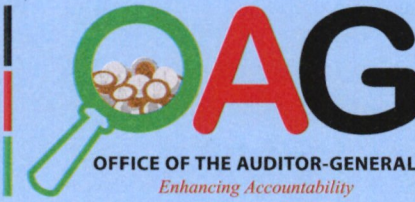


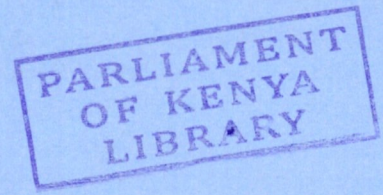
REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

KITALE MUNICIPALITY

FOR THE YEAR ENDED

30 JUNE, 2025

PAPERS LAID	
DATE	26/11/25
TABLED BY	S.M.W
COMMITTEE	-
CLERK AT THE TABLE	Belinda





KITALA MUNICIPALITY

County Government of Trans Nzoia

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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1. Acronyms & Glossary of Terms

PSASB	Public Sector Accounting Standards Board
FY	Financial Year
OSHA	Occupational Safety & Health Act
WIP	Work In Progress
KUSP	Kenya Urban Support Programme
UIG	Urban Institutional Grant
UDG	Urban Development Grant
PSM	Public Service Management
Fiduciary Management	Key management personnel who have financial responsibility in the Kitale Municipality.

2. Key Kitale Municipality Information and Management

a) Background information

Kitale Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011(amended 2019) and The Kitale Municipal Charter awarded in the year 2019. The Kitale Municipality is an entity under the County Government of Trans Nzoia and is domiciled in Kenya.

b) Principal Activities

The principal activity/mandate of the Municipality is to;

Provide infrastructure and services to the residents in an effective and efficient manner as follows:

1. Develop and enforce Municipal plans, policies and by-laws
2. Construct and Maintenance of urban roads, non-motorized transport, storm water drainage and other road infrastructure
3. Construction and maintenance of recreational parks and green spaces
4. Construction, maintenance and management of street lighting, parking facilities, boda-boda sheds and taxi stands.
5. Promotion, regulation and provision of refuse collection services, waste management services and provision of safe and healthy environment.
6. Construction, maintenance, management and regulation of Municipal Markets
7. Formulation and implementation of frameworks for public participation for residents in decision making activities and programmes.

c) Kitale Municipal Board

Ref	Sub Committee Position	Name
1.	Chairman of the Board	Wilberforce Sikuku Wanyama
2.	County Executive Committee Member – member	Hon Phanice N. Khatundi Ag. CECM, Lands, Housing Physical planning and Urban Dev.
3.	Vice Chair Board	Alice Waruguru
4.	Chair Member and Chairman of the Environment and Social Committee	Victor Simiyu Recha
5.	Chairman of the Committee for Audit	Daniel Buyayo Kaburu
6.	Chair Finance	Davis Wambia Lumbasi
7.	Municipality Manager/ Board Secretary	Irene Nang'ole
8.	Chief Officer Lands- Board Member	Dr. Roselyne Nasiebanda (PhD.)
9.	Committee of Infrastructure and Urban Planning	Onteri Janet Kemunto Board Member and Chairperson for the
10.	Board Member	Tecla Biwott

d) Key Management

The *Kitale Municipality's* management is under the following key organs:

- County Government of Trans nzoia
- Kitale Municipal Board
- Kitale Municipal Manager
- Section Heads

e) Fiduciary Management

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

Ref	Position	Name
1	Kitale Municipality Manager	Irene Nangóle
2	Land use Planning	Kenneth Lagat

3	Social safe guards	Pamela Indimuli
4	Environment officer	Diana Modani
5	Accountant	Thomas Tanui
6	Procurement officer	Joan Nekesa
7	Civil Engineer	Allan Kirui

f) Fiduciary Oversight Arrangements

- i) Internal Audit and Risk Management Committee
- ii) Committees of the Senate
- iii) Finance committee
- iv) County assembly oversight committees
- v) Parliamentary Oversight Committees
- vi) Kenya Urban Support Program- development partner

g) Registered Offices

Ardhi House
P.O. Box 4211, 30200
Kitale,
Mac Asembo road

h) Contacts

Telephone: (254) 0720797869

Website: www.Kitale Municipality@transnzoiacounty.go.ke

i) Bankers

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

Equity Bank

Kitale Branch

P.O. Box 801- 30200

Kitale

SBM Bank

Kitale Branch

P.O. Box 2060 – 30200

Kitale

Family Bank

Kitale Branch

j) Independent Auditor

Auditor General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

k) 1. Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya



2. County Attorney




Trans Nzoia County




P.O. Box 4211-30200

Kitale

3. Kitale Municipal Board

Name	Details of qualifications and experience
<p>1.</p>  <p>Wilberforce Sikuku Wanyama</p>	<p>The board Chairman is professional teacher with a Bachelor of Arts degree in Education (Secondary Option) from KUMI University, Uganda and Diploma in Education Management from KEMI. He has over 34 years' experience as a teacher in various schools and 6 years as head teacher in various schools. He has also served as KNUT Assistant Executive Secretary Trans Nzoia County.</p>
<p>2.</p>  <p>Hon Phanice N. Khatundi Ag.CECCM, Lands, Housing Physical planning and Urban Dev.</p>	<p>Ms Khatundi is a holder of MSC Environmental Science from Multi- Media University and PHD in Natural Science. She has been a teacher of Chemistry and Biology with 10 years' experience in various schools. She is a lead expert in Environmental Impact Assessment (EIA) assessor recognised by NEMA.</p> <p>She is passionate in farming activities. She joined County Government in November 2022</p>
<p>3. Dr. Roselyne Nasiebanda (PhD.) CO Lands, Housing Physical Planning and Urban Dev</p>	<p>Key academic: -PhD. Education and Technical Training Kenyatta University</p> <p>Professional qualifications: TSC teacher</p> <p>Work experience: Teaching</p> <p>Position: CO Urban, member of the board</p>

	<p>She is an accomplished Chief Officer and Educator with expertise in strategic planning, operations management, policy development, and stakeholder engagement. Holding a PhD in Analytical Chemistry from the University of Eldoret, along with a Master's and Bachelor's degree from Kenyatta University, she combines academic excellence with a proven track record of leadership and organizational success. Her skills in crisis management and environmental planning further enhance her ability to navigate challenges and implement sustainable solutions effectively.</p>
<p>4.</p>  <p>Mrs Alice Waruguru. Kitale Municipality vice Chair</p>	<p>Key academic: Ongoing Masters in entrepreneurship JKUAT KACE 3 principles, 1 Subsidiaries 1989 KCE DIV 111</p> <p>Professional qualifications: Director Eden Rock hardware, Director Wali consultants and innovators Chairlady for Youth and Women Municipality Board Member Kitale Club Treasurer PCEA church Kitale</p> <p>Work experience: 2 years with ACIDI/VOCA in partnership skills training farmers. Was a Panellist in the recruitment of the Trans Nzoia County Public Service Board and the County Secretary.</p>
<p>5.</p> 	<p>He is a skilled land surveyor with a Diploma in Land Survey from the Technical University of Kenya (TUK) and a Certificate from the Institute of Surveyors of Kenya. With leadership roles as Chairman of the Kiminini Conferment Town Committee and a member of the Trans Nzoia County Taskforce, he also brings over eight years</p>

<p>Davis Wambia Lumbasi Board Member and Chairman of the Committee for Finance</p>	<p>of survey experience, including with Kenya Power and Lighting Company (KPLC) and Dial Com Solutions Limited.</p>
<p>6.  Victor Simiyu Recha Board Member and Chairman of the Environment and Social Committee</p>	<p>He is a versatile professional with a Bachelor's degree in Journalism and Mass Communication (Broadcast and Print Media) from Masinde Muliro University of Science and Technology (MMUST). With experience as Secretary of Nabiswa Ward Bodaboda SACCO, a Loans Officer at SeDe Top Up Microfinance, and a Marketing Officer at Faulu Bank, he brings strong organizational, financial, and marketing expertise.</p>
<p>7.  Hon. Daniel Buyayo Kaburu Board Member and Chairman of the Committee for Audit</p>	<p>He is a versatile professional with an MBA in Strategic Management and a BSc in Medical Microbiology from JKUAT, along with a Diploma in Medical Laboratory Sciences from KMTC. With five years experience as MCA for Sinyereri Ward in Trans Nzoia County, he combines strong leadership with a solid academic foundation.</p>
<p>8.  Onteri Janet Kemunto Board Member and Chairperson for the Committee of Infrastructure and Urban Planning</p>	<p>She is a seasoned professional with an MBA in Human Resource Management and a Bachelor of Education Arts from the University of Nairobi, complemented by high-performance training from SAM. With over a decade of experience as a lecturer at the University of Nairobi and JKUAT, she has also held leadership roles as County Manager at Sevenstar Group of Companies and Manager at JOYWO, showcasing her expertise in education and management.</p>



9.

