board Members

The members of the Board who served during the year is as shown in section 2 of this report.

Auditors

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



.....
Name: Paul Waruhiu Mwenda

Secretary of the Board

12. Statement of Management's Responsibilities

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

The Municipality manager is responsible for the preparation and presentation of the Municipality's financial statements, which give a true and fair view of the state of affairs of the Municipality for and as at the end of the period ended on June 30th, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Municipality, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the Municipality, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

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

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

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

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

Approval of the financial statements

The Municipalities financial statements were approved by the Board on 16th September 2024 and signed on its behalf by:



.....
Name: Anne Muthoni Wambaa

Chairperson of the Board



.....
Name: Paul Waruhiu Mwenda

Accounting officer of the Board

REPUBLIC OF KENYA



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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

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

REPORT OF THE AUDITOR-GENERAL ON KIKUYU MUNICIPALITY FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

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

Report of the Auditor-General on Kikuyu Municipality for the year ended 30 June, 2024

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

In my opinion, except for the 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 Kikuyu Municipality as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Urban Areas and Cities Act, 2011 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of cash flows reflects net cash flows from operating activities amounting to Kshs.(19,915) and Kshs.1,107,175 for the financial years 2023/2024 and 2022/2023 respectively while Note 28 to the financial statements reflects nil balances for cash generated from operations. Further, Note 22 to the financial statements reflects property, plant and equipment with a net book value of Kshs.228,898,131 as at 30 June, 2023. However, the prior year balance reported was Kshs.475,035,581 resulting in an unreconciled variance of Kshs.246,137,450.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Double Accounting of Infrastructure Projects

The statement of financial performance and Note 15b to the financial statements reflects infrastructure projects payments amounting to Kshs.42,905,711. Note 22 to the financial statements reflects property, plant and equipment balance of Kshs.42,905,451 for other assets as additional assets, an indicator of capitalization of projects. Review of the schedule provided in support of the balance revealed that the balance related to payments for the projects whose contracts occurred and were recognized in the year of occurrence.

In the circumstances, the accuracy and completeness of the expenditure totalling Kshs.42,905,711 could not be confirmed.

3. Misstatement of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.271,803,581 which is cumulative balance for property, plant and equipment since 1 July, 2022. However, the corresponding Note 22 to the financial statements reported nil balance for depreciation charge and accumulated depreciation for the year under review.

Further, review of the donor fund transfers schedule revealed that the Municipality received a total amount of Kshs.1,206,431,009 for the period between 2018 to 2021 for project development in Kikuyu Municipality, however, the said capital projects have not been disclosed under the property plant and equipment balance. In addition, Management did not maintain an asset register.

In the circumstances, the accuracy and completeness of the property plant and equipment balance of Kshs.271,803,581 could not be confirmed.

4. Inaccuracies in Infrastructure Projects Payments

The statement of financial performance and Note 15(b) of the financial statements reflects infrastructure project payments amounting to Kshs.42,905,711 which includes retention money deducted from infrastructure payments of Kshs.12,280,611 that should be a component of payables. However, the financial statements for the prior year indicated nil payables and it was not possible to establish the source of the payables paid.

In the circumstances, the accuracy and completeness of the expenditure totalling Kshs.12,280,611 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.Nil, resulting in no revenue budget or funding of the Municipality. Further, the statement reflects final expenditure budget and actual on comparable basis totalling Kshs.45,030,000 and Kshs.42,925,626 respectively, resulting to under expenditure of Kshs.2,104,374 or 5% of the budget.

Failure to fund and under absorption of approved budget is an indication that all activities and projects in the annual work-plan were not implemented by the County Executive which may have negatively impacted on the delivery of services to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

The audit report for the year ended 30 June, 2023 raised several unsatisfactory issues in regard to balances reflected in the financial statements, lawfulness and effectiveness in use of resources and effectiveness of internal controls, risk management and governance. However, the issues remained unresolved as at 30 June, 2024 and the status of the issues has not been incorporated in the financial statements.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Public Sector Accounting Standards Board Reporting Template

Review of the financial statements revealed the following anomalies:

Report of the Auditor-General on Kikuyu Municipality for the year ended 30 June, 2024

- i. Management discussion analysis does not contain discussion on operational and financial performance of the entity.
- ii. The head of finance did not indicate his ICPAK number.
- iii. Progress on follow up of auditors' recommendations was not included in the financial statements.
- iv. Report of the Independent Auditor on the financial statements contains information and should be blank.
- v. The footnote in the statement of financial performance indicates notes are set out on pages 20 to 32 instead of pages 18 to 34.
- vi. Notes to the budget are not provided below the statement of comparison of budget and actual amounts.
- vii. The statement of financial performance and the statement of financial position have not been signed by the Chairman of the Board.