Tecla Biwott

Insurance Consultant & Director Absorisk Insurance Agency

Tecla Biwott is an accomplished insurance professional with over two decades of progressive experience in insurance consultancy, branch management, and strategic business development. She has a proven track record of driving growth, enhancing customer satisfaction, and leading high-performing teams within the insurance sector.

Professional Qualifications:

Bachelor of Business Management (Marketing) – Mount Kenya University

Diploma in Business Management – Kenya Institute of Business Management

Certificate of Proficiency (COP) – College of Insurance

Additional certifications in computer studies and customer service.


Professional Experience

Insurance Consultant (2025–Present) – Incourage Insurance Agency




Provides expert risk assessment, policy analysis, and client advisory services to optimize insurance solutions.




Unit Manager (2025–Present) – Africa Merchant Assurance Co. Ltd (Kitale Branch)



Oversees sales operations, sets performance targets, mentors agents, and implements business strategies to achieve growth.


<p>10.</p>  <p>Irene Nang'ole Municipal Manager/Board Secretary</p>	<p>Date of birth : 19/07/1982</p> <p>Key academic: MSC Development Studies Jomo Kenyatta University of Agriculture & Teachnology. Bachelor of Business Administration , Kenya Methodist University. Professional Qualification: Diploma in Business Management , Kenya Institute of Management Work Experince:2014-2022 Ward Administrator Trans Nzoia County 2022-2023-Sub County Administrator Trans Nzoia County</p>
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4. Key Management Team

S/ No	Name	Details of qualifications and experience
1.	 Irene Nang'ole Municipal Manager	She is currently the Acting Municipal Manager. Prior to this she was serving as a Sub County Administrator with over 10 years' experience as an administrator in public service. Irene holds a Master of Science degree in Development Studies and a Bachelor's Degree in Business Administration. She is a member of Institute of certified Administration.
2.	 Kenneth Kipkorir Langat Head of Physical Planning and Urban Development	He is an experienced Physical Planner with a Master of Science Degree in Urban Management and Development from Institute of Housing and Urban Development of Erasmus University Rotterdam and Bachelors in Planning from University of Nairobi. He is a professional Physical Planner registered with Physical Planners Registration Board (PPRB) with experience of over 13 years' in public service. He is also a Corporate member (MKIP) of Kenya Institute of Planners.
3.	 Eng. Rachel Wangoi Kimingi	She is a highly skilled Civil and Structural Engineer with 14 years of experience in road and civil engineering. Holding an MSc in Project Management from JKUAT and a BSc in Civil Engineering from Moi University, she is a registered Professional Engineer with the Engineers Board of Kenya. She has served in various engineering roles across government and private sectors, showcasing expertise in infrastructure development and project management.
4.		She is an experienced Environmental Officer with over 7 years. She specializes in integrating climate

	 Head of Environment and Sanitation, Dianah Modani Kavagi	and environmental standards into project management to enhance environmental sustainability and climate resilience. She holds a Bachelor's Degree in Environmental Planning and Management from the University of Eldoret and a Diploma in Environmental Management from Kenya Wildlife Service Training Institute, Naivasha. She is a registered Environmental Impact Assessment/ Environmental Audit Expert with National Environment Management Authority (NEMA) and a Practicing Associate Member of Environmental Institute of Kenya
5.	 Head of Infrastructure and Public Works Allan Kiplangat Kirui	He is a Civil and Structural Engineer with a Bachelors Degree in Civil and Structural Engineering from Masinde Muliro University of Science and Technology (MMUST). He is registered as Graduate Engineer with the Engineers Board of Kenya (EBK) and The Institution of Engineers of Kenya (IEK). He has over 6 years of experience and has been involved in the implementation of flagship projects within the county as both design and supervising engineer for the projects.
6.	 Head of Social Services Pamela Indimuli	She is a Senior Social Worker Officer with 30 years of experience, with a Diploma in Social Work and Community Development. She is a highly skilled and an experienced professional, responsible for managing and overseeing complex social work cases, guiding junior staff, and ensuring the effective delivery of services. She plays a pivotal role in addressing the needs of vulnerable populations and works closely with individuals, families, and communities to promote

		well-being, resolve conflicts, and advocate for equitable sharing of resources.
7.	 <p>Head of Finance and Economic Planning Thomas Kipkemboi Tanui</p>	<p>He is a financial professional with a Master of Business Administration in Strategic Management from Jomo Kenyatta University of Agriculture and Technology, a Bachelor’s degree in Commerce (Finance) from Kenyatta University, and is a Certified Public Accountant, CPA (K). Skilled in financial management and compliance, he excels in preparing accurate financial records, analyzing reports, managing accounts payable and receivable, verifying documents, and ensuring cash liquidity and cheque security. Proficient in computer packages, he combines expertise with attention to detail to deliver reliable financial solutions.</p>
8.	 <p>Head of Supply Chain Management Wekesa Joan Nanjala</p>	<p>She is a skilled procurement professional with a Bachelor’s degree in Procurement and Contract Management, a Diploma in Supplies Management, and membership in the Kenya Institute of Supplies Management (KISM). Proficient in preparing budgets, tender documents, and procurement plans, she is experienced in e-sourcing, IFMIS, supplier pre-qualification, bid evaluation, inventory control, invoicing, and stock-taking. Her expertise ensures efficient and reliable procurement operations.</p>
9.		<p>She is a skilled professional with a BSc in Business Management (Supplies and Procurement Management) and a Diploma in Human Resources Management. Experienced in recruitment,</p>

	 <p>Head of Human Resource and Administration Stella Neala Kiliswa</p>	<p>onboarding, grievance resolution, compliance, and performance appraisals, she excels in fostering positive workplace relationships and ensuring efficient HR operations.</p>
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5. Kitale Municipal Board Chairperson's Report

The Kitale Municipal Board expected to receive about Ksh 17.5 Million for UIG and Ksh 131 Million for UDG from the world Bank under the KUSP2 programme during the year under review FY 2024/25. However, the donor funds were not disbursed which greatly affected execution of our planned activities.

The flagship project of the Municipality and the county as a whole, The Masinde Muliro Business Centre is yet to be completed at 96% owing to funds not received from the State Department of Housing, a pledge from the National Government of about Ksh 100,000,000 (one hundred million). Despite this setback, the Municipality managed to carry out some projects including; the filling of potholes across major roads within the CBD, marking of parking lots, beautification exercise along Assembly Road, rehabilitation of the County dumpsite and purchase of skip three skip bins. The Board also prepared a five-year strategic plan and is undertaking paving and beautification works at the Alakara roundabout to create a more welcoming and organized urban space.

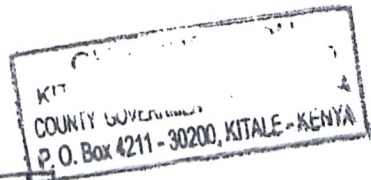
With receipt of the expected donor funds and allocation from the executive, the Municipality will be able to carry out more projects in order to make Kitale Town as well as the rest of the Municipality attractive to investors and be able to offer quality services to its residents.

With our strategic plan now in place and promising donor support on the horizon, I am confident that we are well-positioned to achieve significant progress in the coming financial year.


.....

Name: **WILBERFORCE WAMALWA**

Chairperson of the Board



6. Report of the Kitale Municipality Manager

The Kitale Municipal Board did not receive grants in this financial year ended 2024/2025 under the Kenya Urban Support Program as had been projected at the start of the financial year.

During the year under review, the Municipality of Kitale anticipated the completion of the ongoing construction of the Multi storey business complex, a project that would provide decent market stalls to small scale traders and hence improve their economic livelihoods, decongest town and minimize street hawking. However, the project has so far achieved 96% completion rate due to the limited available resources owing to the fact that the National Government pledged to support the completion of the project with some variations expected to cost Ksh 100,000,000 but had not yet disbursed the funds to the County.

Notably, a new Municipal Board was appointed during the year. The board passed key resolutions that improved service delivery and successfully developed a comprehensive five-year strategic plan to guide the Municipality's long-term growth and operational efficiency.

There was underfunding of the budget this particular financial year by Ksh 29.1 Million due to reallocation of the funds during the Supplementary Budget by the county executive.

On cumulative budget performance actual amounts, the business complex was a flagship project funded by world bank-Kenya Urban Support Programme and Gok (County Department of Trade)-Agreement availed. The project has been under construction since the year 2019/20. Cumulative work in progress are shown on notes of PPE note 16. At the close of the financial year, the project was 96% complete and the works are paid on certification by the engineer.

The Kitale municipal Board successfully implemented several key projects aimed at improving urban infrastructure, cleanliness, and aesthetic appeal within the Municipality. These achievements include the filling of potholes across major roads to enhance safety and traffic flow, as well as the marking of parking lots within the Central Business District (CBD) to improve order and enhance revenue collection which were completed successfully. A beautification exercise was successfully carried out along Assembly Road, contributing to a cleaner and greener environment. In efforts to improve waste management, the county dumpsite was rehabilitated, and new skip bins were purchased and installed at strategic locations. These initiatives reflect the department's commitment to infrastructure development and environmental sustainability.

The board also undertook paving and beautification works at the Alakara roundabout, creating a more welcoming and organized urban space, a project whose implementation was at 70% at the end of financial year 2024/25.

The Municipality managed to utilize 99.6 % of the (Ksh 16,888,884) out of Ksh 16,950,544 County funds Development Budget and 98.6% (Ksh 9,722,918) of the Recurrent Operations budget of Ksh 9,865,768, thus the commitments were above 95% , the recurrent items that were not paid as at the close of the financial year were returned for recommitment which may affect the absorption.

The implementation of the strategies at the municipality was affected by delayed funding from the exchequer

The Kitale Municipal Board utilizes the available risk management strategies and Framework at the county Government. The municipality engages the county's internal audit and Municipal Board's audit committee to mitigate and manage the risks.



.....
Name: *Irene Nangole.*
City/Municipality Manager



7. Statement of Performance Against Predetermined Objectives for the FY 2024/2025

The key development objectives of the Kitale Municipality plan is to:

- a) Enhance Urban Planning and infrastructure development
- b) Manage Solid waste
- c) Improve education, Social Service, Sports and Housing infrastructure
- d) Provide Legal and Institutional Framework
- e) Administrative and support services

Below we provide the progress on attaining the stated objectives:

Program	-Outcome	Indicator	Performance
1: Urban Planning and infrastructure development	Organized urban development and infrastructure	Number of developments conforming with rules and regulations governing urban development	In FY under review the development of the construction of the Business Centre is at 96% completion. Potholes around the CBD were patched, parking spaces marked and beautification carried out at the Assembly Centre and around Alakara ongoing
2: Environment, Sanitation and Water	Clean and Healthy Environment -	No. of bulk bins procured Rehabilitation of dumpsite	3 Skip bins Bins procured at a cost of Ksh 1,988,000 Rehabilitation of county dumpsite, which included repair of access road was done at a cost of 3.5M
3: Education, Social Service, Sports and Housing	Enhancement of Quality Social Amenities	-	No funds were provided in the budget

Program	-Outcome	Indicator	Performance
4:Legal and Institutional Framework	Law and order		The funds for preparation of Municipality By-Laws were not availed in the budget
5: Administrative and support services	Efficient service delivery	-	- The strategic Plan for FY 2025/2026 was carried out through consultancy services -Capacity building of staff

8. Corporate Governance Statement

The Kitale Municipality received 6 new board members in October 2024 and the seventh member in . They were taken for induction at the Kenya School of Government in June 2025 to prepare them for their duties of governance of the Municipality.

The role of the board members include:

- (a) Oversee the affairs of the Municipality;
- (b) Develop or adopt policies, plans, strategies and programs and set targets for service delivery;
- (c) Formulate and implement an integrated development plan;
- (e) Promote and undertake infrastructural development and services within Municipality as delegated by the County Government of Trans Nzoia;
- (f) Develop and manage schemes, including site development in collaboration with the relevant national and county agencies;
- (h) Administer and regulate its internal affairs; among others

The boards is engaged on part time basis and their sitting allowances are guided by the salaries and remuneration commission

9. Management Discussion and Analysis

The Kitale Municipality had a deficit of Ksh 18,901,711 compared to Ksh. 6,984,185 in FY 2023/2024 a difference largely due to the depreciation expense. The Kitale Municipality was also able to grow its assets in the category of Property Plant and Equipment to Ksh 902,261,637 from Ksh 855,712,635 in FY 2023/2024. The receivables of the Municipality increased from Ksh 43,219,997 in 2023/24 to Ksh 43,419,497 in the current year, mainly composed of inter-entity borrowing and the challenges of Municipality underfunding. The payables also increased to Ksh 81,921,784 from Ksh 78,995,898, but efforts will be made this year to settle them on time

The Municipality also managed to carry out road maintenance in the CBD along with parking slot marking. Beautification was done at the Assembly centre and at Alakara roundabout which is ongoing. Skip bins worth Ksh 1,946,000 were procured and distributed to various parts of town for better solid waste management. The strategic Plan for FY 2025/2026 was also prepared through consultancy services.

The Municipality is fully compliant with tax requirements; however all employee deductions are handled by the Department of Public Service Management on behalf of the Kitale Municipality. It also ensures that only tax compliant suppliers are contracted.

The Municipality faces a risk in delay of payment of withholding taxes and VAT if the payment certificate is more than the cash balances held in commercial banks. The Kitale Municipality is also anticipating the transfer of funds to be able to successfully carry out transferred functions from other departments.

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

The Kitale Municipality is mandated to provide a sustainable environment for the traders and residents of the municipality. This financial year, the municipality collaborated with other county departments and the chamber of commerce to carry out several town clean up exercises and sensitize the community on the need for proper waste disposal and waste segregation.

2. Environmental performance

As an effort to manage waste disposal within Kitale Town, the municipality procured bulk skip litter bins that were placed strategically across Kitale Town and the Main Market during the financial year.

3. Employee welfare

The Kitale Municipality facilitated the training of its technical staff in their respective professions to enhance their capacity in service delivery.

The recruitment of staff at the municipality is carried out by the County Public Service Board. The municipal staff have been trained on performance management and appraisal that will be reviewed in September 2025

4. Market place practices

Kitale Municipality has directed its efforts to:

a) Responsible competition practice.

Development at Kitale Municipality is guided by the Urban Development plan to distribute development and maximise opportunities to residents/ investors for purpose of improving livelihood and growing the economy of the municipality. The Kitale Municipality considers gender on available opportunities and give everyone equal chance to compete for tenders which are evaluated on common/ standard requirements to be met and equal chance on benefiting from development activities.

b) Responsible Supply chain and supplier relations

Tenders are advertised online and thus competitive where the suppliers with the best products/ services are awarded. On opening of tenders' suppliers who apply are allowed to witness the tender opening process to confirm that all who applied met the minimum requirements.

c) Responsible marketing and advertisement

We give notices and tender adverts to our major stakeholders and have some advertised in the website. We also give a chance to the residents and other stakeholders by making it known during our public participation meetings.

d) Product stewardship

We undertake inspection on goods supplied to ensure that the contract agreement is applied in terms of quality, quantity required, pricing and specification involving technical/ user Department, finance, supply Chain Officer and the supplier.