In the circumstances, the preparation and presentation of the annual reports and financial statements is not as per the standards prescribed and published template by the Public Sector Accounting Standards Board.

2. Failure to Conduct Annual Performance Review of Integrated Development Plan

Review of Municipality records revealed that there was no evidence provided to confirm that annual performance review of the integrated development plan was conducted as required by the law.

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

3. Failure to Provide Annual Revenue Estimates

The Urban and Cities Act, 2011 requires Kikuyu Municipality to prepare and submit revenue estimates for approval by the Board committee, the Board itself and the County Assembly. However, no evidence was provided to show that Management prepared and submitted revenue estimates for the financial year 2023/2024 for approval as required. In the circumstances, Management was in breach of the law and the budgetary controls were not effective.

4. Lack of Supporting Documents for the Appointed Board Members

Section 3 to the financial statements on Municipality Board for the year ended 30 June, 2024 revealed that Kikuyu Municipality had four (4) new Board members appointed in the current year under audit, however, no information was provided showing whether the Board members were appointed through a competitive process by the County Executive Committee with the approval of the County Assembly. In addition, letters of appointment for the new Board members were not provided for audit.

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

5. Failure to Convene the Minimum Threshold of Board Meetings

During the year under review, Kikuyu Municipality failed to provide Board Minutes and attendance registers. It was not possible to confirm whether Management complied with the minimum threshold for the minimum number of Board meetings as set out in the Urban Areas and Cities Act, 2011.

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

6. Failure to Maintain a Retention Account

Review of project records provided for audit revealed that Management deducted 10% retention from all approved certificates for payment for the projects. However, Management did not maintain a retention account and as a result the amounts owed to contractors in form of retention money was included in the cash and cash equivalent balances for the operations account and could not be confirmed.

In the circumstances, the payments made were contrary to the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of 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 governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy and Disaster Recovery Plan

Kikuyu Municipality spent a total amount of Kshs.42,925,626 during the year under review. However, review of the Municipal records, processes and systems revealed that the Municipality operated without a risk management policy and thus had no framework for management of risks. Further, the Municipal did not have a disaster recovery or business continuity plan. In the absence of a disaster recovery or business continuity

plan, Management lacks a blueprint for identifying, preventing and mitigating against disasters and ensuring that its operations are not interrupted. Further, there are no mechanisms in place to recover lost data in case of a disaster.

In the circumstances, the lack of policies may lead to weak internal controls and failure to prevent or detect risks.

2. Lack of Board and Committee Charter

The Municipality as per the Urban Areas and City Act, is required to have the Board and the Committees of the Board. Review of the Board records indicated that the Board had not developed or adopted a Board Charter since inception in 2018. Further, the Board had three (3) Committees namely technical, planning and oversight, human resources, finance and administration and partnership, audit and risk management committees established to run its affairs, however, none of the committees had a charter that outlines its roles and responsibilities.

In the circumstances, the effectiveness of management by the Board could not be confirmed.

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

Responsibilities of the Management and the Municipality Board

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 December, 2024

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

14. Statement of Financial Performance for the Year ended 30th June 2024.

	Notes	FY 2023/2024	FY 2022/2023
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the County Government	6	-	1,194,559
Public contributions and donations	7	-	-
Levies Fines and Penalties	8	-	-
Other revenues (<i>Specify</i>)	9	-	-
		-	1,194,559
Revenue from exchange transactions			
Interest income	10	0	0
Other Income	11	0	0
		0	0
Total revenue		-	1,194,559
Expenditure			
Use of goods and services	12	-	-
Staff costs	13	-	-
Board expenses	14	-	-
Finance costs	15a	19,915	87,384
Infrastructure Projects	15b	42,905,711	228,130,224
Total expenses		42,925,626	228,217,608
Other gains/losses			
Gain/loss on disposal of assets	16	-	-
Surplus/(deficit) for the period		(42,925,626)	(227,023,049)

The notes set out on pages 20 to 32 form an integral part of these Financial Statements. The entity financial statements were approved on 16th September 2024 and signed by:



.....
Name: Paul Waruhiu Mwenda
Municipality Manager



.....
Name: Brian Mwangi
Head of Finance
ICPAK M/No

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

15. Statement of Financial Position As At 30th June 2024

	Note	FY 2023/2024	FY 2022/2023
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	17	984,162	43,909,787
Receivables from exchange transactions	18	-	-
Receivables from Non- exchange transactions	19	-	-
Prepayments	20	-	-
Inventories	21	-	-
Total Current Assets		984,162	43,909,787
Non-current assets			
Property, plant, and equipment	22	271,803,581	228,898,131
Intangible assets	23	-	-
Total Non-current Assets		-	-
Total assets		272,787,743	272,807,918
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		-	-
Net assets		272,787,743	272,807,918
Capital/Development Grants/Fund			
Reserves			
Accumulated surplus		272,787,743	272,807,918
Total net assets and liabilities		272,787,743	272,807,918

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 16th September 2024 and signed by:

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



.....
Name: Paul Waruhiu Mwenda
Municipality Manager



.....
Name: Brian Mwangi
Head of Finance
ICPAK M/No

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

16. Statement of Changes In Net Assets for the Year ended 30th June 2024

	Capital/ Development Grants/Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs.	Kshs.	Kshs.
Balance as at 1st July 2022			270,932,836	270,932,836
Surplus/(deficit) for the period			(227,023,049)	(227,023,049)
Funds received during the year				-
Revaluation gain				-
Balance as at 30th June 2023	-	-	43,909,787	43,909,787
				-
Balance as at 1st July 2024	-	-	43,909,787	43,909,787
Surplus/(deficit) for the period		-	(42,925,626)	(42,925,626)
Funds received during the year				
Revaluation gain				
Balance as at 30th June 2024	-	-	984,162	984,162



.....
Name: Paul Waruhiu Mwenda
Municipality Manager



.....
Name: Brian Mwangi
Head of Finance
ICPAK M/No

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

17. Statement of Cash Flows for the Year ended 30th June 2024

	Note	FY 2023/2024	FY 2022/2023
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	-	1,194,559
Public contributions and donations	7	-	-
Interest received	10	-	-
<i>Other receipts (Specify)</i>			
Total Receipts		-	1,194,559
Payments			
Use of goods and services	12	-	-
Staff costs	13	-	-
Board expenses	14	-	-
Finance costs	15a	(19,915)	(87,384)
Total Payments		(19,915)	(87,384)
Net cash flows from operating activities		(19,915)	1,107,175
Cash flows from investing activities			
Purchase of PPE & intangible assets		(42,905,711)	(228,130,224)
Proceeds from sale of PPE		-	-
Net cash flows used in investing activities		(42,905,711)	(228,130,224)
Cash flows from financing activities			
Receipts from Capital grants		0	0
Proceeds from borrowings		0	0
Repayment of borrowings		0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash & cash equivalents		(42,925,626)	(227,023,049)
Cash And Cash Equivalents At 1 July		43,909,787	270,932,836
Cash And Cash Equivalents At 30 June	17	984,162	43,909,787



.....
Name: Paul Waruhiu Mwenda

Municipality Manager



.....
Name: Brian Mwangi

Head of Finance

ICPAK M/No

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

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

DESCRIPTION	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	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	0	0	0	0	0	91%
Public contributions and donations	-	(-)	-	-	(-)	%
Interest income	-	(-)	-	-	(-)	%
Other income (<i>specify</i>)	-	(-)	-	-	(-)	%
Total Revenue	0	0	0	0	0	%
Expenses						
Infrastructural projects payment	45,000,000	(-)	45,000,000	42,905,711	(2,094,289)	95%
Board expenses	-	(-)	-	-	(-)	%
staff expenses	-	(-)	-	-	(-)	%
Finance costs –bank charges	30,000	(-)	30,000	19,915	(10,085)	67%
Total Expenditure	45,030,000	(0.00)	45,030,000	42,925,626	(2,074,374)	95%
Deficit for the period	(45,030,000)	0	(45,030,000)	(42,925,626)	(2,074,374)	95%
Capital Expenditure	-	-	-	-		

19. Notes to the Financial Statements

1. General Information

Kikuyu Municipality is established by and derives its authority and accountability from the Urban Areas and Cities Act 2011 amended 2019. The Municipality is under the Kiambu County Government and is domiciled in Kenya