5. Community Engagements

We involved the community in preparation of the fiscal strategy paper to give them a chance to decide on their preferred projects thus having a public forum. The Municipality Website is also up and functional providing an online platform for interactions with the residents. Report of the Kitale Municipal Board Members

The Board Members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Kitale Municipality affairs.

Principal activities

The principal activities of the Kitale Municipality are (*refer to page ii*)

Performance

The performance of the Kitale Municipality for the year ended June 30, 2025 are set out on page 1-6

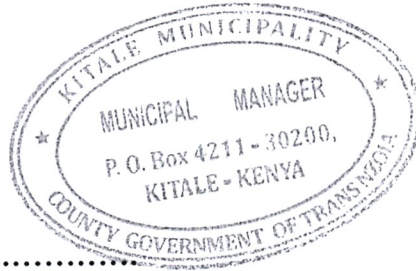
Board Members

The board members who served during the year are shown on page vi –x, they came into office in October 2024.

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.

By Order of the Board



Name: Irene Nangole.

Secretary of the Board

11. Statement of Management's Responsibilities

Section 180 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of the Kitale 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 Kitale Municipality manager is responsible for the preparation and presentation of the Kitale Municipality's financial statements, which give a true and fair view of the state of affairs of the Kitale Municipality for and as at the end of the financial year ended on June 30, 2025. 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 Kitale 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 Kitale Municipality, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Kitale 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 Kitale Municipality Manager is of the opinion that the financial statements give a true and fair view of the state of Kitale Municipality's transactions during the financial year ended June 30, 2025, and the financial position as at that date.

The Kitale 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.

County Government of Trans Nzoia


Kitale Municipality

Annual Report and Financial Statements for the year ended June 30, 2025

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern (*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 Kitale Municipality Manager to indicate that the Kitale 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 City/Municipal/City's financial statements were approved by the Board on 28-8-2025 and signed on its behalf by:


.....
Name: **WILBERFORCE WAMALWA**

Chairperson of the Board




.....
Name: **Irene Nang'ole**

Accounting officer of the Board



REPUBLIC OF KENYA



Phone: +254-(20) 3214000
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 KITALE MUNICIPALITY FOR THE YEAR ENDED 30 JUNE, 2025

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.

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kitale Municipality set out on pages 1 to 45, which comprise of the statement of financial position as at 30 June, 2025 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, the financial statements present fairly, in all material respects, the financial position of Kitale Municipality as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Governments Act, 2012, Urban Areas And Cities Act, 2011 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.9,865,768 against actual revenue of Kshs.7,949,018 resulting into an underfunding of Kshs.1,916,750 or 19% of the budget. Further, the Municipality spent Kshs.7,834,318 against actual receipts of Kshs.7,949,018 resulting in underutilization of Kshs.114,700 or 1% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on page ii to xxvi which comprises of Key Entity Information and Management, The Board of Directors, Management Team, 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, and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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-Remittance of Public Procurement Capacity Building Levy

During the financial year ended 30 June, 2025, the Municipality issued and paid local purchase orders/local service orders and contracts amounting to Kshs.16,847,084. However, the Management did not deduct and remit the public procurement capacity building levy of 0.03% of the contract amount paid leading to unremitted levy of Kshs.9,619. This was contrary to paragraph 3(1) of Legal notice 206 of the Levy Order 2023 which states that there shall be paid a Levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

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

2. Failure of the County Executive to Fund the Municipality's Approved Budget

The statement of financial performance reflects transfers from the County Government of Kshs.26,718,376 as disclosed in Note 6 to the financial statements. The amount includes Kshs.1,340,000 which was disbursed to the Municipality's bank account for recurrent expenditure, while the balance of Kshs.25,378,376 was paid by the County treasury on behalf of the Municipality. The funds were not transferred to the Municipality as budgeted, to be accounted for as a separate entity. This contravenes Section 171(1) of the Public

Finance Management Act, 2012 that states that an accounting officer of an urban area or city is responsible for the management of the revenue received by that urban area or city in accordance with Section 172, and revenue allocated by the County Government to the urban area or city.

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

3. Irregular Expenditure from the Retention Account

The statement of financial position reflects receivables from non-exchange transactions amounting to Kshs.43,419,497, as disclosed in Note 14 to the financial statements. Included in this balance is Kshs.26,518,750 relating to borrowings by other County entities. Examination of documents provided revealed that Kshs.25,000,000 was paid to a construction company on 1 September, 2023 from Kitale Municipality Urban Development Grant Account as part payment for construction of a multi-storey business complex initiated by the County Government of Trans Nzoia.

Through a letter dated 22 August, 2023, the Chief Officer for Finance and Economic Planning authorized the Municipal manager to utilize retention funds in the account to pay a contractor for the certificate issued. However, there was no written agreement for refund of the amount of Kshs.25,000,000 paid from the retention account and therefore, the Municipality cannot establish claim for advances made without formal agreement. Further, an inter-departmental borrowing, vide letter number CGTN/FIN/CO/30/VOL.1 (94) from the county treasury dated 19 August, 2024, authorized Kshs.500,000 to be drawn from the retention account. However, there was no evidence to confirm refund of the withdrawn amount.

In the circumstances, the Municipality may not be able to meet its retention payment obligations when they fall due.

4. Long-Outstanding Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.81,921,784 as detailed in Note 17 to the financial statements. However, review of trade and other payables ageing analysis revealed pending payments for goods, services and works totalling Kshs.80,746,684 have been outstanding for over 60 days. This was contrary to Regulation 150(1) of The Public Procurement and Assets Disposal Regulations, 2020 which requires that subject to the availability of funds and after proper certification of the goods, services or works have been done, a procuring entity shall make prompt payments for all performed contracts including enterprises owned by youth, women or persons with disabilities and shall make payment within sixty (60) days from the date of receipt of the invoice.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON 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 Autonomy in Municipality Operations

During the financial year under review, despite having a duly constituted board and a charter, the Municipality remained partly controlled by the County Government of Trans Nzioa, as major operational and financial decisions continue to require county executive approval.

This limits the municipality's ability to independently exercise its statutory mandate as provided under Section 12 of the Urban Areas and Cities Act, 2011, which states that the board of an area granted the status of a city or municipality under this Act shall be a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of doing or performing all other acts or things for the proper performance of its functions in accordance with this Act or any other written law which may lawfully be done or performed by a body corporate.

In the circumstances, the Municipality may fail to execute her mandate effectively and efficiently because of the bureaucratic nature of the reporting system.

2. Failure to Appoint a Substantive Municipal Manager

As previously reported, the Management of the Municipality is under a Municipal manager who was appointed by the County Public Service Board vide the letter Ref. No. CGTN/CPSB/II VOL.15/92 of 15 October, 2018. The manager was given a compulsory leave in July, 2023. However, there was no evidence if any disciplinary proceedings were initiated against the manager and if he continues to earn. At the time of audit in September 2025, the Municipality was under an acting manager who was appointed by the County Secretary on 11 July, 2023 and has been acting for over two (2) years contrary to Section 34(3) of the Public Service Act, 2017 which states that an officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding a period of six months.

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

3. Delay in Completion of the Multi-Storey Business Complex and Lack of Ownership Documents for Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.902,261,637 as disclosed in Note 16 to the financial statements. This includes Kshs.874,280,383 for the construction of a multi-storey business complex in Kitale town. The multi-year project contract was signed on 25 June, 2018 with a contract period of seven hundred and thirty-one (731) days and the expected completion date of 10 June, 2021. However, land ownership documents on where the business complex was built were not provided for audit. Further, physical inspection carried out on 6 October, 2025 revealed that the contractor was not on site and the project had stalled at 92% completion level. In addition, log book for a tractor with a net book value of Kshs.104,379 was not provided for verification.

In the circumstances, ownership of the land and tractor could not be confirmed and the benefit to the public has not been realized from the amount spent in the construction of the business complex.

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 Board of Management

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 November, 2025

13. Statement of Financial Performance for The Year Ended 30 June 2025.

Description	Note	2024/2025	2023/2024
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the County Government	6	26,718,376	12,910,315
Public contributions and donations	7	-	30,000
		26,718,376	12,940,315
Revenue from exchange transactions			
Interest income	8	283	206,436
			206,436
Total revenue		26,718,659	13,146,751
Expenditure			
Use of goods and services	9	14,195,381	11,510,143
Board expenses	10	2,171,889	4,483,000
Depreciation and amortization	11	12,910,506	645,369
Repairs and maintenance	12	16,342,594	3,492,550
Total expenses		45,620,370	20,131,062
Surplus/(deficit) for the period		-18,901,711	-6,984,311

The notes set out on pages 8 to 36 form an integral part of these Financial Statements. The Kitale Municipality financial statements were approved on 28/08/ 2025 and signed by:

.....
 Name: Irene Nangole
 Kitale Municipality Manager

.....
 Name: Thomas Tonui
 Head of Finance
 ICPAK M/No 22741

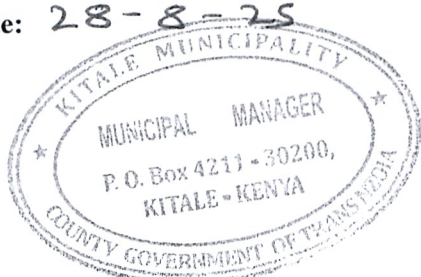


14. Statement of Financial Position As At 30 June 2025

Description	Note	2024/2025	2023/2024
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	13	793,722	1,892,016
Receivables from Non- exchange transactions	14	43,419,497	43,219,997
Inventories	15	482,900	3,336,125
Total current assets		44,696,119	48,448,138
Non-current assets			
Property, plant, and equipment	16	902,261,637	855,712,635
Total Non-current Assets		902,261,637	855,712,635
Total assets		946,957,756	904,160,773
Liabilities			
Current liabilities			
Trade and other payables	17	81,921,784	78,995,898
Total current liabilities		81,921,784	78,995,898
Non-current liabilities		-	
Total liabilities	17	81,921,784	78,995,898
Net assets		865,035,972	825,164,870
Capital/Development Grants/Fund		936,424,483	844,705,091
Accumulated surplus		-71,388,515	-19,540,221
Total net assets and liabilities		865,035,972	825,164,870

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kitale Municipality financial statements were approved on 28/08/2025 and signed by:

.....
 Name: Irene Nang'ole
 Kitale Municipality Manager
 Date: 28-8-25



.....
 Name: Thomas Tanvi
 Accountant, ICPAK M/No 22741
 Date: 28/08/2025

15. Statement of Changes in Equity as at 30 June 2025

Description	Capital Grant	Revaluation Reserve	Accumulated surplus	Total
	Kshs.	Kshs.	Kshs.	Kshs.
Bal as at 1 July 2023	675,697,718	-	-12,555,910	663,141,808
Surplus/(deficit) for the year	-	-	-6,984,311	-6,984,311
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Prior Year Adjustments-WIP	169,007,373	-	-	169,007,373
Balance as at 30 June 2024	844,705,091	-	-19,540,221	825,164,870
Bal as at 1 July 2024	844,705,091	-	-19,540,221	825,164,870
Prior Year Adjustment			-32,946,583	-32,946,583
Surplus/(deficit) for the year		-	-18,901,711	-18,901,711
Additions during the year during the year	91,719,392	-		91,719,392
Balance as at 30 June 2025	936,424,483	-	-71,388,515	865,035,968

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16. Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	2024/2025	2023/2024
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the County Government-Operations Funds	6	1,340,000	2,339,915
Payments through IFMIS		25,378,376	-
Public contributions and donations	7	-	30,000
Interest received	8	283	206,436
Unspent Imprest Stella Kiliswa FY 2022/23	14	-	1,179,300
Imprest Refund James Abuya FY 2022/2023	14	-	700,000
Total Receipts		26,718,659	4,455,652
Payments			
Use of goods and services	9	-727,300	-488,873
Use of goods and services IFMIS		-5,948,479	
Board expenses- Induction Training	10	-498,000	-3,262,000
Board expenses- IFMIS		-1,673,889	
Repairs & Maintenance	12	-	-
Repairs & Maintenance IFMIS	12	-6,762,594	
Bank Charges	9	-277	-34,225
Total Payments		-15,610,539	-3,785,098
Net cash flows from operating activities		11,108,120	670,554
Cash flows from investing activities			
Purchase of PPE & intangible assets	16	-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Refund of Usafi Day Expenses	14	400,000	-400,700
Refund of Benevolent and staff meeting Expenses	14	60,000	-20,000
Borrowing for Training, maintenance and board expenses	14	-1,200,000	-640,400
Borrowing by Finance Department	14	-500,000	-500,000
Refund of unspent borrowed funds	14	27,000	-25,000,000
Payment of Payables		-10,993,414	
Net cash flows used in financing activities		-12,206,414	-26,561,100
Net increase/(decrease) in cash & cash equivalents		-1,098,294	-25,890,546

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Cash And Cash Equivalents At 1 July 2024	14	1,892,016	28,961,933
Prior Year Adjustment –Unspent Imprest refunded		-	-1,179,300
Prior Year Adjustment- Casting Error		-	-70
Cash And Cash Equivalents At 30 June 2025	14	793,722	1,892,016

(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting).

Cashflow Notes

The entries indicated as IFMIS refers to payments made on e behalf of the Municipality and not through the operations Bank Account

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17. Statement of Comparison of Budget & Actual Amounts for the Year ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
Budget carryovers from the previous year*	-	-	-	-	-	-
Receipts						
Transfers from the County Government	8,216,324	1,649,444	9,865,768	7,949,018	1,916,750	81
Public contributions and donations	-	-	-	-	-	-
Interest income	-	-	-	283	-283	-
Miscellaneous income	-	-	-	-	-	-
Total Receipts	8,216,324	1,649,444	9,865,768	7,949,301	1,916,467	81
Payments						
Use of goods and services	5,260,000	727,479	5,987,479	5,350,379	637,100	89
Board expenses	1,900,000	292,289	2,192,289	2,171,889	20,400	99
Repairs and Maintenance	200,000	846,000	1,046,000	312,050	733,950	30
Acquisition of Non-Financial Assets	856,324	(216,324)	640,000	0	640,000	0
Total expenditure Payments	8,216,324	1,649,444	9,865,768	7,834,318	2,031,450	79
Surplus for the period	0	-	0	114,983	(114,983)	
Capital Expenditure Payments	212,378,528	(64,160,456)	148,218,072	7,775,944	140,442,128	5

Budget notes

The difference between actual and budgeted amounts resulted from funds reallocation during the supplementary budget. In addition, the Statement of Comparison is prepared on cash basis and only indicates the amounts received and paid. The actual amounts absorbed were Ksh16,888,884 out of the accessible Ksh16,950,544 (99.6 %) for Development and Ksh 9,722,918 out of 9,865,768 for recurrent (98 %) and the amounts not paid are reflected in the payables for the FY 2023/2024 in Note 16. The development budget consisted of 131,267,528 KUSP II funds which were not received resulting in absorption of only 10%of the development budget the portion funded by the county government.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	114,983
1	Retention A/C Transactions	
a)	Training Expenses	-995,000
b)	Pending Bill Payment-Board Expenses	-159,500
c)	Maintenance of Motor vehicles	-18,500
2	Refunds	460,000
3	Funds Borrowed-Finance	-500,000
4	Bank Charges	-277
	Opening Cash Balance	1,892,016
	Closing Cash and Cash Equivalent as per the statement of Cash flows	793,722

18. Notes to the Financial Statements

1. General Information

Kitale Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act 2011. Municipality is under the Trans Nzoia County Government and is domiciled in Kenya.

The Kitale Municipality principal activity is to provide physical infrastructure for efficient and accountable management of the affairs, provide for governance mechanism that will enable the inhabitants of the Municipality to participate in determining the social services and regulatory framework which will best satisfy their needs and expectations

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 *Kitale Municipality'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 *Kitale Municipality*.

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

3. Application of New and revised standards (IPSAS)

i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There were no new and amended standards issued in the financial year.