2. Statement of Compliance and Basis of Preparation

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

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

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

Notes to financial statements continued

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 done on 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 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>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:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

The entity adopted new IPSAS standards as above mentioned in FY year 22/23

4. Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2023/24 was approved by the County Assembly on April 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Municipality upon receiving the respective approvals in order to conclude the final budget. The Municipality's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 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 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

The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

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

Significant Accounting Policies (Continued)

f) Inventories

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

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

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

g) Provisions

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

h) Social Benefits

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

i) Contingent liabilities

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

j) 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.

k) Nature and purpose of reserves

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

l) 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.

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

n) Foreign currency transactions

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

o) Borrowing costs

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

p) Related parties

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.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial period. 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 period.

r) Comparative figures

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

s) Events after the reporting period

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorized for issue. Two types of events can be identified:

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

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

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

t) Currency

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

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 e.g.

Estimates and assumptions

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

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.

County Government of Kiambu
 Kikuyu Municipality
 Annual Report and Financial Statements for the year ended June 30, 2024
 (Notes to the Financial Statements)

6. Transfers from the County Government

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Transfers from County Govt. – Development	-	1,194,559
Payments by County on behalf of the entity	-	-
Total	-	1,194,559

b) Transfers from County Government entities

Name Of The Entity Sending The Grant	Amount recognized to Statement of Financial performance for the period	Amount deferred under deferred income during the period		Amount recognised in capital fund during the period	Total transfers for the period ended June 2024	Comparative period prior year
	KShs	KShs		KShs	KShs	KShs
Department	0	0		0	0	0
Department	0	0		0	0	0
Total	0	0		0	0	0

7. Public Contributions and Donations

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Donation from development partners	0	0
Contributions from the public	0	0
Total	0.00	0.00

8. Levies, Fines and penalties

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Levies	0	0
Fines	0	0
Penalties	0	0
Others (<i>indicate and specify</i>)	0	0
Total	0.00	0.00

County Government of Kiambu

Kikuyu Municipality

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

9. Other Revenues from Non-Exchange Transactions

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Transfers from other government entities	0	0
Others (<i>indicate and specify</i>)	0	0
Total	0.00	0.00

10. Interest income

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Interest income from investments	0	0
Interest income on bank deposits	0	0
Others (<i>Specify</i>)	0	0
Total interest income	0.00	0.00

11. Other income

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Income from sale of tender documents	0	0
Others (<i>specify</i>)	0	0
Total other income	0.00	0.00

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

(Notes To the Financial Statements (Continued))

12. Use of Goods and Services

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Utilities, supplies and services	0	0
Communication, supplies and services	0	0
Domestic travel and subsistence	0	0
Foreign travel and subsistence	0	0
Printing, advertising, supplies & services	0	0
Rent and rates	0	0
Training expenses	0	0
Hospitality supplies and services	0	0
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	0	0
Fuel, oil and lubricants	0	0
Other operating expenses (<i>Specify</i>)	0	0
Routine maintenance – vehicles and other equipment	0	0
Routine maintenance – other assets	0	0
Contracted Professional Services	0	0
Audit fees	0	0
Hire of Transport, equipment etc	0	0
Bank Charges	0	0
Depreciation and amortisation	0	0
Total	0.00	0.00

13. Staff costs

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Salaries and wages	0	0
Staff gratuity	0	0
Social security contribution	0	0
Other staff costs (<i>Specify</i>)	0	0
Total	0.00	0.00

County Government of Kiambu
 Kikuyu Municipality
 Annual Report and Financial Statements for the year ended June 30, 2024
 (Notes To the Financial Statements (Continued))

14. Board expenses

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Chairman/Members' Honoraria	0	0
Sitting allowances	0	0
Medical Insurance	0	0
Induction and Training M&E, Design & Costing	0	0
Travel and accommodation	0	0
Conference Costs	0	0
Other allowances (<i>Specify</i>)	0	0
Total	0.00	0.00

15. (a) Finance costs

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Interest on Bank overdrafts	-	-
Bank Charges	19,915	87,384
Retention Pay	-	-
Total	19,915	87,384

15b. Infrastructure Projects

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Infrastructure payments	42,905,711	228,898,131
Others (Retention Monies)	-	(767,907)
Total	42,905,711	228,130,224