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> 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 Kitale Municipality. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. Not relevant
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. Not relevant
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.

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	Not relevant
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not relevant</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>Not relevant</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>Not relevant</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Not relevant</p>
IPSAS 50:	<i>Applicable 1st January 2027</i>

Exploration For & Evaluation of Mineral Resources	<p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the Kitale Municipality’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>Not relevant</p>
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iii. Early adoption of standards

The Kitale Municipality did not early – adopt any new or amended standards in the financial year.

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 Kitale 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 have 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 2024/25 was approved by the County Assembly on 18/07/2024. 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 Kitale Municipality upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Kitale Municipality recorded reduced appropriations of 62,511,012 on 12/03/2025 following the governing body's approval.

The Kitale 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 is provided under the Budget Notes as the Municipality receives all its funds from the executive except donor funds, therefore no direct cash involved unless transferred to the bank for specific votes only.

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 Kitale 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) Biological Assets

The Kitale Municipality recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the Kitale Municipality, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Kitale Municipality does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).*

A financial instrument is any contract that gives rise to a financial asset of one Kitale Municipality and a financial liability or equity instrument of another Kitale Municipality. At initial recognition, the Kitale Municipality 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 Kitale Municipality 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 Kitale Municipality'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 Kitale Municipality 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 Kitale Municipality 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 Kitale Municipality manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through a 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 Kitale Municipality 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 Kitale Municipality recognizes a loss allowance for such losses at each reporting date..

Financial liabilities

Classification

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

g) 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 Kitale Municipality.

h) Provisions

Provisions are recognized when the Kitale 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 Kitale 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.

i) 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 needs of society as a whole. The Kitale Municipality recognises a social benefit as an expense for the social benefits 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 Kitale Municipality will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

The Kitale 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.

k) Contingent assets

The Kitale 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 Kitale 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

l) Nature and purpose of reserves

The Kitale Municipality creates and maintains reserves in terms of specific requirements. There are no reserves as at end of FY 2024/2025

m) Changes in accounting policies and estimates

The Kitale 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.

n) Employee benefits – Retirement benefit plans

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

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

o) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

p) 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.

q) Related parties

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

r) Cash and cash equivalents

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

s) Comparative figures

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

t) Events after the reporting period

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

- (a) Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- (b) Those that are indicative of conditions that arose after the reporting date (*non-adjusting events after the reporting date*).

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

u) Currency

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

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made.

Estimates and assumptions.

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

- vi) Based on the Useful Life and Depreciation rates as per: Guidelines on Asset and Liability Management in The Public Sector, issued by the National Treasury of the Republic of Kenya in March 2020. The depreciation rates are applied as follows:

Asset Description	Useful Life	Depreciation Rate
Road	10	10%
Lorry-Skip Truck	10	10%
Heavy Duty Utility Vehicles	8	12.5%
Water storage facilities	10	10%
Furniture and fittings	8	12.5%
Computers	3.33	30%
Work in progress	-	-

The guideline under section 126 clause 2 indicates that depreciation is not applicable to Work In Progress.

Notes to the Financial Statements

6. Transfers from the County Government

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	1,340,000	2,339,915
Payments by County on behalf of the Kitale Municipality	25,378,376	10,570,400
Total	26,718,376	12,910,315

The Ksh 1,340,000 was transferred from the Municipality's votes through IFMIS into the operations bank account.

(a) Transfers from County Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of financial performance * Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2023/2024
			Kshs	Kshs	Kshs
County Executive	26,718,376	-	-	26,718,376	12,910,315
Total	26,718,376	-	-	26,718,376	12,910,315

7. Public Contributions and Donations

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Contributions from the public	-	30,000
Total	-	30,000

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8. Interest income

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Interest income on bank deposits UDG	267	205,654
Interest income on bank deposits UIG	16	782
Total interest income	283	206,436

This is interest earned on deposits held in the 2 recurrent bank accounts held by the Municipality.

9. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Communication, supplies and services	50,000	50,000
Domestic travel and subsistence	1,610,100	1,745,630
Printing, advertising, supplies & services	140,880	1,748,200
Trade Shows and Exhibitions	-	254,250
Training expenses	1,237,700	1,586,580
Hospitality supplies and services	403,200	1,221,480
Public Fora	-	230,000
Specialized materials and services	-	2,440,995
Office and general supplies and services	5,935,525	470,630
Fuel, oil and lubricants	2,000,000	700,000
Other operating expenses -Clean Up	319,499	478,653
Subscriptions	11,200	-
Contracted Professional Services	2,487,000	-
Benevolent Expenses	-	50,000
Purchase of Staff uniforms	-	499,500
Bank Charges	235	3,260
Tax on Interest Earned	42	30,965
Total	14,195,381	11,510,143

10. Board expenses

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Inauguration	118,000	-
Sitting allowances	432,200	750,500
Induction and Training	1,299,189	3,262,000
Travel and accommodation	-	470,500
New Board Vetting	322,500	-
Total	2,171,889	4,483,000

11. Depreciation and amortization

Description	2024/2025	2023/2024
	KShs	KShs
Property, plant and equipment	12,910,506	645,369
Total depreciation and amortization	12,910,506	645,369

12. Repairs and Maintenance

Description	2024/2025	2023/2024
	KShs	KShs
Property- Buildings	-	624,800
Office equipment	48,100	-
Motor vehicle expenses	962,450	349,450
Maintenance of civil works	15,332,044	2,518,300
Total repairs and maintenance	16,342,594	3,492,550

13. Cash and cash equivalents

Financial institution	Account number	2024/2025	2023/2024
		Kshs.	Kshs.
a) Current account			
Equity Bank-UIG	0330279238289	471	457
Equity Bank – UDG	0330278998033	7,778	7,550
SBM BANK	0402381879001	117,431	2,731
Equity-Retention	0330285222490	668,042	1,881,277
Special Purpose Account KUSP I	1000376996	1	0
Grand total		793,722	1,892,016

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

Financial institution	Account number	2024/2025	2023/2024
		Kshs.	Kshs.
b) Fixed deposits account			
Kenya Commercial bank	-	-	-
Equity Bank, etc	-	-	-
Sub- total	-	-	-
c) On - call deposits			
Kenya Commercial bank	-	-	-
Equity Bank - etc	-	-	-
Sub- total	-	-	-
d) Current account			
Equity Bank-UIG	0330279238289	471	457
Equity Bank - UDG	0330278998033	7,778	7,550
SBM BANK	0402381879001	117,431	2,731
Equity-Retention	0330285222490	668,042	1,881,277
Special Purpose Account KUSP I	1000376996	1	0
Sub- total		793,722	1,892,016
e) Others(specify)			
Cash in transit	-	-	-
Cash in hand	-	-	-
Mobile Money	-	-	-
Sub- total	-	-	-
Grand total	-	793,722	1,892,016

14. Receivables from Non-Exchange transaction

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Retentions –Shiv Trade Department & Public Service Management	16,900,747	16,900,747
Borrowing by county entities	26,518,750	26,319,250
Imprest from UDG SPA 1000376996 refundable	0	700,000
Total receivables from non-exchange transactions	43,419,497	43,219,997

Ageing analysis for Receivables from non-exchange transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	500,000	1	26,319,250	61
Between 1- 2 years	26,018,750	60	-	-
Between 2-3 years	16,900,747	39	16,900,747	39
Over 3 years	-	-	-	-
Total	43,419,497	100	43,219,997	100

15. Inventories

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Stationery	202,900	445,130
Consumables	-	445,495
Other inventories(<i>Litter Bins</i>)	280,000	2,445,500
Total inventories at the lower of cost and net realizable value	482,900	3,336,125

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The litter bins which had not yet been issued were meant for use in the Masinde Muliro Business Centre which was expected to be complete before the financial year 2024/2025, however this did not happen and the bins are held at the Public Works Stores.

Detailed Disclosure on Inventories

	2024/2025	2023/2024
Opening balance	3,336,125	993,187
Additional Inventory in the year	3,034,100	3,336,125
Inventory expensed in the year	-5,887,325	-993,187
Closing balance	482,900	3,336,125

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16. Property, Plant and Equipment

Description	Road	Lorry-Skip Truck	Heavy Duty Utility Vehicles	Water storage facilities	Furniture and fittings	Computers	Work in progress	Total
	10%	10%	12.5%	10%	12.5%	30%	-	
As at 1st July 2023 at Cost	108,295,110	-	-	-	836,950	1,984,000	742,798,550	853,914,610
Additions	-	-	-	3,499,000	-	179,000	-	3,678,000
As at June 2024 at Cost	108,295,110	-	-	3,499,000	836,950	2,163,000	742,798,550	857,592,610
Accumulated Depreciation and Impairment								
As at 1st July 2023	-	-	-	-	-179,607	-1,055,000	-	-1,234,607
Charge for the year	-	-	-	-	-104,619	-540,750	-	-645,369
As at 30 June 2024	-	-	-	-	-284,226	-1,595,750	-	-1,879,976
As at 30th June 2024 NBV	108,295,110	-	-	3,499,000	552,725	567,250	742,798,550	855,712,635
As at 1st July 2024 at Cost	108,295,110	-	-	3,499,000	836,950	2,163,000	742,798,550	857,592,610
Additions	-	6,315,792	1,475,498	-	254,000	432,700	83,928,102	92,406,092
As at June 2025 at Cost	108,295,110	6,315,792	1,475,498	3,499,000	1,090,950	2,595,700	826,726,652	949,998,702
Accumulated Depreciation and Impairment								
As at 1st July 2024	-	-	-	-	-284,226	-1,595,750	-	-1,879,976
Prior Year Adjustment	-32,488,533	-	-	-349,900	-	-108,150	-	-32,946,583
Charge for the year	-10,829,511	-631,579	-184,437	-349,900	-136,369	-778,710	-	-12,910,506
As at 30 June 2025	-43,318,044	-631,579	-184,437	-699,800	-420,594	-2,482,610	-	-47,737,065
As at 30th June 2025 NBV	64,977,066	5,684,213	1,291,061	2,799,200	670,356	113,090	826,726,652	902,261,637

Additional Notes: The WIP refers to the Masinde Muliro Business centre which is at 96 % completion, the additions were based on certificates issued for the works done. The prior year adjustments refer to depreciation not effected on roads since FY 2021/2022, water storage facilities FY 2023/2024 and the rate applicable for computers is 30% and not 25% as applied in FY 2023/2024. The additions of the lorry and other vehicles was a transfer from the department of Water & Environment upon which the fair values were determined by the Municipality through the Department of Public Works as indicated.

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17. Trade and Other Payables

Description	2024/2025		2023/2024	
	Kshs.		Kshs.	
Board Expenses	-		159,500	
catering	62,400		129,800	
Consultancy	9,291,628		6,804,628	
Furniture	285,631		537,000	
Inventory	1,133,900		4,938,126	
IT Equipment	432,700		186,069	
Maintenance Buildings	-		824,800	
Maintenance Civil Works	8,881,500		-	
Maintenance Motor vehicles	766,000		349,450	
Printing Services	199,750		199,750	
Retentions	60,801,775		60,801,775	
Subscriptions	7,500		-	
Staff Uniforms	-		499,500	
Traing Costs -Professional Membership	59,000		66,500	
Water Infrastructure Installation	-		3,499,000	
Total trade and other payables	81,921,784		78,995,898	
			-	
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	13,919,300	18	8,808,195	11
1-2 years	7,200,709	2	9,376,928	12
2-3 years	-	-	16,900,747	21
Over 3 years	60,801,775	80	43,910,028	56
Total	81,921,784	100	78,995,898	100

18. Related party balances

a) Nature of related party relationships

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

- a) The Trans Nzoia County Government.
- b) The Department of Lands, Housing, Physical Planning and Urban Development.
- c) Trans Nzoia County Assembly.
- d) Key management.
- e) Kitale Municipality Board; etc.

b) Related party transactions

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Transfers from related parties'	1,340,000	-
Transfers to related parties	500,000	26,141,100

c) Key management remuneration

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Board Members	1,382,000	1,221,000
Key Management Compensation	-	-
Total	1,382,000	1,221,000

The remuneration is part of the Board Expenses as per Note 10 but refers to what was received by the board members

d) Due from related parties

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Due from parent Ministry	518,750	819,250
Due from County Government-Trade Department	25,000,000	25,000,000
Finance Department	1,000,000	500,000
Trade & PSM Departments (Retentions)	16,900,747	16,900,747
Total	43,419,497	43,219,997

19. Financial risk management

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

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

I. Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience, and other factors. Individual risk limits are set based on internal or external assessments in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Kitale Municipality's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the Kitale Municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
At 30 June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	44,432,997	44,432,997	16,900,747	-
Bank balances	-	-	-	-
Total	44,432,997	44,432,997	16,900,747	-
At 30 June 2024	43,219,997	43,219,997	16,900,747	-
Receivables from exchange transactions	1,892,016	1,892,016	-	-
Receivables from non-exchange transactions	45,112,013	45,112,013	16,900,747	-
Bank balances	43,219,997	43,219,997	16,900,747	-
Total	1,892,016	1,892,016	-	-

The customers under the fully performing category are paying their debts as they continue trading.

The credit risk associated with these receivables is minimal and the allowance for uncollectible

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

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

II. Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs.	Kshs.	Kshs.	Kshs.
At 30 Jun 2025				
Trade payables	13,919,300	-	62,671,056	76,590,356
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	13,919,300	-	62,671,056	76,590,356
At 30 Jun 2024				
Trade payables	8,808,195	-	70,187,703	78,995,898
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	8,808,195	-	70,187,703	78,995,898

III. Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Kitale Municipality’s income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Kitale Municipality’s Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Kitale Municipality’s exposure to market risks or the manner in which it manages and measures the risk.

IV. Foreign currency risk

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

Description		Other currencies	Total
	Kshs.	Kshs.	Kshs.
At 30 June 2025			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs.	Kshs.	Kshs.
2025			
Euro	10%	-	-
USD	10%	-	-
2024			
Euro	10%	-	-
USD	10%	-	-

V. Interest rate risk

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

Management of interest rate risk

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

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VI. Capital risk management.

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

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Revaluation reserve	-	-
Capital/Development Grants/Kitale Municipality	936,424,483	844,705,091
Accumulated surplus	-21,959,203	-19,540,221
Total Funds	914,465,280	825,164,870
Total borrowings	-	-
Less: cash and bank balances	793,722	1,892,016
Net debt/(excess cash and cash equivalents)	-793,722	-1,892,016
Gearing	0%	0%

20. Appendices

Appendix 1. Progress on Follow up of Auditors Recommendations.

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p style="text-align: center;">Unsupported Inventories</p> <p>The statement of financial position reflects inventories balance of Kshs.3,336,125 as disclosed in Note 16 to the financial statements. However, stock cards and stock taking reports in support of the balance were not provided for audit. In addition, Management procured branded bins from three (3) firms amounting to Kshs.1,946,000. However, the procurement was not supported by contracts between the firms and the Municipality.</p> <p>In the circumstances, the accuracy and completeness of inventories balance of Kshs.3,336,125 could not be confirmed.</p>	<p>The stock cards (S3) and stock take reports were presented for audit on 24/10/2024 (when requested) in support of the stock balances.</p> <p>The litter bins were indeed procured from 3 firms and the procurement contracts between the firms and the Municipality attached</p>	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.	<p>Unsupported Expenditure on Repair and Maintenance</p> <p>The statement of financial performance reflects repair and maintenance amount of Kshs.3,492,550 as shown in Note 13 to the financial statements. However, there were no supporting contracts, invoices, pre-repair and post-repair reports to support expenses.</p> <p>In the circumstances, the accuracy, and completeness of repair and maintenance expenditure of Kshs.3,492,625 could not be confirmed.</p>	<p>The contracts, invoices, pre-repair and post repair reports were submitted to the auditors for review during the audit exercise and are available for review.</p>		
3.	<p>Emphasis of Matter</p> <p>Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects final revenue budget against actual revenue on comparable basis of Kshs. 11,992,705 and Kshs. 9,691,752 respectively resulting to an underfunding of Kshs. 2,300,953 or 21% of the budget. Similarly, the actual receipts amounted to Kshs.</p>	<p>The KES. 11,992,705 reflects the approved budget, while the KES. 9,691,752 are the funds that were received during the financial year. The KES. 2,300,953 was not received due</p>	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>9,691,752 against actual expenditure of Kshs. 7,306,600 resulting to underutilization of Kshs. 2,385,152 or 20% of the total receipts.</p> <p>The under-funding and under-utilization of the funds affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>to revenue shortfalls, which resulted to pending bills amounting to KES. 2,241,195 as highlighted in Appendix 3.</p> <p>The budget statement indicates KES. 7,306,600 as actual expenditure which represents actual payments through the Municipality's votes in IFMIS. However, there was an omission of KES. 2,360,560 paid</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		through the Municipality's bank account from the Kenya Urban Support Programme (KUSP) funds as captured in Appendix 3, which indicates that 99.7% of the available funds were utilized.		
4.	Long-Outstanding Trade and Other Payables The statement of financial position and Note 18 to the financial statements reflects trade and other payables balance of Kshs.78,995,898. However, a review of trade and other payables ageing analysis revealed pending payments for goods, services and works totalling Kshs.70,187,695	Out of the KES. 70,187,695, KES 60,801,775 is the amount of retentions for work in Progress which will be due at the end of the Defects Liability Period after the	Not Resolved	30/06/2026