County Government of Kiambu
 Kikuyu Municipality
 Annual Report and Financial Statements for the year ended June 30, 2024
 (Notes To the Financial Statements Continued)

16. Gain/(loss) on disposal of assets

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Property, plant and equipment	0	0
Intangible assets	0	0
Total	0.00	0.00

17. Cash and cash equivalents

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Fixed deposits account	0	0
On – call deposits	0	0
Current account	984,162	43,909,787
Others(<i>specify</i>)	-	-
Total cash and cash equivalents	984,162	43,909,787

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

		FY 2023/2024	FY 2022/2023	Audited June 2023
Financial institution	Account number	Kshs.	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				
Family bank UDG Account	102000034007	984,162	43,909,787	43,909,787
Equity Bank - etc				
Sub- total				
d) Others(specify)				
Cash in transit				
Cash in hand				
Mobile Money				
Sub- total				
Grand total		984,162	43,909,787	43,909,787

County Government of Kiambu
 Kikuyu Municipality
 Annual Report and Financial Statements for the year ended June 30, 2024
 {Notes To the Financial Statements Continued}

18. Receivables from exchange transactions

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Current Receivables		
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	(0)	(0)
Total Current receivables (a)	0.00	0.00
Non-Current receivables		
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	(0)	(0)
Total Non- current receivables (b)	-	-
Total receivables from exchange transactions	0.00	0.00

19. Receivables from Non-Exchange transaction

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Transfer from County Executive	0	0
Transfer from Fund	0	0
Total receivables from non-exchange transactions	0.00	0.00

20. Prepayments

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Prepaid rent	0	0
Prepaid insurance	0	0
Prepaid electricity costs	0	0
Other prepayments(<i>specify</i>)	0	0
Total	0.00	0.00

21. Inventories

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Stationery	0	0
Consumables	0	0
Other inventories(<i>specify</i>)	0	0
Total inventories at the lower of cost and net realizable value	0.00	0.00

County Government of Kiambu
 Kikuyu Municipality
 Annual Report and Financial Statements for the year ended June 30, 2024
 (Notes to the Financial Statements Continued)

22. Property, Plant and Equipment

	Infrastructure	Building	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
Description	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 1st July 2023	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	228,898,131	-	228,898,131
Disposals	(-)	(-)	(-)	(-)	(-)	-	-	-
Transfers/adjustments	-	-	(-)	-	(-)	-	-	-
As at 30th June 2024	-	-	-	-	-	228,898,131	-	228,898,131
Additions	0	0.0	0.00	0.00	0.00	42,905,451	-	42,905,451
Disposals	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	-	-	-
Transfer/adjustments	(0.00)	-	0.00	0.00	(0.00)	-	-	-
As at 30th June 2023	-	-	-	-	-	271,803,581	-	271,803,581
Depreciation and impairment								
At 1st July 2023								
Depreciation		-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-
Transfers/ Adjustments		-	-	-	-	-	-	-
As at 30th June 2024		-	-	-	-	-	-	-

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

	Infrastructure	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		-	-	-	-	-	-	-
Disposals		(0.00)	(0.00)	(0.00)	-	-	-	-
Impairment		-	(0.00)	-	-	-	-	-
Transfer/adjustment		-	(0.00)	(0.00)	-	-	-	-
As at period ended 30th June 2024		-	-	-	-	-	-	-
NBV as at Audited 30th June 2023	0.00	0.00	0.00	0.00	0.00	228,898,131	-	228,898,131
NBV as at period ended 30th June 2024	0.00	0.00	0.00	0.00	0.00	271,803,581	-	271,803,581

County Government of Kiambu
 Kikuyu Municipality
 Annual Report and Financial Statements for the year ended June 30, 2024
 (Notes to The Financial Statements Continued)

23. Intangible assets

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Cost		
At beginning of the year	0	0
Additions	0	0
At end of the year	0.00	0.00
Amortization and impairment		
At beginning of the year	0	0
Amortization	0	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0.00	0.00

24. Trade and other payables from exchange transactions

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Trade payables	0	0
Refundable deposits (Retentions, court bonds etc)	-	-
Accrued expenses	-	-
Other payables (<i>Specify</i>)		
Total trade and other payables	-	-

25. Provisions

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Balance at the beginning of the year	0	0
Additional Provisions (<i>Specify</i>)	0	0
Provision utilised	(0)	(0)
Balance at the end of the year	0.00	0.00
Current Portion of provision	0	0
Long term portion of provision	0	0
Total Provisions	0.00	0.00

County Government of Kiambu
 Kikuyu Municipality
 Annual Report and Financial Statements for the year ended June 30, 2024
 (Notes To the Financial Statements Continued)

26. Borrowings

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

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Short term borrowings (current portion)	0	0
Long term borrowings	0	0
Total	0.00	0.00

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Balance at beginning of the period	0	0
Borrowings during the year	0	0
Repayments of borrowings during the period	(0)	(0)
Balance at end of the period	0.00	0.00

The table below shows the Distribution of borrowings:

	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Borrowings		
Kenya Shilling loan from KCB	0	0
Kenya Shilling loan from Barclays Bank	0	0
Kenya Shilling loan from Consolidated Bank	0	0
Borrowings from other government institutions	0	0
Total balance at end of the year	0.00	0.00

County Government of Kiambu
 Kikuyu Municipality
 Annual Report and Financial Statements for the year ended June 30, 2024
 (Notes To the Financial Statements Continued)

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

	FY 2023/2024	FY 2022/2023
	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	-	-

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

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 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

	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Transfers from related parties'	-	-
Transfers to related parties	-	-

c) Key management remuneration

	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Board of Board Members	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Due from parent Ministry	-	-
Due from County Government	-	-
Due from County Assembly	-	-
Total	-	-

County Government of Kiambu
 Kikuyu Municipality
 Annual Report and Financial Statements for the year ended June 30, 2024
 (Other Disclosures continued)

e) Due to related parties

	FY 2023/2024	FY 2022/2023
	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	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Court case against the entity	-	-
Bank guarantees	-	-
Total	-	-

(Give details)

31. Contingent Assets

Contingent liabilities	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Court case against the entity	-	-
Others Specify	-	-
Total	-	-

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

Annexes

Annexe 1: Statement of Financial Performance

	Notes	Period ended September	Period ended December	Period ended March	Period ended June	Cumulative*	Prior year total
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue from non-exchange transactions							
Transfers from the County Government	6	-	-	-	-	-	1,194,559
Public contributions and donations	7	-	-	-	-	-	-
Levies Fines and Penalties	8	-	-	-	-	-	-
Other revenues (<i>Specify</i>)	9	-	-	-	-	-	-
		-	-	-	-	-	-
Revenue from exchange transactions							
Interest income	10	-	-	-	-	-	-
Other Income	11	-	-	-	-	-	-
Total revenue		-	-	-	-	-	1,194,559
Expenditure							
Use of goods and services	12	-	-	-	-	-	-
Staff costs	13	-	-	-	-	-	-
Board expenses	14	-	-	-	-	-	-
Finance costs	15a	5,044	5,044	5,044	5,044	20,175	87,384
Infrastructure Projects	15b	10,726,363	10,726,363	10,726,363	10,726,363	42,905,451	228,130,224
Total expenses		10,731,406	10,731,406	10,731,406	10,731,406	42,925,626	228,217,608
Other gains/losses		-	-	-	-	-	-
Gain/loss on disposal of assets	16	-	-	-	-	-	-
Surplus/(deficit) for the period		(10,731,406)	(10,731,406)	(10,731,406)	(10,731,406)	(42,925,626)	(227,023,049)

County Government of Kiambu
 Kikuyu Municipality
 Annual Report and Financial Statements for the year ended June 30, 2024
 Annex 2: Inter Entity Transfers for the period ended 30th June 2024

KIKUYU MUNICIPLALITY				
Breakdown of Transfers from the County Executive of Kiambu County				
FY 2023/2024				
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
		Total	0	
b.	Development Grants	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
				Relate to FY 2023/2024
			0	
			0	
		Total	0	
c.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
		Total	0	

Signed by

Accountant Municipalities

Director Accounts Kiambu County

County Government of Kiambu

Kikuyu Municipality

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

Annex 3: Reporting of Climate Relevant Expenditures for the period ended 30th June 2024

Name of the Organization Kikuyu Municipality
Telephone Number (+254) 723 887250
Email Address kikuyumunicipality@kiambu.go.ke
Name of CEO/MD/Head Paul Waruhiu Mwenda

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N/A									



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

Appendix 4: Disaster Expenditure Reporting Template

Date: 16TH September 2024

Entity Kikuyu Municipality

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
N/A						