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>which have been outstanding for over 60 days. This was contrary to Section 68 (2)(d) of the Public Finance Management Act, 2012 and Regulation 150(1) of the Public Procurement and Asset Disposal Regulations, 2020.</p> <p>In the circumstances, the propriety of the trade and other payables balance of Kshs.70,187,695 could not be confirmed and the Municipality may attract punitive penalties for failing to settle the amounts as and when they fall due.</p>	<p>completion of the project.</p> <p>As at March 2025, KES. 6,953,864 had been paid, the balance of KES. 2,432,056 will be considered for payment in the subsequent budget.</p>		
5.	<p>Irregular Engagement of Municipal Manager</p> <p>As previously reported, Management of the Municipality is under a Municipal Manager who was appointed by the County Public Service Board through the letter Ref.No.CGTM/CPSB/II VOL.15/92 of 15 October, 2018. The Manager was given a compulsory leave in July, 2023. At the time of audit in October, 2024, the Manager had not resumed to the office and in his place was an Acting Manager who</p>	<p>The contract term for the former Municipal Manager was 5 years, non-renewable and was coming to an end by September 2023.</p>	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>was appointed by the County Secretary of Trans Nzoia through letter Ref. No.CGTN/CS/9/VOL.I of 11 July, 2023 on acting capacity to carry out duties of the Manager for the duration the Manager was to go on leave. This was contrary to Section C.14 (1) of the Public Service Human Resources Procedure Manual, 2016 which states that acting allowance will not be payable to an officer for more than six (6) months.</p> <p>In the circumstances, Management was in breach of Human Resources Manual.</p>	<p>There is approval from the County Public Service Board to pay Special Duty Allowance. The recruitment process of a substantive Manager for Kitale Municipality commenced through an advertisement (Annex 5b).</p>		
6.	<p>Lack of Strategic Plan</p> <p>Review of the documents provided for audit verification revealed that the Municipality did not have an approved Strategic Plan. This was contrary to Section 149(2)(g) of the Public Finance Management Act, 2012 which requires the accounting officer to prepare a strategic plan for the Kitale Municipality in conformity with the medium-term</p>	<p>The Municipality developed the Integrated Development Plan (IDeP) 2023-2028 and will be procuring the services of a</p>	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>fiscal framework and financial objectives of the County Government.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>consultant to help in preparation of the Kitale Municipality Strategic Plan and this is included in the procurement plan for FY 2024/2025.</p>		
7.	<p>Irregular Spending of Retentions Monies</p> <p>The statement of financial position reflects trade and other payables balance of Kshs. 78,995,898 which include retention amount of Kshs. 60,801,767 as disclosed in Note 18 to the financial statements. However, review of bank statements and cash and cash equivalents schedules revealed that the retention account held at a local bank had only Kshs. 1,881,277 giving rise to a variance of Kshs. 58,920,490 which has not been explained or reconciled.</p> <p>In the circumstances, the Municipality may attract punitive</p>	<p>Since the commencement of the project in 2019, a Retention Funds Account (Equity Bank Acc. No. 0330285222490) was not opened until March 2024. Therefore, all cash relating to retention funds remained in the</p>	Partially Resolved	30/09/2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	penalties for failing to settle the amounts as and when they fall due.	operations account as unspent balances. Subsequently the retention funds will be considered in the next budget.		
8.	<p>Implementation of Oversight Bodies' Recommendations</p> <p>The audit established that statutory audits of the Board for the years ended 30 June, 2022 and 2023 were concluded and audit reports issued to the Board Management by the Auditor General. However, no evidence to show that the financial statements have been discussed by an audit committee was provided or has been tabled in the County Assembly for discussion.</p> <p>In the circumstances, the recommendations of the Auditor-</p>	<p>The Municipal Board has appeared once before the Senate Public Investments and Special Funds Committee and the Trans Nzoia County Public Accounts and Investment committee in September 2024 and October 2023</p>	Resolved	

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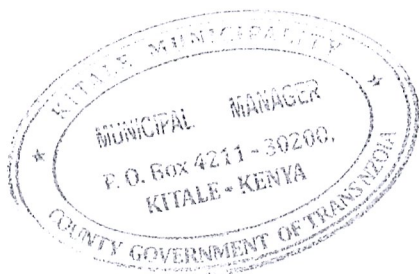
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	General may not have been implemented.	respectively. However, to date, there have been no recommendations received for implementation.		

Guidance Notes:

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

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To be Signed by the Accounting officer of the Kitale Municipality



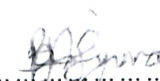
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Appendix 2: Inter-Kitale Municipality Transfers

KITALE MUNICIPALITY NAME:				
Breakdown of Transfers from the County Executive of Trans Nzoia County				
	FY 20xx/20xx			
a.	Recurrent Grants	<u>Bank Statement</u> <u>Date</u>	<u>Amount</u> <u>(Kshs.)</u>	<u>Indicate the FY to which the</u> <u>amounts relate</u>
1.	-	-	-	-
	-	-	-	-
b.	Development Grants	<u>Bank Statement</u> <u>Date</u>	<u>Amount</u> <u>(Kshs.)</u>	<u>Indicate the FY to which the</u> <u>amounts relate</u>
	-	-	-	-
c.	Direct Payments	<u>Bank Statement</u> <u>Date</u>	<u>Amount</u> <u>(Kshs.)</u>	<u>Indicate the FY to which the</u> <u>amounts relate</u>
1.	Payments on behalf of the Municipality	21/07/2025	25,378,376	2024/2025
2.	Transfer to Operations Account	02/07/2025	1,340,000	2024/2025
		Total	26,718,376	

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

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Signed by the Head of Accounts of the Kitale Municipality and the transferring Entities

Appendix 3: Reporting of Climate Relevant Expenditures

Name of the Organization Kitale Municipal Board

Telephone Number

Email Address

Name of Head Irene Nang'ole

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Greening /Beautification of Alakara Roundabout	Creation of a green area around the Alakara Roundabout	To enhance aesthetics of the town and help reduce soil erosion	Earthworks, landscaping, planting grass and trees	-	-	-	2,489,000	Municipality	Municipality ,Works Department
Purchase of litter Bins	Supply and delivery of steel skip bins	To manage solid waste	Supply and delivery of litter bins	-	-	-	1,988,000	Municipality	Municipality
Kitale Municipality Usafi Day	Environment clean-up	Environment clean-up within Kitale Town	To collect all solid waste within Town by all county staff	-	-	-	31,800	Municipality	Municipality

Appendix 4: Disaster Expenditure Reporting Template

Date:30/06/2025

Kitale Municipality Kitale 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 (Ksh s.)	Comments
-	-	-	-	-	-	-